UNIFIED SCHOOL DISTRICT NO. 364

Marysville, Kansas

FINANCIAL STATEMENT

June 30, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
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Decenber 30, 2025

Board of Education
Unified School District No. 364
Marysville, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 364 (the District), as of and for the year ended June 30, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2025, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to the Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Districts internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds:							
General	$ -	$ -	$ 7,612,635	$ 7,612,635	$ -	$ 27,133	$ 27,133
Supplemental General	170,068	-	2,483,826	2,461,672	192,222	24,225	216,447
Special Purpose Funds							
Preschool-Aged At-Risk	99,294	-	115,000	100,515	113,779	(1)	113,778
At-Risk (K-12)	381,647	-	1,191,607	1,246,317	326,937	38,999	365,936
Bilingual Education	3,331	-	1,477	809	3,999	-	3,999
Capital Outlay	1,058,573	-	1,660,761	1,150,509	1,568,825	82,343	1,651,168
Driver Training	41,180	-	9,665	4,273	46,572	-	46,572
Food Service	206,657	-	646,519	643,517	209,659	54	209,713
Professional Development	43,140	-	25,196	36,960	31,376	1,240	32,616
Special Education	179,088	-	1,694,137	1,515,694	357,531	(28)	357,503
Career and Postsecondary Education	369,158	-	414,311	416,885	366,584	1,894	368,478
KPERS Special Retirement Contribution	-	-	884,091	884,091	-	-	-
Special Education Cooperative	1,045,280	-	2,562,634	2,582,974	1,024,940	11,937	1,036,877
Contingency Reserve	859,138	-	-	-	859,138	-	859,138
Textbook and Student Material Revolving	230,846	-	62,846	172,845	120,847	19,166	140,013
Title I	35	-	169,769	169,769	35	-	35
Title IV-A	-	-	47,290	47,290	-	-	-
COPS Grant	-	-	210,899	229,570	(18,671)	-	(18,671)
Stay Positive Test Negative Grant	(12,406)	-	13,161	755	-	-	-
HRSA Grant	(2,657)	-	93,866	185,075	(93,866)	-	(93,866)
ESSER	(814,979)	-	984,304	169,325	-	21,652	21,652
KIDS University	16,013	-	86,105	88,824	13,294	205	13,499
Gifts/Grants	12,032	-	227	173	12,086	-	12,086
Long Range Capital Outlay	283,287	-	-	-	283,287	-	283,287
Gate Receipts	22,839	-	74,423	63,413	33,849	-	33,849
School Projects	203,148	-	247,930	245,703	205,375	-	205,375

(Continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Funds							
Bond and Interest	$ 3,271,113	$ -	$ 1,524,234	$ 1,381,024	$ 3,414,323	$ -	$ 3,414,323
Expendable Trusts							
USD 364 Scholarship	6,530	-	50	600	5,980	-	5,980
Homer Hanson Stadium Renovation	2,703	-	-	-	2,703	-	2,703
Total Reporting Entity (Excluding Agency Funds)	$ 7,675,058	$ -	$ 22,816,963	$ 21,411,217	$ 9,080,804	$ 228,819	$ 9,309,623
Composition of Cash							
Checking							$ 8,262,402
Kansas Municipal Investment Pool							1,230,634
Total District Cash and Investments							$ 9,493,036
Less: Agency Funds per Schedule 3							(183,413)
Total Reporting Entity (Excluding Agency Funds)							$ 9,309,623

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2025

Note 1: Summary of Significant Accounting Policies

Unified School District No. 364 (the District) is a Kansas school district governed by an elected seven-member Board of Education. The District prepares and reports its financial information in conformance with the regulatory basis of accounting as prescribed by the Director of Accounts and Reports of the State of Kansas and published in the *Kansas Municipal Audit and Accounting Guide*.

Reimbursed Expenses

Expenditures in the amount of $65,150 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria:

1. The related disbursement was made in the current year on behalf of the payee,
2. The item paid for was directly identifiable as having been used by or provided to the payee, and
3. The amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

General Fund -- the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund -- used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund -- used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Trust Fund - used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund -- used to report assets held by the District in a purely custodial capacity.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and bond and interest funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.

2. Publication in a local newspaper of the proposed budget and this notice of public hearing on the budget on or before August 5th.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The District did hold a revenue neutral hearing.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust and agency funds, and the following special purpose funds:

Contingency Reserve	Textbook & Student Material Revolving	Title I
Title IV-A	COPS Grant	Stay Positive Test Negative
HRSA Grant	ESSER	Kids University
Gifts & Grants	Long Range Capital Outlay	

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2: Deposits and Investments (Continued)

K.S.A. 9-1401 established the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool (KMIP). The District has no investment policies that would further limit its investment choices.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2025, is as follows:

		Investment Maturities (in Years)	
Investment Type	**Cost Value**	**Less than 1**	**1 - 2**
Kansas Municipal Investment Pool	$ 1,230,634	$ 1,230,634	$ -

Custodial credit risk -- deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2025.

At June 30, 2025, the carrying amount of the District's deposits was $8,262,402. The bank balance was $9,326,671. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balances, $250,000, was secured by FDIC insurance and the remaining $9,076,671 was collateralized by pledged securities with a fair market value of $9,357,627 held under joint custody receipts issued by a third-party bank in the District's name.

Custodial credit risk -- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 3: Prior Year Debt Defeasance

In prior year, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable escrow account to provide for all future debt service payments on the old refunded bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the District's financial statement. The final payout of the defeased bonds will be September 1, 2025.

At June 30, 2025, the following defeased bonds are outstanding:

Bond Series	$ 3,450,000

Note 4: Interfund Transfers

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 115,000
General	At-Risk (K-12)	K.S.A. 72-5167	919,100
General	Capital Outlay	K.S.A. 72-5167	312,334
General	Food Service	K.S.A. 72-5167	76,466
General	Professional Development	K.S.A. 72-5167	20,000
General	Special Education	K.S.A. 72-5167	1,373,912
General	Career & Postsecondary Education	K.S.A. 72-5167	400,000
Supplemental General	Bilingual Education	K.S.A. 72-5143	1,477
Supplemental General	At-Risk (K-12)	K.S.A. 72-5143	272,507
Supplemental General	Special Education	K.S.A. 72-5143	302,708
Special Education	Coop Special Education	K.S.A. 72-3422	1,487,703
Total Transfers			$ 5,281,207

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Changes	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2015	3.0 - 4.6%	12/1/2015	$ 16,000,000	9/1/2043	$ 11,850,000	$ -	$ 100,000	$ (100,000)	$ 11,750,000	$ 412,294
Series 2016	2.0 - 3.0%	6/1/2016	9,690,000	9/1/2035	7,850,000	-	460,000	(460,000)	7,390,000	201,225
Series 2019	2.5 - 3.6%	8/29/2019	710,000	9/1/2034	585,000	-	45,000	(45,000)	540,000	18,718
Series 2020	2.5 - 3.6%	10/29/2020	4,340,000	9/1/2045	4,235,000	-	30,000	(30,000)	4,205,000	113,788
					$ 24,520,000	$ -	$ 635,000	$ (635,000)	$ 23,885,000	$ 746,025
Finance Leases										
HVAC Loan	5.65%	8/13/2024	$ 1,000,000	4/1/2034	$ -	$ 1,014,698	$ 96,843	$ 917,855	$ 917,855	$ 35,125
Total Long-Term Debt					$ 24,520,000	$ 1,014,698	$ 731,843	$ 282,855	$ 24,802,855	$ 781,150

Note 5: Long-Term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2026	2027	2028	2029	2030	2031 - 2035	2036 - 2040	2041 - 2045	2046 - 2050	Total
Principal										
Series 2015	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 500,000	$ 4,890,000	$ 5,860,000	$ -	$ 11,750,000
Series 2018	500,000	535,000	565,000	595,000	625,000	3,765,000	805,000	-	-	7,390,000
Series 2019	45,000	45,000	50,000	50,000	55,000	295,000	-	-	-	540,000
Series 2020	30,000	30,000	30,000	30,000	30,000	170,000	195,000	1,900,000	1,790,000	4,205,000
HVAC Loan	80,521	85,199	90,039	95,382	100,924	465,791	-	-	-	917,856
Total Principal	$ 755,521	$ 795,199	$ 835,039	$ 870,382	910,924	$ 5,195,791	$ 5,890,000	$ 7,760,000	$ 1,790,000	$ 24,802,856
Interest										
Series 2015	$ 408,294	$ 404,794	$ 401,794	$ 398,794	395,794	$ 1,932,819	$ 1,556,092	$ 438,872	$ -	$ 5,937,253
Series 2018	191,625	181,275	170,276	158,676	144,913	416,475	12,075	-	-	1,275,315
Series 2019	17,435	16,096	14,623	13,023	11,303	27,164	-	-	-	99,644
Series 2020	113,440	112,974	112,384	111,796	111,209	544,500	520,388	469,407	24,613	2,120,711
HVAC Loan	51,447	46,769	41,929	36,586	31,044	62,081	-	-	-	269,856
Total Interest	$ 782,241	$ 761,908	$ 741,006	$ 718,875	$ 694,263	$ 2,983,039	$ 2,088,555	$ 908,279	$ 24,613	$ 9,702,779
Total Principal and Interest	$ 1,537,762	$ 1,557,107	$ 1,576,045	$ 1,589,257	1,605,187	$ 8,178,830	$ 7,978,555	$ 8,668,279	$ 1,814,613	$ 34,505,635

Note 6: Defined Benefit Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at KSPERS.gov or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.38% and 12.57%, respectively, for the fiscal year ended June 30, 2024. The actuarially determined employer contribution rate and the statutory contribution rate was 11.60% and 11.54% for the fiscal year ended June 30, 2025.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $884,091 for the year ended June 30, 2025.

Note 6: Defined Benefit Pension Plan (Continued)

Net Pension Liability. At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $7,686,629. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2025. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kspers.gov or can be obtained as previously described.

Note 7: Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Fringe Benefits

Each teacher shall be entitled once annually to elect to have a portion of the teacher's salary set aside on a Plan 125 not to exceed, $10,000. The plan may pay for group health insurance or the following programs: term life insurance up to $50,000, salary protection insurance, child care, and supplemental medical insurance such as dental, vision, and cancer. The District moved out of the State Health Plan January 1, 2022, to BCBS for health, Delta Dental for dental and Surency for vision. Contribution rates by the employer will be at the current rates at the time of exit from the State of Kansas Plan. If an employee participates in a HSA eligible plan, the District will make an annual negotiable contribution on the employee's behalf. The District also offers a Flex Spending account option.

Compensated Absences

The District's policies regarding vacation and sick leave are: Each full time teacher shall earn 12 days personal leave. Days not used shall roll over to either banked or sick leave. Banked leave is capped at 12 days and sick leave capped at 78 days; the superintendent is allowed twelve days leave and 12 days vacation; the principals are allowed twelve days leave accumulative to 102 days; District employees who have a nine month contract are allowed six days sick leave accumulative to 100 days; District employees who have over a nine month contract are allowed an extra day per month; ten days sick leave accumulative to 100 days; the custodians, secretaries, and U.S.D. clerk who have a twelve month contract are allowed 10 sick days and 5 days of vacation the first year of employment and 10 days of vacation for 2-14 years of employment; the director of building and grounds and the director of transportation are allowed 10 sick days accumulative to 100 and 12 days of vacation; the director of technology is allowed 12 days sick leave and 12 days of vacation accumulative to 102 days.

Liability for compensated absences is not reflected in the financial statement.

Note 8: Commitments and Contingencies

Grant Program Involvement

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grant government. As of the date of this report, District management believes that any disallowed expenditures based on subsequent audits will not have a material effect on the governmental funds or the overall financial position of the District.

Note 9: Stewardship, Compliance and Accountability

Compliance with Finance-Related Legal and Contractual Provisions

Funds with a Deficit Unencumbered Cash Balance - Generally, school districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A. 12-1663 provides an exception for those funds which are to be financed by Federal government sources and other grants and gifts. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following funds had a deficit balance of unencumbered cash as of June 30, 2025: HRSA Grant and COPS grant. These funds are financed by State and Federal funding and the District is expecting reimbursement of qualifying grant expenditures.

Note 10: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of the financial statement, which is the date at which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2025

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 7,916,416	$ (368,931)	$ 65,150	$ 7,612,635	$ 7,612,635	$ -
Supplemental General	2,562,612	(100,940)	-	2,461,672	2,461,672	-
Special Purpose Funds						
Preschool-Aged At-Risk	100,515	-	-	100,515	100,515	-
At-Risk (K-12) Fund	1,468,224	-	-	1,468,224	1,246,317	(221,907)
Bilingual Education Fund	4,610	-	-	4,610	809	(3,801)
Capital Outlay Fund	1,397,875	-	-	1,397,875	1,150,509	(247,366)
Driver Training Fund	22,104	-	-	22,104	4,273	(17,831)
Food Service Fund	715,607	-	-	715,607	643,517	(72,090)
Professional Development Fund	50,545	-	-	50,545	36,960	(13,585)
Special Education Fund	1,803,363	-	-	1,803,363	1,515,694	(287,669)
Career and Postsecondary Education Fund	489,436	-	-	489,436	416,885	(72,551)
KPERS Special Retirement Contribution Fund	1,043,342	-	-	1,043,342	884,091	(159,251)
Special Education Cooperative Fund	2,817,193	-	-	2,817,193	2,582,974	(234,219)
Bond and Interest Funds						
Bond and Interest	1,381,026	-	-	1,381,026	1,381,024	(2)
	$ 21,772,868	$ (469,871)	$ 65,150	$ 21,368,147	$ 20,037,875	$ (1,330,272)

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 6,736,416	$ 6,671,460	$ 64,956
Special Education aid	811,069	1,244,956	(433,887)
Reimbursements	65,150	-	65,150
Total Cash Receipts	$ 7,612,635	$ 7,916,416	$ (303,781)
EXPENDITURES			
Instruction	$ 2,083,222	$ 1,801,410	$ 281,812
Student support services	108,082	90,533	17,549
Instructional support services	323,374	334,267	(10,893)
General administration	319,300	348,520	(29,220)
School administration	611,071	611,004	67
Central services	106,269	88,684	17,585
Operations and maintenance	526,624	598,421	(71,797)
Student transportation services	317,037	642,147	(325,110)
Food service	844	-	844
Transfers out	3,216,812	3,401,430	(184,618)
Adjustment to comply with legal max	-	(368,931)	368,931
Adjustment for qualifying budget credits	-	65,150	(65,150)
Total Expenditures	$ 7,612,635	$ 7,612,635	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem taxes	$ 2,286,446	$ 2,375,692	$ (89,246)
Delinquent taxes	15,220	2,579	12,641
Motor vehicle taxes	134,794	127,360	7,434
Recreational vehicle taxes	2,234	2,251	(17)
Commercial vehicle taxes	12,638	10,804	1,834
State Sources	32,494	33,826	(1,332)
Total Cash Receipts	$ 2,483,826	$ 2,552,512	$ (68,686)
EXPENDITURES			
Instruction	$ 1,284,567	$ 1,270,994	$ 13,573
Student support services	4,386	-	4,386
Instructional support staff	128	15,000	(14,872)
School administration	674	17,126	(16,452)
Operations and maintenance	562,970	591,418	(28,448)
Student transportation services	32,255	-	32,255
Transfers out	576,692	668,074	(91,382)
Adjustment to comply with legal max	-	(100,940)	100,940
Total Expenditures	$ 2,461,672	$ 2,461,672	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,154		
UNENCUMBERED CASH - BEGINNING	170,068		
UNENCUMBERED CASH - ENDING	$ 192,222		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 115,000	$ 100,000	$ 15,000
EXPENDITURES			
Instruction	$ 100,515	$ 100,515	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 14,485		
UNENCUMBERED CASH - BEGINNING	99,294		
UNENCUMBERED CASH - ENDING	$ 113,779		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 1,191,607	$ 1,110,880	$ 80,727
EXPENDITURES			
Instruction	$ 1,000,160	$ 1,226,959	$ (226,799)
Student support services	174,044	186,766	(12,722)
Instructional support staff	68,416	15,000	53,416
School administration	3,697	39,499	(35,802)
Total Expenditures	$ 1,246,317	$ 1,468,224	$ (221,907)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (54,710)		
UNENCUMBERED CASH - BEGINNING	381,647		
UNENCUMBERED CASH - ENDING	$ 326,937		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 1,477	$ 1,538	$ (61)
EXPENDITURES			
Instruction	$ 809	$ 4,610	$ (3,801)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 668		
UNENCUMBERED CASH - BEGINNING	3,331		
UNENCUMBERED CASH - ENDING	$ 3,999		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem taxes	$ 933,978	$ 920,424	$ 13,554
Delinquent taxes	6,557	1,087	5,470
Motor vehicle taxes	62,921	58,475	4,446
Recreational vehicle taxes	1,038	1,034	4
Commercial vehicle taxes	2,678	4,960	(2,282)
Miscellaneous	4,381	-	4,381
Reimbursements	213,504	-	213,504
Transfers in	312,334	171,212	141,122
Interest on idle funds	123,370	-	123,370
Total Cash Receipts	$ 1,660,761	$ 1,157,192	$ 503,569
EXPENDITURES			
Instruction	$ 170,618	$ 209,700	$ (39,082)
Student support services	4,614	-	4,614
Instructional support services	41,239	72,000	(30,761)
General administration	-	2,600	(2,600)
Operations and maintenance	161,671	625,575	(463,904)
Student transportation services	95,945	-	95,945
Other support services	150,956	488,000	(337,044)
Architectural and engineering services	10,525	-	10,525
Building improvements	514,941	-	514,941
Total Expenditures	$ 1,150,509	$ 1,397,875	$ (247,366)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 510,252		
UNENCUMBERED CASH- BEGINNING	1,058,573		
UNENCUMBERED CASH - ENDING	$ 1,568,825		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 9,665	$ 6,750	$ 2,915
EXPENDITURES			
Instruction	$ 128	$ 15,354	$ (15,226)
Operations and maintenance	1,295	4,000	(2,705)
Other support services	2,850	2,750	100
Total Expenditures	$ 4,273	$ 22,104	$ (17,831)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,392		
UNENCUMBERED CASH - BEGINNING	41,180		
UNENCUMBERED CASH - ENDING	$ 46,572		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal aid	$ 291,942	$ 308,351	$ (16,409)
State aid	4,072	3,187	885
Charges for services	271,434	137,410	134,024
Interest	2,075	-	2,075
Miscellaneous	530	-	530
Transfers in	76,466	100,000	(23,534)
Total Cash Receipts	$ 646,519	$ 548,948	$ 97,571
EXPENDITURES			
Food service operation	$ 641,699	$ 715,607	$ (73,908)
Operations and maintenance	1,818	-	1,818
Total Expenditures	$ 643,517	$ 715,607	$ (72,090)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,002		
UNENCUMBERED CASH- BEGINNING	206,657		
UNENCUMBERED CASH - ENDING	$ 209,659		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 5,182	$ 7,500	$ (2,318)
Miscellaneous	14	-	14
Transfers in	20,000	35,000	(15,000)
Total Cash Receipts	$ 25,196	$ 42,500	$ (17,304)
EXPENDITURES			
Instruction	$ 9,151	$ -	$ 9,151
Instructional support services	27,809	50,545	(22,736)
Total Expenditures	$ 36,960	$ 50,545	$ (13,585)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (11,764)		
UNENCUMBERED CASH - BEGINNING	43,140		
UNENCUMBERED CASH - ENDING	$ 31,376		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other from local source	$ 17,517	$ -	$ 17,517
Transfers in	1,676,620	1,244,956	431,664
Total Cash Receipts	$ 1,694,137	$ 1,244,956	$ 449,181
EXPENDITURES			
Instruction	$ 27,991	$ 1,803,363	$ (1,775,372)
Transfers out	1,487,703	-	1,487,703
Total Expenditures	$ 1,515,694	$ 1,803,363	$ (287,669)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 178,443		
UNENCUMBERED CASH - BEGINNING	179,088		
UNENCUMBERED CASH - ENDING	$ 357,531		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 6,472	$ 8,863	$ (2,391)
Transfers in	400,000	400,000	-
Miscellaneous	7,839	-	7,839
Total Cash Receipts	$ 414,311	$ 408,863	$ 5,448
EXPENDITURES			
Instruction	$ 397,060	$ 393,734	$ 3,326
Instructional support services	5,633	6,885	(1,252)
Student transportation services	14,192	13,817	375
Other	-	75,000	(75,000)
Total Expenditures	$ 416,885	$ 489,436	$ (72,551)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,574)		
UNENCUMBERED CASH - BEGINNING	369,158		
UNENCUMBERED CASH - ENDING	$ 366,584		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 884,091	$ 1,043,342	$ (159,251)
EXPENDITURES			
Instruction	$ 539,295	$ 636,439	$ (97,144)
Student support services	70,728	83,467	(12,739)
Instructional support services	26,523	31,301	(4,778)
General administration	26,523	31,301	(4,778)
School administration	53,045	62,600	(9,555)
Central services	8,842	10,434	(1,592)
Operations and maintenance	53,045	62,600	(9,555)
Student transportation services	53,045	62,600	(9,555)
Food service	53,045	62,600	(9,555)
Total Expenditures	$ 884,091	$ 1,043,342	$ (159,251)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SPECIAL EDUCATION COOPERATIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local sources - Payments from other districts	$ 609,119	$ 2,594,867	$ (1,985,748)
Medicaid reimbursements	93,705	165,000	(71,295)
Title VI-B grants to states	336,454	336,454	-
Other federal aid	13,402	13,000	402
Reimbursements	22,251	-	22,251
Transfers in	1,487,703	-	1,487,703
Total Cash Receipts	$ 2,562,634	$ 3,109,321	$ (546,687)
EXPENDITURES			
Instruction	$ 1,796,159	$ 1,943,503	$ (147,344)
Student support services	502,711	537,560	(34,849)
Instructional support staff	26,513	56,550	(30,037)
General administration	249,080	271,296	(22,216)
Operations and maintenance	8,511	8,284	227
Total Expenditures	$ 2,582,974	$ 2,817,193	$ (234,219)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (20,340)		
UNENCUMBERED CASH- BEGINNING	1,045,280		
UNENCUMBERED CASH - ENDING	$ 1,024,940		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem	$ 1,394,174	$ 1,378,619	$ 15,555
Delinquent taxes	10,387	1,629	8,758
Motor vehicle taxes	108,919	99,085	9,834
Recreational vehicle taxes	1,785	1,751	34
Commercial vehicle taxes	8,969	8,405	564
Total Cash Receipts	$ 1,524,234	$ 1,489,489	$ 34,745
EXPENDITURES			
Principal	$ 635,000	$ 635,000	$ -
Interest	746,024	746,026	(2)
Total Expenditures	$ 1,381,024	$ 1,381,026	$ (2)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 143,210		
UNENCUMBERED CASH- BEGINNING	3,271,113		
UNENCUMBERED CASH - ENDING	$ 3,414,323		

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2025

	Contingency Reserve Fund	Textbook & Student Material Revolving Fund	Title I	Title IV-A	COPS Grant	Stay Positive Test Negative	HRSA Grant	ESSER
RECEIPTS								
Federal aid	$ -	$ -	$ 169,769	$ 18,523	$ 210,899	$ 13,161	$ 93,866	$ 984,304
State aid	-	-	-	28,767	-	-	-	-
Student activities	-	1,997	-	-	-	-	-	-
Local sources - Other	-	60,849	-	-	-	-	-	-
Total Receipts	$ -	$ 62,846	$ 169,769	$ 47,290	$ 210,899	$ 13,161	$ 93,866	$ 984,304
EXPENDITURES								
Instruction	$ -	$ 170,934	153,876	$ 47,290	$ 1,997	$ -	$ 184,648	$ 5,481
Instructional support staff	-	-	-	-	-	-	-	-
Student support services	-	-	15,893	-	-	-	-	-
General administration	-	-	-	-	-	-	-	2,500
School administration	-	-	-	-	-	-	427	-
Central services	-	-	-	-	-	-	-	2,500
Facility acquisition and construction	-	-	-	-	-	-	-	158,844
Operations and maintenance	-	-	-	-	225,857	755	-	-
Student transportation services	-	-	-	-	1,716	-	-	-
District activities	-	1,911	-	-	-	-	-	-
Total Expenditures	$ -	$ 172,845	$ 169,769	$ 47,290	$ 229,570	$ 755	$ 185,075	$ 169,325
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (109,999)	$ -	$ -	$ (18,671)	$ 12,406	$ (91,209)	$ 814,979
UNENCUMBERED CASH - BEGINNING	859,138	230,846	35	-	-	(12,406)	(2,657)	(814,979)
UNENCUMBERED CASH - ENDING	$ 859,138	$ 120,847	$ 35	$ -	$ (18,671)	$ -	$ (93,866)	$ -

(Continued)

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
NONBUDGETED FUNDS (CONTINUED)
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2025

	Kids University	Gifts & Grants	USD 364 Scholarship Fund	Home Hanson Stadium Renovation	Long Range Capital Outlay
RECEIPTS					
Interest income	$ -	$ -	$ 50	$ -	$ -
Local sources - Other	86,105	227	-	-	-
Total Receipts	$ 86,105	$ 227	$ 50	$ -	$ -
EXPENDITURES					
Instruction	$ 88,824	$ -	$ -	$ -	$ -
Other support services	-	173	-	-	-
Scholarships	-	-	600	-	-
Total Expenditures	$ 88,824	$ 173	$ 600	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,719)	$ 54	$ (550)	$ -	$ -
UNENCUMBERED CASH - BEGINNING	16,013	12,032	6,530	2,703	283,287
UNENCUMBERED CASH - ENDING	$ 13,294	$ 12,086	$ 5,980	$ 2,703	$ 283,287

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2025

	Balance July 1, 2024	Cash Receipts	Cash Disbursements	Balance June 30, 2025
Student Organization Funds				
Class of 2020	$ 1,480	$ -	$ -	$ 1,480
Class of 2021	194	-	-	194
Class of 2022	18	-	-	18
Class of 2023	167	-	-	167
Class of 2024	454	-	280	174
Class of 2025	945	-	119	826
Class of 2026	4,296	4,153	6,985	1,464
Class of 2027	760	2,880	640	3,000
Class of 2028	-	1,713	531	1,182
Annual Club	14,037	14,385	7,565	20,857
FBLA	27,757	46,557	51,051	23,263
FFA	33,708	35,404	35,434	33,678
FCCLA	18,126	11,219	11,419	17,926
Kays	1,145	1,136	1,328	953
M-Club	11,358	7,758	6,300	12,816
Student Council	2,596	6,787	5,034	4,349
Matmaids	566	-	-	566
Art Club	2,679	1,055	1,328	2,406
Drama Club	1,556	762	974	1,344
SADD	1,175	-	186	989
Scholars Bowl Club	656	286	833	109
Spanish Club	479	-	18	461
National Honor Society Club	514	200	182	532
Biology Club	4,078	539	-	4,617
Tri-M Club	1	-	-	1
Junior High Student Council	2,987	1,427	2,015	2,399
Payroll Clearing				
Insurance and Cafeteria Plan Reimbursements	47,087	258,149	257,594	47,642
TOTAL AGENCY FUNDS	$ 178,819	$ 394,410	$ 389,816	$ 183,413

UNIFIED SCHOOL DISTRICT NO. 364
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Marysville Junior-Senior High School						
Athletics	$ 10,250	$ 59,831	$ 54,764	$ 15,317	$ -	$ 15,317
Activity Tickets	12,589	14,592	8,649	18,532	-	18,532
Subtotal Gate Receipts	$ 22,839	$ 74,423	$ 63,413	$ 33,849	$ -	$ 33,849
School Project Funds						
Marysville Junior-Senior High School						
Sports Clubs	$ 34,664	$ 27,058	$ 18,007	$ 43,715	$ -	$ 43,715
Bulldog Club	8,272	32,046	30,871	9,447	-	9,447
Band	5,807	4,262	6,019	4,050	-	4,050
KSCFL	2,465	5,661	7,639	487	-	487
Vocal Music	529	5,260	4,127	1,662	-	1,662
Cheerleaders	8,196	15,035	17,776	5,455	-	5,455
YOGOWYPI	433	392	220	605	-	605
Videography	1,339	-	188	1,151	-	1,151
Photo Services	4,318	8,885	13,176	27	-	27
Popular Music Lab	4	-	-	4	-	4
FFA Cattle Fund	4,576	12,976	14,490	3,062	-	3,062
Color Guard	421	-	-	421	-	421
Robotics Club	607	-	-	607	-	607
Lifeskills	1,431	627	721	1,337	-	1,337
FFA Greenhouse	4,765	8,094	7,369	5,490	-	5,490
Dance	3,257	3,451	4,076	2,632	-	2,632
Concessions	568	52,791	51,354	2,005	-	2,005
SPED Vending	796	2,080	2,057	819	-	819
JAG	83	-	10	73	-	73
Operating Expenses	2,373	-	1,039	1,334	-	1,334
Library Fees	2,567	42	426	2,183	-	2,183

(Continued)

UNIFIED SCHOOL DISTRICT NO. 364
DISTRICT ACTIVITY FUNDS (CONTINUED)
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
School Project Funds (Continued)						
Marysville Junior-Senior High School (Continued)						
Pepsi	$ 4,005	$ 3,000	$ 2,499	$ 4,506	$ -	$ 4,506
Marshall County Speech	235	-	-	235	-	235
School Supplies	56,727	26	1,026	55,727	-	55,727
Courtesy Fund	242	-	171	71	-	71
Athletics/Activities Improvement	12,870	3,200	-	16,070	-	16,070
Student Revolving Funds	1,029	36,513	36,516	1,026	-	1,026
Subtotal Marysville Jr-Sr High School	$ 162,579	$ 221,399	$ 219,777	$ 164,201	$ -	$ 164,201
Marysville Elementary School						
Student Revolving Fund	$ 13,399	$ 18,192	$ 17,772	$ 13,819	$ -	$ 13,819
Refreshments Project	354	-	-	354	-	354
Book Fair/Library Project	557	5,713	6,127	143	-	143
Yearbook Project	4,534	485	855	4,164	-	4,164
School Improvement Project	1,775	-	-	1,775	-	1,775
Music	57	347	347	57	-	57
Theme Day	1,425	-	514	911	-	911
Donation	16,843	1,625	102	18,366	-	18,366
Backsnack Program	718	-	-	718	-	718
Kids University	42	-	-	42	-	42
Student Council	465	169	209	425	-	425
Child Care Aware	400	-	-	400	-	400
Subtotal Marysville Elementary School	$ 40,569	$ 26,531	$ 25,926	$ 41,174	$ -	$ 41,174
Subtotal School Project Funds	$ 203,148	$ 247,930	$ 245,703	$ 205,375	$ -	$ 205,375
Total District Activity Funds	$ 225,987	$ 322,353	$ 309,116	$ 239,224	$ -	$ 239,224

December 30, 2025

Board of Education
Unified School District No. 364
Marysville, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 364 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 30, 2025.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

December 30, 2025

Board of Education
Unified School District No. 364
Marysville, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

Unmodified Opinions

We have audited Marysville Unified School District No. 364's (the District), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
U.S. Department of Education			
Passed through Kansas Department of Education			
Special Education Cluster:			
Title VI, Special Education	84.027A	D0364	$ 339,719
Special Education - Preschool Grants	84.173A	D0364	10,137
Total Special Education Cluster			$ 349,856
Title I	84.010A	D0364	$ 151,246
Title II-A Teacher Quality	84.367A	D0364	47,290
Title VI-A - ESSA	84.424A	D0364	18,523
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	D0364	168,593
Total Department of Education			$ 735,508
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	D0364	$ 68,536
National School Lunch Program	10.555	D0364	199,607
Special Milk	10.556	D0364	1,284
Summer Food Service Program	10.559	D0364	22,515
Total Child Nutrition Cluster			$ 291,942
U.S. Department of Health & Human Services			
Rural Healthcare Services Outreach and Grant Program	93.912	N/A	$ 202,558
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710	N/A	$ 229,570
Total Federal Expenditures			$ 1,459,578

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2025

Note 1: Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the cash basis of accounting, modified to include recognition of accounts payable and encumbrances.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2: Non-Cash Assistance, Insurance, and Loans

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2025.

Note 3: Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

UNIFIED SCHOOL DISTRICT NO. 364
Marysville, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	__ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	__ Yes	X None reported
Noncompliance material to financial statement noted?	__ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	__ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	__ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	__ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number(s)
Child Nutrition Cluster	10.553/10.555/10.556/10.559
Special Education Cluster	84.027 and 84.173

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as a low-risk auditee?	__ Yes X No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.