UNIFIED SCHOOL DISTRICT NO. 379

Clay Center, Kansas

FINANCIAL STATEMENT

June 30, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
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November 25, 2025

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 379
Clay Center, 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. 379 (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.

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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 November 25, 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. 379
Clay Center, 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	$ -	$ -	$ 11,163,430	$ 11,163,430	$ -	$ -	$ -
Supplemental General	189,129	-	3,573,564	3,593,263	169,430	-	169,430
Special Purpose Funds							
Preschool-Aged At-Risk	55,940	-	150,000	144,340	61,600	-	61,600
At-Risk (K-12) Fund	389,567	-	1,601,206	1,597,135	393,638	-	393,638
Bilingual Education Fund	3,689	-	12,511	8,067	8,133	-	8,133
Capital Outlay Fund	1,237,556	-	2,069,121	1,320,585	1,986,092	-	1,986,092
Driver Training Fund	67,099	-	8,110	4,912	70,297	-	70,297
Contingency Reserve Fund	799,834	-	-	-	799,834	-	799,834
Food Service Fund	280,563	-	821,122	818,399	283,286	-	283,286
Professional Development Fund	57,765	-	64,872	52,532	70,105	-	70,105
Parent Education Fund	11,299	-	41,643	52,942	-	-	-
Special Education Fund	847,615	-	2,064,616	1,844,360	1,067,871	-	1,067,871
Career and Postsecondary Education Fund	261,214	-	357,906	336,752	282,368	-	282,368
Special Education Cooperative Fund	539,455	-	5,344,762	5,254,383	629,834	-	629,834
KPERS Special Retirement Contribution Fund	-	-	1,580,050	1,580,050	-	-	-
Textbook Rental Fund	468,032	-	177,865	73,518	572,379	-	572,379
Gifts and Grants Fund	121,408	-	274,468	195,164	200,712	-	200,712
Grants Fund	(3,762)	-	1,450,556	1,396,067	50,727	-	50,727
District Activity	42,599	-	155,149	150,647	47,101	-	47,101
Bond and Interest Funds							
Bond and Interest	1,249,038	-	1,273,183	1,320,370	1,201,851	-	1,201,851
Total Reporting Entity (Excluding Agency Funds)	$ 6,618,040	$ -	$ 32,184,134	$ 30,906,916	$ 7,895,258	$ -	$ 7,895,258

Composition of Cash	
Checking	
Union State Bank	$ 7,951,317
United Bank & Trust	106,728
Riley State Bank	32,832
Total Cash	$ 8,090,877
Less: Agency Funds per Schedule 3	(195,619)
Total Reporting Entity (Excluding Agency Funds)	$ 7,895,258

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

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2025

Note 1: Summary of Significant Accounting Policies

Unified School District No. 379 (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

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis accounting.

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.

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 adoption of the final budget has been adjusted to on or before September 20th. 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	District Activity
Textbook Rental	

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

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. The District has no investment policies that would further limit its investment choices.

Note 2: Deposits and Investments (Continued)

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.

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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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.

At June 30, 2025, the carrying amount of the District's deposits was $8,090,877. The bank balance was $9,882,281. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balances, $393,552, was secured by FDIC insurance and the remaining $9,488,760 was collateralized by pledged securities with a fair market value of $10,526,912 held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank.

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. As of June 30, 2025, the District had no cash investments.

Note 3: Interfund Transfers

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk (K-12)	K.S.A. 72-6478	$ 1,215,966
General	Career & Post Sec Education	K.S.A. 72-6478	100,000
General	Food Service	K.S.A. 72-6478	66,971
General	Parents as Teachers	K.S.A. 72-6478	6,348
General	At-Risk (Preschool)	K.S.A. 72-6478	75,000
General	Capital Outlay	K.S.A. 72-6478	270,803
General	Professional Development	K.S.A. 72-6478	10,000
General	Textbook Rental	K.S.A. 72-6478	100,000
General	Special Education	K.S.A. 72-6478	1,298,795
Supplemental General	Professional Development	K.S.A. 72-6478	50,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6478	385,240
Supplemental General	Bilingual	K.S.A. 72-6478	12,511
Supplemental General	Career & Post Sec Education	K.S.A. 72-6478	250,000
Supplemental General	Special Education	K.S.A. 72-6478	761,207
Supplemental General	At-Risk (Preschool)	K.S.A. 72-6478	75,000
Supplemental General	Textbook Rental	K.S.A. 72-6478	10,000
Total Transfers			$ 4,687,841

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2025

Note 4: 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-A	2.00-4.00%	5/1/14	$ 7,600,000	9/1/24	$ 650,000	$ -	$ 650,000	$ (650,000)	$ -	$ 7,313
Series 2022-A (Refunding)		1/6/22	4,645,000	9/1/26	3,220,000	-	615,000	(615,000)	2,605,000	48,056
Lease Purchase										
HVAC Equipment	2.89%	4/14/20	1,998,860	4/15/30	1,235,591	-	197,325	(197,325)	1,038,266	33,113
Total Long-Term Debt					$ 5,105,591	$ -	$ 1,462,325	$ (1,462,325)	$ 3,643,266	$ 88,482

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	Total
Principal							
Series 2022	$ 1,290,000	$ 1,315,000	$ -	$ -	$ -	$ -	$ 2,605,000
HVAC Equipment	203,103	209,052	215,136	221,474	189,501	-	1,038,266
Total Principal	$ 1,493,103	$ 1,524,052	$ 215,136	$ 221,474	$ 189,501	$ -	$ 3,643,266
Interest							
Series 2022	$ 32,340	$ 10,849	$ -	$ -	$ -	$ -	$ 43,189
HVAC Equipment	27,334	21,387	15,302	8,963	2,529	-	75,515
Total Interest	$ 59,674	$ 32,236	$ 15,302	$ 8,963	$ 2,529	$ -	$ 118,704

Note 5: 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 www.kpers.org 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 $1,580,050 for the year ended June 30, 2025.

Net Pension Liability. At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $13,648,887. 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, 2024. 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.kpers.org or can be obtained as described above.

Note 6: Compensated Absences

Classified personnel employed on a twelve month full-time status are eligible for a paid two week vacation. Vacation days may not be carried over from one fiscal year to another.

Payment for accumulated unused sick leave to a maximum of 60 days will be made upon retirement, death, or reduction in force. Payment will be based on a total number of full years of service in the District, less the number of prior years of service for which payment has been made. The rate of payment will be determined by the daily rate in effect at the time of retirement. The total number of full years of service and the reimbursement schedule is as follows:

Number of Full Year of Service	Rate of Payment (Percentage of Daily Base Pay Rate)
0 - 3	0%
4 - 9	15%
10 - 19	20%
20 - 29	25%
30+	30%

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

Note 8: Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District as of June 30, 2025.

Note 9: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays for the full amount of the applicable premium, conceptually, the local government 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 government 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. There is no cost to the District under this program.

Note 10: Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2025.

Note 11: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this financial statement.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 11,470,198	$ (497,465)	$ 190,697	$ 11,163,430	$ 11,163,430	$ -
Supplemental General	3,715,140	(128,174)	6,297	3,593,263	3,593,263	-
Special Purpose Funds						
Preschool-Aged At-Risk	177,400	-	-	177,400	144,340	(33,060)
At-Risk (K-12) Fund	2,319,600	-	-	2,319,600	1,597,135	(722,465)
Bilingual Education Fund	15,000	-	-	15,000	8,067	(6,933)
Capital Outlay Fund	2,749,500	-	-	2,749,500	1,320,585	(1,428,915)
Driver Training Fund	86,000	-	-	86,000	4,912	(81,088)
Food Service Fund	1,199,700	-	-	1,199,700	818,399	(381,301)
Professional Development Fund	167,395	-	-	167,395	52,532	(114,863)
Parent Education Fund	119,600	-	-	119,600	52,942	(66,658)
Special Education Fund	2,639,985	-	-	2,639,985	1,844,360	(795,625)
Career and Postsecondary Education Fund	743,800	-	-	743,800	336,752	(407,048)
Special Education Cooperative Fund	5,908,600	-	-	5,908,600	5,254,383	(654,217)
KPERS Special Retirement Contribution Fund	1,764,049	-	-	1,764,049	1,580,050	(183,999)
Gifts and Grants Fund	597,240	-	-	597,240	195,164	(402,076)
Federal Funds	1,423,900	-	-	1,423,900	1,396,067	(27,833)
Debt Service Fund						
Bond and Interest	1,320,469	-	-	1,320,469	1,320,370	(99)
	$ 36,417,576	$ (625,639)	$ 196,994	$ 35,988,931	$ 30,682,751	$ (5,306,180)

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 10,972,733	$ 11,470,198	$ (497,465)
Reimbursements	190,697	-	190,697
Total Cash Receipts	$ 11,163,430	$ 11,470,198	$ (306,768)
EXPENDITURES			
Instruction	$ 3,428,278	$ 3,673,700	$ (245,422)
Student support services	688,422	663,000	25,422
Instructional support services	397,072	390,700	6,372
General administration	377,962	322,200	55,762
School administration	988,723	1,066,300	(77,577)
Central services	177,973	177,600	373
Operations and maintenance	1,333,562	1,421,200	(87,638)
Student transportation services	627,555	642,528	(14,973)
Transfers out	3,143,883	3,112,970	30,913
Adjustment to comply with legal maximum budget	-	(497,465)	497,465
Adjustment for qualifying budget credits	-	190,697	(190,697)
Total Expenditures	$ 11,163,430	$ 11,163,430	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 2,253,430	$ 2,327,847	$ (74,417)
Delinquent taxes	18,869	18,592	277
Local Sources - Reimbursed Expenses	6,297	-	6,297
Motor vehicle taxes	136,019	137,734	(1,715)
State aid	1,158,949	1,200,362	(41,413)
Transfers in	-	68,000	(68,000)
Total Cash Receipts	$ 3,573,564	$ 3,752,535	$ (178,971)
EXPENDITURES			
Instruction	$ 1,802,395	$ 2,098,364	$ (295,969)
Instructional support services	321	3,600	(3,279)
General administration	82,798	39,600	43,198
School administration	(10,458)	30,400	(40,858)
Central services	153,926	160,300	(6,374)
Operations and maintenance	20,323	25,400	(5,077)
Transfers out	1,543,958	1,357,476	186,482
Adjustment to comply with legal maximum budget	-	(128,174)	128,174
Adjustment for qualifying budget credits	-	6,297	(6,297)
Total Expenditures	$ 3,593,263	$ 3,593,263	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (19,699)		
UNENCUMBERED CASH - BEGINNING	189,129		
UNENCUMBERED CASH - ENDING	$ 169,430		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
PRESCHOOL-AGED AT-RISK 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	$ 150,000	$ 124,000	$ 26,000
EXPENDITURES			
Instruction	$ 144,340	$ 177,400	$ (33,060)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,660		
UNENCUMBERED CASH - BEGINNING	55,940		
UNENCUMBERED CASH - ENDING	$ 61,600		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 1,601,206	$ 1,932,438	$ (331,232)
EXPENDITURES			
Instruction	$ 1,597,135	$ 2,319,600	$ (722,465)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,071		
UNENCUMBERED CASH - BEGINNING	389,567		
UNENCUMBERED CASH - ENDING	$ 393,638		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 12,511	$ 13,473	$ (962)
EXPENDITURES			
Instruction	$ 8,067	$ 15,000	$ (6,933)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,444		
UNENCUMBERED CASH - BEGINNING	3,689		
UNENCUMBERED CASH - ENDING	$ 8,133		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 840,842	$ 797,718	$ 43,124
Delinquent taxes	10,450	9,929	521
Motor vehicle taxes	83,093	84,291	(1,198)
Federal aid	52,169	100,000	(47,831)
State aid	220,846	222,596	(1,750)
Miscellaneous	324,403	100,000	224,403
Reimbursements	72,234	-	72,234
Interest on idle funds	194,281	200,000	(5,719)
Transfers in	270,803	-	270,803
Total Cash Receipts	$ 2,069,121	$ 1,514,534	$ 554,587
EXPENDITURES			
Instruction	$ 57,608	$ 115,000	$ (57,392)
Operations and maintenance	979,246	1,337,500	(358,254)
Student transportation services	242,960	137,000	105,960
Facility acquisition and construction services	40,771	1,160,000	(1,119,229)
Total Expenditures	$ 1,320,585	$ 2,749,500	$ (1,428,915)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 748,536		
UNENCUMBERED CASH- BEGINNING	1,237,556		
UNENCUMBERED CASH - ENDING	$ 1,986,092		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 5,510	$ 6,750	$ (1,240)
Local Sources - Other	2,600	15,000	(12,400)
Total Cash Receipts	$ 8,110	$ 21,750	$ (13,640)
EXPENDITURES			
Instruction	$ 4,676	$ 35,000	$ (30,324)
Operations and maintenance	236	51,000	(50,764)
Total Expenditures	$ 4,912	$ 86,000	$ (81,088)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,198		
UNENCUMBERED CASH - BEGINNING	67,099		
UNENCUMBERED CASH - ENDING	$ 70,297		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2025

CASH RECEIPTS	
Transfers in	$ -
EXPENDITURES	
Transfers out	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -
UNENCUMBERED CASH - BEGINNING	799,834
UNENCUMBERED CASH - ENDING	$ 799,834

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 469,548	$ 586,515	$ (116,967)
State aid	6,884	6,360	524
Charges for services	269,835	332,200	(62,365)
Interest	7,590	-	7,590
Other	294	-	294
Transfers in	66,971	-	66,971
Total Cash Receipts	$ 821,122	$ 925,075	$ (103,953)
EXPENDITURES			
Operations and maintenance	$ 6,650	$ 20,000	$ (13,350)
Food service operation	811,749	1,179,700	(367,951)
Total Expenditures	$ 818,399	$ 1,199,700	$ (381,301)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,723		
UNENCUMBERED CASH- BEGINNING	280,563		
UNENCUMBERED CASH - ENDING	$ 283,286		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 4,872	$ 15,750	$ (10,878)
Transfers in	60,000	100,000	(40,000)
Total Cash Receipts	$ 64,872	$ 115,750	$ (50,878)
EXPENDITURES			
Instruction	$ 20,230	$ -	$ 20,230
Instructional support services	32,302	167,395	(135,093)
Total Expenditures	$ 52,532	$ 167,395	$ (114,863)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 12,340		
UNENCUMBERED CASH - BEGINNING	57,765		
UNENCUMBERED CASH - ENDING	$ 70,105		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
PARENT 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	$ 35,295	$ 70,590	$ (35,295)
Miscellaneous	-	4,690	(4,690)
Transfers in	6,348	35,295	(28,947)
Total Cash Receipts	$ 41,643	$ 110,575	$ (68,932)
EXPENDITURES			
Student support services	$ 48,546	$ 104,600	$ (56,054)
Central cervices	4,396	15,000	(10,604)
Total Expenditures	$ 52,942	$ 119,600	$ (66,658)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (11,299)		
UNENCUMBERED CASH - BEGINNING	11,299		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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			
Transfers in	$ 2,060,002	$ 1,780,240	$ 279,762
Federal aid	4,614	15,000	(10,386)
Total Cash Receipts	$ 2,064,616	$ 1,795,240	$ 269,376
EXPENDITURES			
Instruction	$ 1,713,244	$ 2,500,485	$ (787,241)
Student transportation services	131,116	139,500	(8,384)
Total Expenditures	$ 1,844,360	$ 2,639,985	$ (795,625)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 220,256		
UNENCUMBERED CASH - BEGINNING	847,615		
UNENCUMBERED CASH - ENDING	$ 1,067,871		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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			
Local sources - Reimbursed expenses	$ 7,906	$ -	$ 7,906
Transfers in	350,000	485,000	(135,000)
Total Cash Receipts	$ 357,906	$ 485,000	$ (127,094)
EXPENDITURES			
Instruction	$ 331,960	$ 733,800	$ (401,840)
Instructional support services	4,792	10,000	(5,208)
Total Expenditures	$ 336,752	$ 743,800	$ (407,048)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 21,154		
UNENCUMBERED CASH - BEGINNING	261,214		
UNENCUMBERED CASH - ENDING	$ 282,368		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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			
Tuition	$ 2,463,112	$ 2,521,640	$ (58,528)
Other	1,720,194	1,896,867	(176,673)
State Aid	3,557	10,000	(6,443)
Federal Aid	1,073,636	949,378	124,258
Fees for services	84,263	-	84,263
Total Cash Receipts	$ 5,344,762	$ 5,377,885	$ (33,123)
EXPENDITURES			
Instruction	$ 3,719,558	$ 4,191,900	$ (472,342)
Student support services	1,095,993	1,230,000	(134,007)
Instructional support services	5,205	6,000	(795)
General administration	332,562	374,700	(42,138)
School Administration	1,025	2,000	(975)
Central services	78,929	83,000	(4,071)
Operations and maintenance	18,000	21,000	(3,000)
Student transportation	3,111	-	3,111
Total Expenditures	$ 5,254,383	$ 5,908,600	$ (654,217)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 90,379		
UNENCUMBERED CASH- BEGINNING	539,455		
UNENCUMBERED CASH - ENDING	$ 629,834		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
KPERS 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	$ 1,580,050	$ 1,764,049	$ (183,999)
EXPENDITURES			
Instruction	$ 1,090,235	$ 1,217,195	$ (126,960)
Student support services	142,204	158,764	(16,560)
Instructional support services	31,601	35,282	(3,681)
General administration	47,402	52,921	(5,519)
School administration	94,803	105,843	(11,040)
Central services	15,800	17,640	(1,840)
Operations and maintenance	63,202	70,562	(7,360)
Student transportation services	47,401	52,921	(5,520)
Food service	47,402	52,921	(5,519)
Total Expenditures	$ 1,580,050	$ 1,764,049	$ (183,999)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2025

CASH RECEIPTS	
Other	$ 67,865
Transfers in	110,000
Total Receipts	$ 177,865
EXPENDITURES	
Instruction	$ 73,518
RECEIPTS OVER (UNDER) EXPENDITURES	$ 104,347
UNENCUMBERED CASH - BEGINNING	468,032
UNENCUMBERED CASH - ENDING	$ 572,379

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
GIFTS AND GRANTS 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	$ 14,120	$ 64,120	$ (50,000)
Federal Aid	14,120	14,120	-
Reimbursed expenditures	19,109	-	19,109
Miscellaneous	227,119	400,000	(172,881)
Total Cash Receipts	$ 274,468	$ 478,240	$ (203,772)
EXPENDITURES			
Instruction	$ 160,909	$ 278,240	$ (117,331)
Student support services	454	-	454
Operations and maintenance	32,134	113,000	(80,866)
Student transportation services	1,667	6,000	(4,333)
Other support services	-	200,000	(200,000)
Total Expenditures	$ 195,164	$ 597,240	$ (402,076)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 79,304		
UNENCUMBERED CASH- BEGINNING	121,408		
UNENCUMBERED CASH - ENDING	$ 200,712		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
FEDERAL FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2025

	Title I	Federal Title IIA (Teacher (Quality)	Title VI-B	Title IV Student Support	Title IV Project Lead	ESSER III	KHDE K-12 Grant	ESSER II
RECEIPTS								
Federal aid	$ 220,757	$ 43,478	$ 25,742	$ 20,272	$ 155,451	$ 907,458	$ 58,970	$ -
Other	-	-	-	-	18,428	-	-	-
Total Receipts	$ 220,757	$ 43,478	$ 25,742	$ 20,272	$ 173,879	$ 907,458	$ 58,970	$ -
EXPENDITURES								
Instruction	$ 220,757	$ 43,478	$ 13,396	$ 20,272	$ 150,750	$ 827,068	$ -	$ -
Student support services	-	-	-	-	7,717	5,472	30,968	-
Instructional support staff	-	-	-	-	8,817	2,155	-	-
General Administration	-	-	12,346	-	-	-	-	-
School administration	-	-	-	-	-	8,055	-	-
Central services	-	-	-	-	-	6,179	-	-
Student transportation	-	-	-	-	-	21,539	-	-
Operations and maintenance	-	-	-	-	-	17,098	-	-
Total Expenditures	$ 220,757	$ 43,478	$ 25,742	$ 20,272	$ 167,284	$ 887,566	$ 30,968	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ 6,595	$ 19,892	$ 28,002	$ -
UNENCUMBERED CASH - BEGINNING	-	-	-	-	44,132	(19,892)	(28,002)	-
UNENCUMBERED CASH - ENDING	$ -	$ -	$ -	$ -	$ 50,727	$ -	$ -	$ -

(Continued)

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
FEDERAL FUNDS (CONTINUED)
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2025

	ECSE	ESSER I / SPARK	Total Actual	Budget	Variance Over (Under)
RECEIPTS					
Federal aid	$ -	$ -	$ 1,432,128	$ 1,349,027	$ 83,101
Other	-	-	18,428	82,300	(63,872)
Total Receipts	$ -	$ -	$ 1,450,556	$ 1,431,327	$ 19,229
EXPENDITURES					
Instruction	$ -	$ -	$ 1,275,721	$ 1,225,000	$ 50,721
Student support services	-	-	44,157	48,500	(4,343)
Instructional support staff	-	-	10,972	8,100	2,872
General Administration	-	-	12,346	-	12,346
School administration	-	-	8,055	28,100	(20,045)
Central services	-	-	6,179	11,100	(4,921)
Student transportation	-	-	21,539	28,000	(6,461)
Operations and maintenance	-	-	17,098	75,100	(58,002)
Total Expenditures	$ -	$ -	$ 1,396,067	$ 1,423,900	$ (27,833)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ 54,489		
UNENCUMBERED CASH - BEGINNING	-	-	(3,762)		
UNENCUMBERED CASH - ENDING	$ -	$ -	$ 50,727		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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	$ 843,242	$ 800,717	$ 42,525
Delinquent taxes	8,891	11,952	(3,061)
Motor vehicle taxes	90,953	92,104	(1,151)
State aid	330,092	330,092	-
Other Local Source	5	-	5
Total Cash Receipts	$ 1,273,183	$ 1,234,865	$ 38,318
EXPENDITURES			
Interest	$ -	$ 55,469	$ (55,469)
Principal	1,320,370	1,265,000	55,370
Total Expenditures	$ 1,320,370	$ 1,320,469	$ (99)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (47,187)		
UNENCUMBERED CASH- BEGINNING	1,249,038		
UNENCUMBERED CASH - ENDING	$ 1,201,851		

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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
Elementary Schools				
Lincoln Elementary	$ 1,232	$ 2,143	$ 2,092	$ 1,283
Garfield Elementary	1,004	2,105	2,361	748
Total Elementary Schools	$ 2,236	$ 4,248	$ 4,453	$ 2,031
Middle School Funds				
Clay Center Community Middle School	$ 10,411	$ 32,773	$ 29,391	$ 13,793
Wakefield School	28,475	36,464	33,728	31,211
Total Middle School Funds	$ 38,886	$ 69,237	$ 63,119	$ 45,004
High School Funds				
Clay Center Community High School	$ 61,052	$ 250,830	$ 246,992	$ 64,890
Other Agency Funds				
Payroll Clearing Fund	$ 79,071	$ 184,703	$ 180,080	$ 83,694
TOTAL AGENCY FUNDS	$ 181,245	$ 509,018	$ 494,644	$ 195,619

UNIFIED SCHOOL DISTRICT NO. 379
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
District Activity Funds						
Gate Receipts						
Clay Center Community Middle School	$ 1,581	$ 28,185	$ 26,123	$ 3,643	$ -	$ 3,643
Wakefield School	6,671	19,641	24,691	1,621	-	1,621
Clay Center Community High School	34,347	107,323	99,833	41,837	-	41,837
Total District Activity Funds	$ 42,599	$ 155,149	$ 150,647	$ 47,101	$ -	$ 47,101

November 25, 2025

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 379
Clay Center, 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. 379 (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 November 25, 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*.

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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

November 25, 2025

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 379
Clay Center, 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 Unified School District No. 379'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.

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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. 379
Clay Center, 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			
Direct U.S. Department of Education			
Impact Aid (P.L. 81-874	84.041	N/A	$ 56,783
Passed through Kansas Department of Education			
Special Education Cluster:			
Title VI, Special Education	84.027	D0379	$ 1,069,826
Special Education - Preschool Grants	84.173	DO379	29,552
Total Special Education Cluster			$ 1,099,378
Title I	84.010	DO379	220,757
Reserve Fund	84.048A	DO379	-
Title IV Project Lead	84.287	DO379	167,284
Title II-A Teacher Quality	84.367	DO379	43,478
Title IVA Student Support & Academic Enrichment	84.424	DO379	20,272
COVID-19 - Elementary and Secondary School Emergency Relief II	84.425D	DO379	-
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	DO379	887,566
COVID-19 - ARP ESSER - Homeless	84.425W	DO379	-
Total Passed Through U.S. Department of Education			$ 2,438,735
Total Department of Education			$ 2,495,518
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO379	$ 74,020
Section 4	10.555	DO379	329,631
Summer Food Service Program	10.559	DO379	65,897
Subtotal Child Nutrition Cluster			$ 469,548
Local Food for Schools	10.185	DO379	$ (8,149)
Total Department of Agriculture			$ 461,399
U.S. Department of Health & Human Services			
Passed through Kansas Department of Education			
COVID-19 - KSDE K-12 COVID Testing Grant	93.323	DO379	$ 30,968
Temporary Assistance for Needy Families	93.558	DO379	14,120
Total Department of Health & Human Services			$ 45,088
U.S. Department of Transportation			
Highway Safety Cluster	20.600	N/A	$ -
Total Federal Expenditures			$ 3,002,005

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, 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. 379
Clay Center, 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)
Special Education Cluster	84.027 and 84.173
Elementary and Secondary School Emergency Relief	84.425D/84.425U/84.425W

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.