

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY

RATING S&P: "A" / Stable
See "Bond Ratings" herein

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Bonds is exempt from income taxation by the State of Kansas; and (3) the Bonds are **not** "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.*

\$48,285,000*

**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)
GENERAL OBLIGATION SCHOOL BUILDING BONDS
SERIES 2026-A**

Dated: June 4, 2026

Due: September 1, As shown on the inside cover

The General Obligation School Building Bonds, Series 2026-A (the "Bonds") will be issued by Unified School District No. 373, Harvey County, Kansas (Newton) (the "Issuer" or the "District"), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Bonds. Principal will be payable annually on September 1, beginning in 2027, and semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2027 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar (the "Paying Agent" and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner, or in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

At the option of the Issuer, Bonds maturing on September 1, 2036, and thereafter will be subject to redemption and payment prior to maturity on September 1, 2035, or thereafter as described herein. [The Term Bonds are also subject to mandatory redemption as described herein.] See "THE BONDS - Redemption Provisions" herein.

The Bonds are being issued in part to finance the costs of the projects approved at the March 3, 2026 election and to refund a portion of the interest on certain general obligations of the Issuer, as further described herein.

The Bonds and the interest thereon will constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

STIFEL

MATURITY SCHEDULE LISTED ON INSIDE COVER PAGE

The Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. Certain other legal matters will be passed upon by Somers, Robb & Robb, Newton, Kansas, counsel for the Issuer. Certain legal matters will be passed on for the underwriter by Quarles & Brady LLP, Milwaukee, Wisconsin. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about June 4, 2026.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. "APPENDIX C – SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Preliminary Official Statement is May 7, 2026.

* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$48,285,000*
UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)
GENERAL OBLIGATION SCHOOL BUILDING BONDS
SERIES 2026-A

MATURITY SCHEDULE

SERIAL BONDS

<u>Stated</u> <u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Annual</u> <u>Rate of</u> <u>Interest</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP¹</u> <u>Base: 417622</u>
2027	\$ 275,000	___%	___%	___%	
2028	830,000	___%	___%	___%	
2029	905,000	___%	___%	___%	
2030	1,035,000	___%	___%	___%	
2031	1,160,000	___%	___%	___%	
2032	1,295,000	___%	___%	___%	
2033	1,435,000	___%	___%	___%	
2034	1,590,000	___%	___%	___%	
2035	1,745,000	___%	___%	___%	
2036	1,900,000	___%	___%	___%	
2037	2,060,000	___%	___%	___%	
2038	2,835,000	___%	___%	___%	
2039	3,040,000	___%	___%	___%	
2040	3,265,000	___%	___%	___%	
2041	3,495,000	___%	___%	___%	
2042	3,735,000	___%	___%	___%	
2043	3,995,000	___%	___%	___%	
2044	4,270,000	___%	___%	___%	
2045	4,555,000	___%	___%	___%	
2046	4,865,000	___%	___%	___%	

[TERM BONDS

<u>Stated</u> <u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Annual</u> <u>Rate of</u> <u>Interest</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP¹</u> <u>Base: 417622</u>
2046		___%	___%	___%]

(All plus accrued interest, if any)

⁽¹⁾ CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and is included solely for the convenience of the Owners of the Bonds. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

* Preliminary, subject to change

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THIS PRELIMINARY OFFICIAL STATEMENT SHOULD BE CONSIDERED IN ITS ENTIRETY. NO ONE FACTOR SHOULD BE CONSIDERED MORE OR LESS IMPORTANT THAN ANY OTHER BY REASON OF ITS POSITION IN THIS OFFICIAL STATEMENT. WHERE STATUTES, ORDINANCES, REPORTS OR OTHER DOCUMENTS ARE REFERRED TO IN THIS OFFICIAL STATEMENT, REFERENCE SHOULD BE MADE TO THOSE DOCUMENTS FOR MORE COMPLETE INFORMATION REGARDING THEIR SUBJECT MATTER.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)**

Office of the Board of Education
McKinley Administrative Center
308 East 1st Street
Newton, Kansas 67114
(316) 284-6200

BOARD OF EDUCATION

Ian Long, Member and President
Robert Diepenbrock, Member and Vice President
Melissa Schreiber, Member
Mallory Morton, Member
Erica Stevens, Member
Heidi Hoskinson, Member
Rachel McDaniel, Member

ADMINISTRATIVE OFFICERS

SUPERINTENDENT

Fred Van Ranken

CLERK
Joni Jantz

**INTERIM
DIRECTOR OF BUSINESS SERVICES**
Matt Morford⁽¹⁾

TREASURER
Dawn Archer

ISSUER'S COUNSEL
Somers, Robb and Robb
Newton, Kansas

BOND COUNSEL
Gilmore & Bell, P.C.
Wichita, Kansas

UNDERWRITER
Stifel, Nicolaus & Company, Incorporated
Wichita, Kansas

UNDERWRITER'S COUNSEL
Quarles & Brady LLP
Milwaukee, Wisconsin

CERTIFIED PUBLIC ACCOUNTANTS
Knudsen, Monroe & Company, LLC
Newton, Kansas

⁽¹⁾ Mr. Morford is expected to serve as Interim Director of Business Services through the end of the current fiscal year (June 30, 2026). The District expects to make a decision in the coming months on filling the position permanently.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE BONDS	2
THE DEPOSITORY TRUST COMPANY	6
THE PROJECTS.....	7
SOURCES AND USES OF FUNDS	8
RISK FACTORS AND INVESTMENT CONSIDERATIONS.....	8
[BOND INSURANCE	11]
BOND RATINGS	11
ABSENCE OF LITIGATION.....	11
LEGAL MATTERS	12
TAX MATTERS	12
UNDERWRITING.....	13
AUTHORIZATION OF OFFICIAL STATEMENT	14
<i>APPENDIX A – Information Concerning the Issuer</i>	
General.....	A-1
Economic Information	A-2
Financial Information	A-5
Debt Structure.....	A-14
<i>APPENDIX B – Financial Statements and Report of Independent Certified Public Accountants</i>	
<i>(for the fiscal year ended 06/30/25)</i>	B-1
<i>APPENDIX C – Summary of Financing Documents</i>	
The Bond Resolution	C-1
<i>APPENDIX D – Form of Disclosure Undertaking.....</i>	
<i>APPENDIX E – Form of Bond Counsel Opinion.....</i>	
<i>[APPENDIX F – Specimen Bond Insurance Policy.....</i>	
	F-1]

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OFFICIAL STATEMENT

\$48,285,000*

UNIFIED SCHOOL DISTRICT NO. 373, HARVEY COUNTY, KANSAS (NEWTON) GENERAL OBLIGATION SCHOOL BUILDING BONDS SERIES 2026-A

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to Unified School District No. 373, Harvey County, Kansas (Newton) (the "Issuer" or the "District"), and the General Obligation School Building Bonds, Series 2026-A (the "Bonds"), of the Issuer, dated June 4, 2026 (the "Dated Date").

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a unified school district duly organized and existing under the laws of the State of Kansas (the "State"). Additional information regarding the Issuer is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned "LEGAL MATTERS", Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS*."

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Bonds, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking"). The Issuer will covenant in the Disclosure Undertaking to annually provide certain financial information and operating data (collectively, the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository ("EMMA") not later than the February 1st immediately following the end of the Issuer's Fiscal Year, commencing with the year ending June 30, 2026. In the Bond Resolution, hereinafter defined, the Issuer covenants with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Bonds. The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the "Prior Undertakings").

The Issuer's audited financial statements and operating data for the fiscal year ended June 30, 2021, were not timely filed with respect to the timing requirements of one of the District's then outstanding continuing disclosure undertakings. The Issuer's operating data filings for fiscal years ended June 30, 2021, June 30, 2022 and June 30, 2023, failed to include certain information required by certain of the Issuer's continuing disclosure undertakings. The Issuer has reviewed its continuing disclosure responsibilities to help ensure compliance in the future. In 2022, the Issuer hired a third-party firm to assist the Issuer in meeting its continuing disclosure obligations.

For more information regarding the Disclosure Undertaking, see "*APPENDIX D – FORM OF DISCLOSURE UNDERTAKING*."

Additional Information

Additional information regarding the Issuer or the Bonds may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement, or from the Underwriter, Stifel, Nicolaus & Company, Incorporated, 8080 E. Central, Suite 340, Wichita, Kansas 67206, Attention: Bret Shogren, by phone (316) 264-9351 or e-mail (shogrenb@stifel.com).

THE BONDS

Authority for the Bonds

The Bonds are being issued under the authority of and pursuant to the Constitution and laws of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-427 *et seq.*, K.S.A. 10-620 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 *et seq.*, all as amended and supplemented from time to time (collectively, the "Act") and a resolution adopted by the governing body of the Issuer (the "Bond Resolution").

Security for the Bonds

The Bonds shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax, Transfer to Debt Service Account

The governing body of the Issuer shall annually make provision for the payment of principal of, premium, if any, and interest on the Bonds as the same become due by, to the extent necessary, levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. Such taxes shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer, shall thereafter be transferred to the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

Description of the Bonds

The Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law [and shall be approved by the Bond Insurer].

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

The principal of, or Redemption Price, and interest on the Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed

to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE BONDS – Book-Entry Bonds; Securities Depository."

Payments Due on Saturdays, Sundays and Holidays

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities

depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Bond Resolution.

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Bonds

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentation of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, Bonds maturing on September 1 in the years 2036, and thereafter, will be subject to redemption and payment prior to their Stated Maturity on September 1, 2035, and thereafter, as a whole or in part (selection of maturities and the amount of Bonds of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the Redemption Price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the Redemption Date.

[**Mandatory Redemption.** [(a) [] Term Bonds.]The [] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such [] Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

*

*Final Maturity

[(b) 2046 Term Bonds.]The 2046 Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on September 1 in each year, the following principal amounts of such 2046 Term Bonds:

<u>Principal Amount</u>	<u>Year</u>
\$	

2046*

*Final Maturity

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Bonds are to be redeemed and paid prior to their Stated Maturity, such Bonds shall be redeemed in such manner as the Issuer shall determine, Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar, the State Treasurer[, the Bond Insurer] and the Underwriter. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable

on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Bonds, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE PROJECTS

At the election held on March 3, 2026, (the "Election") the voters in the District approved the following question:

Shall Unified School District No. 373, Harvey County, Kansas (Newton), issue general obligation bonds in an amount not to exceed \$50,000,000 to pay the costs to: (a) renovate/modernize the existing 1970s-era science labs and Culinary Arts Department at Newton High School, interior classroom arrangements to include modernizing and renovating areas where temporary walls remain from the 1970's-era construction, and the 1950s-era locker rooms at Chisholm Middle School; (b) make needed Heating, Ventilation and Air-Conditioning (HVAC) system, roof, and interior/exterior improvements and renovations to buildings throughout the District, including but not limited to Newton High School, Chisholm Middle School, Santa Fe 5/6 Center, Cooper Early Education Center, all elementary schools, and the McKinley Administrative Center; (c) acquire and install security, communications, and technology upgrades throughout the District, including but not limited to intruder locks, controlled automatic door operators, and emergency communication systems, for enhanced safety and building access control; (d) construct, equip, furnish, and make site improvements for storm shelter additions at each of the Newton High School, Chisholm Middle School, and Cooper Early Education Center for the safety of all students and staff, to also serve as classrooms, laboratories and/or support spaces; (e) renovate/upgrade existing storm shelters at the Northridge Elementary, South Breeze Elementary, Sunset Elementary, and Slate Creek Elementary buildings for the safety of all students and staff; (f) make accessibility upgrades throughout the District in accordance with the Americans with Disabilities Act (ADA); (g) update/upgrade playground equipment at all elementary and early education sites throughout the District; (h) make all other necessary improvements, including site,

utility, furnishing, and equipment improvements appurtenant thereto (collectively the “Project”); and (i) pay costs of issuance and interest on said general obligation bonds of the District during construction of the Project; all pursuant to the provisions of K.S.A. 10-101 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 *et seq.*?

A portion of the proceeds of the Bonds will be used to finance projects approved at the Election. A portion of the proceeds of the Bonds will also be used to refund \$5,000 of the interest coming due on September 1, 2026, for the District's General Obligation Refunding Bonds, Series 2012, dated December 1, 2012.

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Bonds:

Sources of Funds:	
Principal Amount of the Bonds	\$48,285,000.00*
[Original Issue Premium]	
[Original Issue Discount]	-
Total	\$
 Uses of Funds:	
Deposit to Improvement Fund-Project Costs	\$
Deposit to Redemption Fund	
Deposit to Compliance Account	
Deposit to Improvement Fund-Capitalized Interest	
Deposit to Costs of Issuance Account	
Underwriter’s Compensation	
Total	\$

* Preliminary, subject to change

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Debt Service Repayment; Property Tax System & Considerations

The Bonds are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. For example, in 2026 the Kansas legislature passed a bill that, among other things, would have restricted the ability of taxing subdivisions, including the Issuer, to levy unlimited ad valorem taxes to pay the debt service requirements on general obligation debt. Although the bill was vetoed by the Governor and did not become law, the Issuer cannot predict whether similar bills will be introduced in the future or what effect such bills may have on the Issuer's general obligation debt.

Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See "*APPENDIX A – FINANCIAL INFORMATION – Property Valuations*" and "*– Property Tax Levies and Collections.*"

State Aid

As described in "*APPENDIX A – FINANCIAL INFORMATION – Property Tax Levies and Collections – School District Funding Formula*" and the sections following in *APPENDIX A*, the State provides a substantial portion of the money for the operation of school districts in the State. As with other states, declining State revenues have resulted in reductions in the amount of State aid to school districts for operating purposes. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on the Bonds regardless of the amount of State aid received.

Kansas Public Employees Retirement System

As described in "*APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans,*" the Issuer participates in the Kansas Public Employees Retirement System ("KPERs"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERs administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Public Employees Retirement System – State/School Group (the "Plan"). Under existing law, employees make contributions and the State makes all employer contributions to the Plan; the Issuer is not responsible for supplemental contributions or any unfunded accrued actuarial liability ("UAAL"). According to KPERs' Valuation Report, the State/School Group had an UAAL of approximately \$6.343 billion in calendar year 2024. No assurance can be given by the Issuer that future legislative action may require Issuer contributions to the Plan or mandated Issuer responsibility for a portion of the UAAL.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

Premium on Bonds

[The initial offering prices of certain maturities of the Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.]Any person who purchases a Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Bonds are subject to redemption at par under the various circumstances described under "THE BONDS – Redemption Provisions."

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Bond Resolution does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Resolution does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Market for the Bonds

Bond Rating.

The Bonds have been assigned the financial rating set forth in the section hereof entitled "BOND RATINGS." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Bonds.

Secondary Market.

There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal bonds which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Bonds, but is not obligated to do so. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

[Bond Insurance and Ratings of the Bond Insurer

If the Issuer fails to make payment of the principal of and interest on the Bonds when the same become due, any Owner of Bonds will have recourse against the Bond Insurer for such payments. The Bond Insurance Policy does not, however, insure payment of the principal of or interest on the Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the redemption of the Bonds. Under no circumstances, can the maturities of the Bonds be accelerated except with the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer performs its obligations under the Bond Insurance Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken under the Bond Resolution. If the Bond Insurer is unable to make payments of principal and interest on the Bonds as those payments become due, the Bonds are payable solely from sources pledged by the Issuer pursuant to the Bond Resolution. See "BOND INSURANCE" for further information concerning the Bond Insurer, the Bond Insurance Policy and any financial ratings assigned to bonds insured by the Bond Insurer.

A rating downgrade of the Bond Insurer by any rating agency may result in a rating downgrade of the Bonds. A rating downgrade of the Bonds could lower the price of the Bonds in the secondary market, and could affect the liquidity for the Bonds in the secondary market. Prospective purchasers of the Bonds are urged to check the websites of the rating agencies and the public announcements by the Bond Insurer for any future developments relating to the ratings of the Bond Insurer and the Bonds.]

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters or Terrorist Attacks

The occurrence of a terrorist attack in the Issuer, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

Public Health Emergencies Could Negatively Affect the Issuer's Operations

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The Issuer cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the Issuer associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the Issuer. Accordingly, the Issuer cannot predict the effect any public health emergencies will have on the finances or operations of the Issuer or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

BOND INSURANCE

Information about the Bond Insurer to be included and updated if the Bonds are purchased with a Bond Insurance Policy.

BOND RATINGS

S&P Global Ratings, a division of S&P Global Inc. ("S&P"), has assigned an underlying rating of "A" / Stable to the Bonds. [S&P has assigned the rating of "[]" to the Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of the principal of and interests on the Bonds will be issued by the Bond Insurer.]

Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any bonds, including the Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse effect on the market price of the Bonds.

ABSENCE OF LITIGATION

The Issuer, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the Issuer, any judgment rendered against the Issuer in such proceedings would not materially adversely affect the financial position of the Issuer.

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Bonds or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the matters appearing in the sections of this Official Statement captioned "THE BONDS," "LEGAL MATTERS," "TAX MATTERS," and "*APPENDIX C* - SUMMARY OF FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain other legal matters will be passed upon by Somers, Robb & Robb, Newton, Kansas.

Quarles & Brady LLP has been retained by the Underwriter to serve as counsel to the Underwriter with respect to the Bonds. Although, as counsel to the Underwriter, Quarles & Brady LLP has assisted the Underwriter with certain matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds have **not** been designated as "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds.

Other Tax Consequences

Original Issue Discount.

For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period.

The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium.

For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent the Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Bonds, and to the proceeds paid on the sale of Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

The Bonds are being purchased for reoffering by Stifel, Nicolaus & Company, Incorporated, Wichita, Kansas ("Stifel" or the "Underwriter") at a price equal to the principal amount of the Bonds[, less an underwriting discount of \$ _____][, plus an original issue premium of \$ _____][, less an original issue discount of \$ _____].

The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Bond Purchase Agreement. The Bonds will be offered to the public initially at the prices determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may

have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Bonds and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Bonds.

**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)**

Name: Ian Long, President

Name: Joni Jantz, Clerk

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APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

Unified School District No. 373, Harvey County, Kansas (Newton) (the "District" or "Issuer") is situated in Harvey and Marion Counties of south central Kansas. The District office is located in Newton, Kansas (the "City"), approximately 20 miles north of the City of Wichita, Kansas, which is the largest city in the State and a major employment and social center in south central Kansas. The District's service area encompasses approximately 133.5 square miles and has a current estimated population of 21,947.

Government and Organization of the District

The Issuer is a Unified School District organized and existing under and pursuant to the Constitution and laws of the State of Kansas. The District became unified in 1965 and is governed by a seven-member Board of Education that sets policy governing educational and administrative operations. Each Board Member is elected at large to a four-year term of office.

District Facilities

The District presently operates nine (9) attendance centers consisting of the following:

<u>Facility</u>	<u>Grades</u>
Cooper Early Education Center	Birth – 5
Northridge Elementary School	K – 4
Slate Creek Elementary School	K – 4
South Breeze Elementary School	K – 4
Sunset Elementary School	K – 4
Santa Fe 5/6 Center	5 – 6
Chisholm Middle School	7 – 8
Newton High School ⁽¹⁾	9 – 12
Opportunity Academy	7 – 12

⁽¹⁾ The District used a portion of its CARES Act federal funding for HVAC repair and replacement at Newton High School. As a condition of such use, the US government required a Notice of Federal Interest to be recorded in favor of the United States Department of Education, imposed conditions on use of the property, and provided for a continuing federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the federal statute or any program regulations governing the award; (2) mortgaged or otherwise used as collateral without the prior, written permission of the United States Commissioner of Education (the "Commissioner"); or (3) sold or transferred to another party without the prior, written permission of the Commissioner.

Source: Unified School District No. 373

District Enrollment

The following table lists the history of enrollment in the District's schools for the years indicated.

<u>Year</u>	<u>Total Enrollment</u>
2021/22	3,288
2022/23	3,218
2023/24	3,166
2024/25	3,045
2025/26	2,950

Source: Unified School District No. 373

Higher Education Facilities

Post-secondary education is accessible to residents of the District through Hutchinson Community College-Newton Campus in Newton, Kansas; Bethel College, North Newton, Kansas; Hesston College in Hesston, Kansas; Hutchinson Community College, Hutchinson, Kansas; Central Christian College of Kansas and McPherson College, McPherson, Kansas;

and Wichita State University, Friends University, Newman University, University of Kansas School of Medicine and WSU Tech in Wichita, Kansas.

Municipal Services and Utilities

Everygy provides electric service to residents of the District and gas service is provided by Kansas Gas Service. The City provides water, sewer, and refuse service to residents of the District within the city limits. Outside the City limits, sewer service is provided by private lagoons and water service is provided by private wells. Local and long distance telephone service, cable and internet is provided by AT&T and Cox Communications.

Transportation and Communication Facilities

The District office is located in Newton, Kansas, which is located at the junctions of U.S. Highways 50 and 81. In addition, Interstate Highway 135 runs north and south directly through Newton. The Newton City-County Airport is a public access airport located in the City with a lighted runway and private aircraft storage. The nearest commercial air service is provided in Wichita, Kansas at Wichita Dwight D. Eisenhower National Airport, approximately 25 miles south of the City. Package delivery service is available to District residents through the United States Postal Service, United Parcel Service, and Federal Express. Residents of the District have access to a weekly newspaper publication, as well as, cable and network television channels and numerous radio stations from the surrounding areas.

Health Care Facilities

District residents have access to full medical, dental and rehabilitation services within the City. NMC Health is a 99-bed hospital, which provides an array of health care, diagnostic and support services. The medical center also has an emergency department that is fully staffed 24 hours a day and is a major employer in Harvey County. Also located in the City is Prairie View, which offers a complete range of inpatient and outpatient mental health treatment services for all ages.

Recreational and Cultural Facilities

Residents of the District have access to several recreational facilities including public parks, golf courses, country club, tennis courts, walking trails, swimming pools and a movie theatre. Located within 30 miles of Newton are two public access lakes which provide fishing, boating, swimming, water skiing, and camping opportunities to District residents. In addition, Newton’s close proximity to other larger cities, especially the City of Wichita, allows District residents access to an even wider array of recreational and cultural activities.

ECONOMIC INFORMATION

Major Employers

Listed below are the major employers located in District and the number employed by each:

	<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- & Part-time Employees</u>
1.	Newton Medical Center	Medical Services	794
2.	The District	Public Education	770
3.	BNSF Railway Company	Transportation	380
4.	Walmart	Retail	271
5.	Prairie View, Inc.	Mental Wellness Facility	252
6.	Dillions Food Store	Grocery Store	243
7.	ResCare Kansas	Handicapped Development	209
8.	The City	Government	206
9.	Harvey County	Government	175
10.	Bethel College	Private College	159

Source: Unified School District No. 373

Labor Force

The following table sets forth labor force figures for Harvey and Marion Counties and the State of Kansas:

HARVEY COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2020	17,146	16,261	885	5.2%
2021	17,159	16,642	517	3.0%
2022	17,234	16,799	435	2.5%
2023	17,462	16,917	545	3.1%
2024	17,835	17,089	746	4.2%

MARION COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2020	5,852	5,611	241	4.1%
2021	5,867	5,713	154	2.6%
2022	5,858	5,708	150	2.6%
2023	5,852	5,692	160	2.7%
2024	6,006	5,780	226	3.8%

STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2020	1,501,633	1,414,277	87,356	5.8%
2021	1,502,391	1,450,948	51,443	3.4%
2022	1,510,916	1,468,686	42,230	2.8%
2023	1,527,042	1,483,017	44,025	2.9%
2024	1,548,387	1,493,815	54,572	3.5%

The Kansas Department of Labor is reporting a 3.6% unemployment rate for Harvey County, 3.3% unemployment rate for Marion County, and a 3.9% unemployment rate for the State of Kansas for the month of March 2026.

Source: Kansas Department of Labor

Retail Sales Tax Collections

The following table lists State of Kansas sales tax collections for the years indicated for sales occurring in Harvey and Marion Counties, Kansas:

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>
2021	\$ 26,408,687	\$ 7,102,553
2022	28,369,224	8,469,046
2023	27,074,069	7,605,234
2024	25,565,392	7,261,623
2025	23,666,123	6,565,510

The State sales and use tax increased to 6.50%, effective July 1, 2015. For sales of food and food ingredients, beginning January 1, 2023, the State sales and use tax rate was reduced to 4%, beginning January 1, 2024, such rate was reduced to 2%, and beginning January 1, 2025, such rate was reduced to 0%. During such times, the State sales and use tax rate on non-food and non-food ingredients sales remained at 6.50%.

Source: Kansas Department of Revenue

Bank Deposits

The following table lists bank deposits in Harvey and Marion Counties for the years indicated:

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>
2021	\$ 775,297,000	\$ 346,180,000
2022	805,376,000	379,684,000
2023	916,663,000	366,095,000
2024	876,684,000	372,994,000
2025	848,821,000	351,015,000

Source: FDIC

Oil Production

The oil production (in number of barrels) for Harvey and Marion Counties for the years listed is indicated in the following table:

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>
2021	84,948	98,649
2022	82,217	95,582
2023	72,654	89,722
2024	72,536	81,702
2025	67,257	74,333

Source: Kansas Geological Survey

Gas Production

The gas production (in cubic feet) for Harvey and Marion Counties for the years listed is indicated in the following table:

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>
2021	130,010	106,454
2022	128,545	106,141
2023	116,248	66,057
2024	81,760	2,107
2025	18,351	0

Source: Kansas Geological Survey

Population Trends

The following table shows the approximate population of District, Harvey, and Marion County in the years indicated:

<u>Year</u>	<u>District Population</u>	<u>Harvey County Population</u>	<u>Marion County Population</u>
2020	22,380	34,291	11,652
2021	22,061	33,817	11,712
2022	22,050	33,801	11,868
2023	21,857	33,504	11,690
2024	21,947	33,642	11,670

The median age of persons in Harvey and Marion Counties, and the State of Kansas is 40.7, 44.6, and 37.4, respectively, per the 2020 Census.

Source: United States Census Bureau

Personal Income Trends

Harvey and Marion Counties per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table.

	Harvey County	Marion County	State of Kansas
	Per Capita	Per Capita	Per Capita
<u>Year</u>	<u>Income</u>	<u>Income</u>	<u>Income</u>
2020	\$ 47,220	\$ 46,569	\$ 55,231
2021	50,647	49,245	59,209
2022	51,000	47,139	61,875
2023	54,424	52,378	63,513
2024	56,321	52,566	65,856

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The District follows a modified accrual basis of accounting for all tax supported funds of the District, including the General Fund.

The District's fiscal year is mandated to run from July 1 to June 30. An annual budget for the coming eighteen months is required to be prepared by the District, for all funds not exempt from the budget requirement. A computation of estimated receipts and disbursements is prepared and presented to the governing body of the District prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the District prior to August 25 of each year.

The District may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the District and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the District) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body (the "Revenue Neutral Tax Act"). The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year (or by July 1 for tax year 2024), each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must notify the county clerk by July 20 of the taxing subdivision's intent to exceed the revenue neutral rate and provide to the county clerk the date, time and location of the related public hearing and the taxing subdivision's proposed tax rate. The county clerk is required to provide notice of such intent to exceed the revenue neutral rate to each taxpayer with property in the taxing subdivision at least 10 days in advance of the public hearing. The notice must include the following information: (1) the heading "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS"; (2) a statement that the notice contains estimates of the property tax and proposed property tax increases, actual taxes may increase or decrease from the estimates provided, the governing body will vote at a public hearing to exceed the revenue neutral rate, taxpayers may attend and comment at the hearing, and property tax statements will be issued after mill rates are finalized and taxes are calculated; (3) the appraised value and assessed value of the taxpayer's property for the current year and the previous year; (4) the amount of property tax of the taxing subdivision on the taxpayer's property from the previous year's tax statement; (5) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the revenue neutral rate of the taxing subdivision; (6) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the proposed tax rate provided by the taxing subdivision; (7) the difference between the amount of the current year's maximum tax and the previous year's tax, reflected in dollars and a percentage, for the taxing subdivision; (8) the date, time and location of the public hearing of the taxing subdivision; and (9) the difference between the current year's maximum tax and the estimated amount of property tax based on the revenue neutral rate of the taxing subdivision.

The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer will be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a

resolution or ordinance, and thereafter the taxing subdivisions will adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate. However, if a taxing subdivision does not comply with the notice and hearing requirements of the Revenue Neutral Tax Act because it did not intend to exceed its revenue neutral rate, but the final assessed valuation of such taxing subdivision used to calculate the actual levy is less than the estimated assessed valuation used to calculate the revenue neutral rate, such taxing subdivision is permitted to levy a tax rate that generates the same amount of property tax revenue as levied the prior year or less. Additionally, in the event that the tax levied by the District pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year, and the increase in revenue generated from such tax levied is the only reason that the District would exceed the total property tax revenue from the prior year, the District shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate.

The District cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Bonds, or the general rating of the District. A change in the rating on the Bonds or a change in the general rating of the District may adversely impact the market price of the Bonds in the secondary market.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Knudsen Monroe & Company, LLC (the "Auditor"), Newton, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended June 30, 2025 is attached hereto as **APPENDIX B**.

Potential purchasers should read such financial statements in their entirety for more complete information concerning the Issuer's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Issuer has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, nor has the Issuer requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is not intended to demonstrate the fiscal condition of the Issuer since the date of such financial information, in connection with the issuance of the Bonds, the Issuer represents that there has been no material adverse change in the financial position or results of operations of the Issuer, nor has the Issuer incurred any material liabilities, which would make such financial information misleading.

Sources of Revenue

The District finances its general operations through the local property tax levy and other miscellaneous sources as indicated below for the 2025/26 Fiscal Year:

<u>Source</u>	<u>Percent</u>
Local property tax	29.00%
State of Kansas	62.00
Federal Aid	<u>9.00</u>
<i>Total</i>	<i>100.00%</i>

Source: Unified School District No. 373

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The Harvey and Marion County Appraiser's office determines the fair market value of all taxable property within the counties and the assessed valuation thereof that is to be used as a basis for the mill levy on property located in the Issuer.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on

which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State (see "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Debt Service Repayment; Property Tax System & Considerations"). Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

Fair Market Value

The following table shows the fair market value of the taxable property within the District for the following years:

HARVEY COUNTY

<u>Year</u>	<u>Personal Property</u>	<u>Real Estate</u>	<u>State Assessed Utilities (Appraised)</u>	<u>Total</u>
2021	\$ 11,297,065	\$ 1,134,190,340	\$ 60,713,313	\$ 1,206,200,718
2022	12,946,842	1,212,935,650	62,009,036	1,287,891,528
2023	13,846,559	1,297,222,190	61,428,455	1,372,497,204
2024	13,307,646	1,449,806,130	64,740,897	1,527,854,673
2025	13,070,693	1,549,156,210	67,393,558	1,629,620,461

MARION COUNTY

<u>Year</u>	<u>Personal Property</u>	<u>Real Estate</u>	<u>State Assessed Utilities (Appraised)</u>	<u>Total</u>
2021	\$ 4,962	\$ 737,519	\$ 5,473	\$ 747,954
2022	5,072	748,854	3,988	757,914
2023	5,072	964,495	4,580	974,147
2024	5,072	1,147,038	4,550	1,156,660
2025	5,072	1,217,594	4,970	1,227,636

TOTAL FAIR MARKET VALUATION

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>	<u>Total</u>
2021	\$ 1,206,200,718	\$ 747,954	\$ 1,206,948,672
2022	1,287,891,528	757,914	1,288,649,442
2023	1,372,497,204	974,147	1,373,471,351
2024	1,527,854,673	1,156,660	1,529,011,333
2025	1,629,620,461	1,227,636	1,630,848,097

Source: Harvey and Marion County Clerks

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the District for the following years:

HARVEY COUNTY

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2021	\$ 154,097,951	\$ 2,373,440	\$ 20,035,333	\$ 24,082,947	\$ 200,589,671
2022	166,422,811	2,672,487	20,462,982	23,182,244	212,740,524
2023	177,845,241	3,376,035	20,271,390	23,492,734	224,985,400
2024	199,535,715	3,594,117	21,364,496	24,035,265	248,529,593
2025	210,143,811	3,091,640	22,239,874	24,574,615	260,049,940

MARION COUNTY

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2021	\$ 103,203	\$ 1,489	\$ 1,806	\$ 13,417	\$ 119,915
2022	104,674	1,522	1,316	13,343	120,855
2023	129,594	1,522	1,512	23,519	156,147
2024	148,695	1,522	1,502	19,488	171,207
2025	157,034	1,522	1,620	38,242	198,418

TOTAL ASSESSED VALUATION

<u>Year</u>	<u>Harvey County</u>	<u>Marion County</u>	<u>Total</u>
2021	\$ 200,589,671	\$ 119,915	\$ 200,709,586
2022	212,740,524	120,855	212,861,379
2023	224,985,400	156,147	225,141,547
2024	248,529,593	171,207	248,700,800
2025	260,049,940	198,418	260,248,358

Source: Harvey and Marion County Clerks

Property Tax Levies and Collections

School District Funding Formula

Overview. The Kansas School Equity and Enhancement Act, adopted by the Kansas Legislature in 2017 and amended in 2018 (collectively the "KSEEA"), implemented a revised method of funding primary and secondary public education in the State of Kansas (the "State"). This overall funding formula, together with other existing legislation relating to education funding (collectively the "Plan"), contains many foundational characteristics of the funding plan employed by the State from 1992 to 2015, with certain modifications made in recent years in response to lawsuits challenging the constitutionality of the State's school funding plans and the court decisions rendered. The following is a high-level summary of the Plan and certain funds and accounts created thereunder. This summary does not purport to be comprehensive.

Funding for the Plan. In general, funding for the Plan is provided by a State-mandated 20-mill property tax, motor vehicle tax collections, grants, certain federal impact aid and remaining fund balances (the "School Financing Sources"). School districts are also allowed to levy certain ad valorem taxes to fund operations. The District's Bond and Interest Fund, from which principal and interest payments on general obligation bonds are financed, is a separate, unrestricted levy of ad valorem taxes.

General Fund. Revenue to support general fund operations is provided to districts through the State's total foundation aid ("TFA"). TFA is determined by a formula which provides a fixed amount of funding per student, titled base aid for student excellence ("BASE"). TFA is calculated each year by multiplying BASE by the adjusted enrollment of a district. Adjusted enrollment means the district's full-time enrollment adjusted by certain weighting factors related to the estimated cost of educating certain students. The amount of TFA that a district actually receives each year from the State is determined each school year by the State Board of Education (the "State Board") and is a function of the district's School Financing Sources and TFA.

A district's general state aid entitlement is paid monthly from the State school district finance fund during July through May according to the amount needed to meet operating expenses, with the balance paid in June. Any amount not so paid in June is paid on July 1 or as soon thereafter as funds are available for such payment. State law permits such funds to be recorded and accounted by the district as if received on June 30.

Supplemental General Fund. In order to provide additional funding for operations, the Plan provides for the creation of a supplemental general fund that can be used for the same purposes as the general fund. Such supplemental general fund shall be implemented through a local option budget ("LOB") approved by the district's governing body and financed by an ad valorem tax levied within the district. Each district shall provide for an LOB in an amount not less than 15% of the district's TFA. In addition, any district, by resolution of its governing body, may provide for an increased LOB, and depending on amount, may be subject to notice and protest and/or referendum. A district that has adopted a LOB is eligible for supplemental general state aid determined by a formula that takes into account the district's assessed value per pupil ("AVPP") and other factors.

The District has a LOB in an amount of 33% of its TFA, which generates approximately \$9,042,874 of revenues annually.

Capital Outlay Funds. The Plan authorizes any district to initiate a capital outlay levy in an amount not to exceed 8 mills upon all taxable tangible property within the district. Prior to instituting a capital outlay levy, the district's governing body must adopt a resolution declaring an intent to institute the levy, and the resolution must be published and is subject to protest petition. Funds generated by a district's capital outlay levy may be expended for certain capital improvements, equipment and expenses provided by the Plan. A district may also issue general obligation capital outlay bonds, in an amount determined by formula, that are expected to be repaid from funds derived from the capital outlay levy. The District has a current capital outlay levy of 8 mills, which generates approximately \$4,609,599.

Any district that levies a capital outlay levy is eligible to receive moneys from the school district capital outlay state aid fund based on a state aid percentage factor determined on a formula inversely related to the AVPP as compared to the median AVPP of all districts in the State.

Capital Improvement Fund. There is established in the State Treasury the school district Capital Improvement Fund ("CIF"). The CIF is intended to assist districts in making principal and interest payments on voted general obligation bond issues. Subject to an annual cap on total State CIF expenditures, each district may apply to the State Board to receive CIF State aid in an amount inversely related to its AVPP. Determination of CIF funding was not modified by KSEEA.

During the 2025-2026 Fiscal Year, it is anticipated that the CIF will pay approximately 53% of the debt service on the District's bonds approved by voters prior to July 1, 2015, will pay approximately 0% of the debt service on bonds approved by voters between July 1, 2015 and June 30, 2022, and will pay approximately 7% of the debt service on bonds approved by voters on or after July 1, 2022. No assurance can be given that State CIF assistance will continue in future years. The District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on its general obligation bonds, regardless of any amounts received from the CIF.

Other State Funding. The Plan also provides additional State aid to school districts for various specific purposes and also provides increased funding based on certain weighting factors.

Litigation. The methods employed by the State for funding primary and secondary education, including the Plan, have been regularly subject to lawsuits challenging the constitutionality of such methods. Certain lawsuits have successfully asserted that various components of State funding are constitutionally inadequate and/or inequitable, and the resulting court decisions have mandated that the Legislature address such deficiencies within provided deadlines. In response, the Legislature has actively amended and revised components the State funding formula.

Most recently, the KSEEA was subject to litigation as to whether it complied with the State constitution. In 2019, the Kansas Legislature passed House Substitute for Senate Bill 16 ("SB 16") amending the KSEEA. In June 2019, the Kansas Supreme Court (the "Court") held that, due to the additional funding contained in SB 16, the State substantially complied with

the Court’s mandate regarding financial adequacy and the KSEEA, as amended by SB 16, was constitutionally compliant. The Court retained jurisdiction to ensure continued compliance with that mandate until February 2024, when the Court granted the State’s motion to release its jurisdiction.

The impact on the District and the Plan of any future litigation is not able to be determined at this time. There can be no assurance that the Plan or any components thereof will continue in their current form. Additionally, as stated by the Court in previous decisions regarding the Plan, the implementation of an unconstitutional system of school funding system may be enjoined, in which case it could be possible that funds could not be raised, distributed or spent for the operation of public primary and secondary schools in the State.

Tax Collections

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before September 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Major Taxpayers

The following table sets forth the ten largest taxpayers in the District for taxes levied in the 2025 tax collection period:

	<u>Taxpayer</u>	<u>Taxes Levied</u>	<u>2025 Assessed Valuation</u>	<u>% of Total 2025 Assessed Valuation</u> ¹
1.	Kansas (Evergy Kansas South, Inc)	\$ 961,956	\$ 6,095,398	2.59%
2.	BNSF	774,812	5,013,713	2.13%
3.	Union Pacific Railroad Company	568,763	4,170,400	1.77%
4.	Tallgrass Pony Express Pipeline, LLC	346,832	2,800,411	1.19%
5.	Wal-Mart Real Est Bus Tr	457,301	2,536,095	1.08%
6.	Kansas Gas Service, A Div of One Gas	435,681	2,474,132	1.05%
7.	Arden Mills, LLC	223,239	1,238,037	0.53%
8.	Future Foam Inc	222,820	1,207,433	0.51%
9.	Park Aircraft Tech Corp	190,176	985,673	0.42%
10.	Dillon Companies Inc	172,790	958,258	0.41%

¹ Not including motor vehicle valuation

Source: Harvey County Clerk

Tax Rates

The District may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of the State school finance formula. Property tax levies are based on the adopted budget of the District and the assessed valuations provided by the county appraiser.

The following table shows the District's mill levies by fund (per \$1,000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Supplemental General Fund</u>	<u>Capital Outlay</u>	<u>Bond & Interest</u>	<u>Rec. Commission</u>	<u>Rec. Comm. Emp. Benefits</u>	<u>Total Levy</u>
2021/22	20.000	13.510	7.983	11.869	7.202	2.107	62.671
2022/23	20.000	13.179	8.000	11.805	7.561	2.299	62.844
2023/24	20.000	15.320	8.000	9.911	6.554	2.347	62.132
2024/25	20.000	14.094	8.000	9.804	6.578	2.278	60.754
2025/26	20.000	15.036	8.000	9.829	6.357	2.261	61.483

Source: Harvey County Tax Levy Sheets

Aggregate Tax Levies

The aggregate tax levies (per \$1,000 assessed valuation) of the District and overlapping jurisdictions for the years indicated are included in the following table:

<u>Year</u>	<u>City of Newton</u>	<u>City of North Newton</u>	<u>City of Walton</u>	<u>Harvey County</u>	<u>Marion County</u>	<u>USD #373</u>	<u>State</u>
2021/22	62.506	52.300	57.777	42.629	75.017	62.671	1.5
2022/23	70.383	52.343	53.196	43.604	74.999	62.844	1.5
2023/24	72.361	52.454	58.101	43.593	75.878	62.132	1.5
2024/25	72.223	51.585	57.338	43.622	72.907	60.754	1.5
2025/26	72.353	51.011	56.536	44.709	69.870	61.483	1.5

Source: Harvey County and Marion County Tax Levy Sheets

Tax Collection Record

The following table sets forth tax collection information for the District for the years indicated:

<u>Year</u>	<u>Total Levy</u>	<u>Total Taxes Levied</u>	<u>Current Taxes Collected</u>	
			<u>Amount</u>	<u>Percentage</u>
2021/22	62.671	\$ 10,848,295	\$ 10,574,236	97.47%
2022/23	62.844	9,199,316	9,183,959	99.83%
2023/24	62.132	10,056,321	9,905,927	98.50%
2024/25	60.754	10,283,240	10,231,253	99.49%
2025/26 ¹	61.483	11,128,788	6,783,932	60.96%

¹ Through March 31, 2026

Source: Harvey and Marion County Treasurers

History of Employment

The following table indicates the history of the Issuer's employment for the fiscal years indicated.

<u>Year</u>	<u>Total Full-Time Employees</u>	<u>Total Part-Time Employees</u>	<u>Total</u>
2022	691	115	806
2023	680	113	793
2024	675	111	786
2025	673	103	776
2026	673	97	770

Source: Unified School District No. 373

Employee Relations

The Issuer characterizes employee relations as good.

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System ("KPERs") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERs is governed by a board of trustees consisting of nine members each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERs and manage a staff to carry out daily operations of the system.

As of December 31, 2024, KPERs serves approximately 350,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERs administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen's Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERs is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated September 14, 1999 and March 5, 2001. KPERs is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERs Tier 1 members (covered employment prior to July 1, 2009), KPERs Tier 2 members (covered employment on or after July 1, 2009), or KPERs Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERs to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERs trust fund for the School Group. For more information about the Legislature's actions related to KPERs, please see the 2024 Valuation Report referenced below.

The State's contribution for school employees varies from year to year based upon the annual actuarial valuation and appraisal made by KPERs, subject to legislative caps on percentage increases. The State's contribution is 11.68% of the employee's gross salary for the period beginning July 1, 2025, through June 30, 2026, and is projected to change to 11.32% of the employee's gross salary for the period beginning July 1, 2026, through June 30, 2027. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2024 (the "2024 Valuation Report") the KPERs School Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$4.974 billion at the end of 2024. The amount of the UAAL in 2024 changed from the previous year's amount due to the factors discussed in the 2024 Valuation Report; such report also includes additional information relating to the funded status of the KPERs School Group, including recent trends in the funded status of the KPERs School Group. A copy of the 2024 Valuation Report is available on the KPERs website at www.kspers.gov/about/reports. The Issuer has no means to independently verify any of the information set forth on the KPERs website or in the 2024 Valuation Report, which is the most recent financial and actuarial information available on the KPERs website relating to the funded status of the KPERs School Group. The 2024 Valuation Report sets the employer contribution rate for the period beginning July 1, 2027, for the KPERs School Group, and KPERs' actuaries identified that an employer contribution rate of 11.52% of covered payroll would be necessary, together with statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial periods set forth in the 2024 Valuation

Report. Because the annual growth in employer contribution rates is limited by State law, the actual contribution rate permitted at the time of calculation was only 11.41%. As a result, members of the School Group are underfunding their projected actuarial liabilities and the UAAL can be expected to grow over time. KPERS' actuaries project the required employer contribution rate to increase by an amount not exceeding the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter, until such time as the permitted rate equals the actuarial rate.

For more information specific to the Issuer's pension obligations see "Note 9-Defined Benefit Pension Plan" to the Issuer's financial statements included in Appendix B to the Official Statement.

Other Postemployment Benefits

In addition to KPERS, the Issuer provides other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the Issuer's OPEB obligations see "Note 8 – Other Postemployment Benefits" to the Issuer's financial statements included in Appendix B to this Official Statement.

Historical Unencumbered Fund Balances

The following table provides a five-year history of unencumbered cash balances, revenues, and expenditures for certain operating funds of the District. Since the Kansas school district funding formula (see "*APPENDIX A – FINANCIAL INFORMATION – School District Funding Formula*") requires school districts to carryover minimal cash balances in the General Fund, many districts set aside operational reserves in the funds shown below. Cash balances may also be held in a district's Bond & Interest Fund, but such reserves are restricted solely for the payment of debt service on general obligation bonds.

FY Ending	Unencumbered Cash Balance						Revenues in Same Funds (2)	Expenditures in Same Funds (2)
	General Fund	Supplemental General	Capital Outlay	Special Education (1)	Contingency Reserve	Total Balance		
2025	-	\$223,090	\$1,870,683	\$3,882,072	\$2,295,880	\$8,271,725	\$44,753,989	\$42,839,797
2024	-	267,336	1,874,346	3,153,543	1,062,308	6,357,533	41,420,484	40,501,663
2023	\$13	106,430	1,837,865	2,500,548	1,052,003	5,496,859	38,549,606	38,089,666
2022	-	\$324,686	\$1,189,226	\$2,654,611	\$868,396	5,036,919	38,671,329	38,236,703
2021	-	335,820	1,252,671	2,145,406	868,396	4,602,293	38,200,013	37,924,638

¹Includes Special Education Cooperative funds

²The Special Education and Contingency Reserve funds are funded primarily with transfers of revenue from the General Fund. In order to avoid double counting, Revenues and Expenditures have been adjusted to reflect such interfund transfers and other periodic transfers between the funds shown. Interfund transfers are described more fully in the notes to the audited financial statements.

DEBT STRUCTURE

Debt Summary

The following table summarizes certain key statistics with respect to the Issuer's general obligation debt, including the Bonds:

Debt Summary (As of June 4, 2026)	<u>District Debt*</u>
2025 Fair Market Value of Taxable Property ¹	\$ 1,630,848,097
2025 Final Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations ²	\$ 260,248,358
Legal limitation of Bonded Debt ³	\$ 36,434,770
Outstanding General Obligation Debt as of June 4, 2026.....	\$ 56,330,000
Direct Debt Per Capita (Population = 21,947).....	\$ 2,567
Overlapping Debt	\$ 48,046,131
Direct and Overlapping Debt.....	\$ 104,376,131
Direct and Overlapping Debt Per Capita	\$ 4,756
Direct Debt as a Percentage of Assessed Valuation	21.64%
Direct and Overlapping Debt as a Percentage of Assessed Valuation.....	40.11%
Direct Debt as a Percentage of Actual Fair Market Value.....	3.45%
Direct and Overlapping Debt as a Percentage of Actual Fair Market Value.....	6.40%

¹ See “**Property Valuations**” *infra*.

² The 2025 final assessed valuation of taxable tangible property within the District, including the 2025 taxable value of motor vehicles.

³ See K.S.A. 72-5457. The Issuer received approval from the State Board of Education on December 9, 2025, to exceed its debt limit.

* Preliminary, subject to change

Current Indebtedness of the Issuer

The following table sets forth as of the date of issuance of the Bonds all of the outstanding obligations of the Issuer including the Bonds:

GENERAL OBLIGATION BONDS

Description of <u>Indebtedness</u>	Dated <u>Date</u>	Final <u>Maturity</u>	Original Principal <u>Amount</u>	Amount <u>Outstanding</u>
General Obligation Refunding Bonds, Series 2012	12/01/12	09/01/26	\$ 9,885,000	\$ 795,000
General Obligation Refunding & School Building Bonds, Series 2023	01/12/23	09/01/37	8,195,000	7,250,000
General Obligation School Building Bonds, Series 2026-A (this issue)	06/04/26	09/01/46	48,285,000*	<u>48,285,000*</u>
			Total	<u>\$ 56,330,000*</u>

* Preliminary, subject to change

Source: Unified School District No. 373

History of General Obligation Indebtedness

The Issuer has no record of default on the payment of any of its debt obligations.

Lease Obligations

In addition to the foregoing debt obligations, the District has entered into the following lease obligations. Lease obligations of the District constitute valid and binding obligations of the District in accordance with their terms subject to funds budgeted and appropriated for that purpose during the District's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b.

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Term</u>	<u>Amount Outstanding</u>
Maintenance - Scrubber	04/2023	4 years	\$ 6,217
Maintenance - Mowers	05/2023	3 years	18,367
Maintenance - Bobcat	11/2023	4 years	13,000
Lighting and HVAC	12/2023	168 months	5,707,719
Technology – Firewall/AP	05/2024	5 years	<u>174,103</u>
		Total	<u>\$ 5,919,406</u>

The District is also party to a Lease, dated October 13, 2022 (the “Lease”), among the District, the City of Newton, Kansas (the “City”), and the City of Newton, Kansas Public Building Commission (the “PBC”), relating to the PBC’s Revenue Bonds, Series 2022 (Newton Athletic and Recreational Facilities Improvement Projects) (the “PBC Bonds”). The Lease provides that the District and the City will make rental payments to the PBC in an amount sufficient to make the required debt service payments on the PBC Bonds. The source of funds to make such rental payments is subject to an interlocal cooperation agreement, as amended (collectively the “Interlocal Agreement”), among the District, the City, the PBC, and Newton Recreation Commission (the “NRC”). The Interlocal Agreement provides that the City, the District and the NRC will each provide to the PBC one-third of the rental payments due under the Lease for each year of the lease term. If the funds are not provided to the PBC by the NRC as set forth in the Interlocal Agreement, the City and the District will be obligated to raise the funds, by levy of taxation if necessary and to the extent permitted by law, to make all the rental payments due under the Lease. The following provides information about the outstanding PBC Bonds:

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds, Series 2022 (Newton Athletic and Recreational Facilities Improvement Projects)	10/13/22	09/01/43	\$4,000,000	\$3,850,000

Source: Unified School District No. 373

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of June 30, 2025 and the percent attributable (on the basis of the portion of the overlapping assessed valuation not including motor vehicle valuation) to the District:

<u>Taxing Jurisdiction</u>	<u>2025 Final Total Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
Harvey County	\$ 423,694,762	\$ 1,225,000	55.34%	\$ 677,915
City of Newton	179,058,934	42,800,000	100.00%	42,800,000
City of North Newton	14,544,062	4,385,000	100.00%	4,385,000
City of Walton	1,880,755	180,000	100.00%	180,000
Marion County	189,120,457	4,020,000	0.08%	<u>3,216</u>
			Total	<u>\$48,046,131</u>

Source: Harvey and Marion County Clerks

Future Indebtedness

At this time, the District does not intend to issue additional debt in the next 12 months.

APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(FOR THE FISCAL YEAR ENDED 06/30/2025)**

UNIFIED SCHOOL DISTRICT NO. 373

NEWTON, KANSAS

Financial Statement

For the Year Ended June 30, 2025

Unified School District No. 373
For the Year Ended June 30, 2025

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
 <u>Financial Section</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Statement 1 4
Notes to Financial Statement	5-13
 <u>Regulatory – Required Supplementary Information</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	Schedule 1 14
Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis	Schedule 2
General Funds	15-17
Special Purpose Funds	18-35
Bond and Interest Fund	36
Capital Project Fund	37
Summary of Receipts and Disbursements – Regulatory Basis	Schedule 3
Agency Funds	38-40
Schedule of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Schedule 4
District Activity Funds	41
 <u>Other Supplementary Information</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	42-43
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	44-45
Schedule of Expenditures of Federal Awards	46
Notes to the Schedule of Expenditures of Federal Awards	47
Schedule of Findings and Questioned Costs	48

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 373
Newton, Kansas

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. 373, Newton, Kansas, (District), as of and for the year ended June 30, 2025 and the related disclosures 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 the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. 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 audit. 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 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 *Kansas Municipal Audit and Accounting Guide*, 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 this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the 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 the 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 2025 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, summary of regulatory basis receipts and disbursements-agency funds, and schedule of regulatory basis receipts, expenditures and unencumbered cash-District activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2025 basic financial statement, but are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 2025 basic financial statement. The 2025 information has been subjected to the auditing procedures applied in the audit of the 2025 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 2025 basic financial statement or to the 2025 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 2025 basic financial statement as a whole, on the basis of accounting described in Note 1.

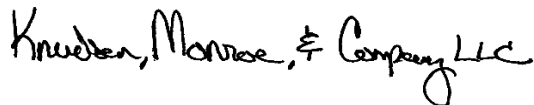
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated January 10, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 2025 basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2024, 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 of the District. The accompanying 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, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2026, 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 District's 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.



Certified Public Accountants
Newton, Kansas
February 3, 2026

Unified School District No. 373

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

June 30, 2025

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	\$ -	26,957,629	26,957,629	-	79,621	79,621
Supplemental General	267,336	8,427,236	8,471,482	223,090	-	223,090
Special Purpose Funds						
Adult Basic Education	25,750	19,250	19,250	25,750	-	25,750
Bilingual Education	100,000	405,006	305,246	199,760	-	199,760
Virtual Education	45,272	36,000	35,941	45,331	-	45,331
Professional Development	346,445	204,538	196,109	354,874	-	354,874
At Risk (K-12)	314,521	6,228,611	6,238,987	304,145	-	304,145
At Risk (4 year old)	208,067	259,700	250,443	217,324	37	217,361
Capital Outlay	1,874,346	4,986,689	4,990,352	1,870,683	1,281,061	3,151,744
Driver Training	31,011	-	5,978	25,033	-	25,033
Food Service	395,954	1,757,399	1,905,578	247,775	-	247,775
Parent Education	74,652	192,360	193,062	73,950	270	74,220
Summer School	25,307	9,730	1,360	33,677	-	33,677
Special Education	1,768,004	5,049,525	4,812,220	2,005,309	-	2,005,309
Special Education Cooperative	1,385,539	10,044,793	9,553,569	1,876,763	137	1,876,900
Career and Postsecondary Education	312,481	1,503,549	1,441,433	374,597	3,474	378,071
KPERS Employer Contribution	-	3,635,572	3,635,572	-	-	-
Recreation Commission	92,059	1,588,107	1,679,901	265	-	265
Recreation Commission Employee Benefits	(88)	546,208	546,120	-	-	-
Contingency Reserve	1,062,308	1,254,913	21,341	2,295,880	-	2,295,880
Textbook and Material Revolving	342,180	555,836	443,668	454,348	145,318	599,666
Employer Fixed Charges	50,358	212,812	174,812	88,358	-	88,358
Federal and State Grant Programs						
Head Start	(355,936)	1,571,476	1,502,356	(286,816)	154,294	(132,522)
Improving Basic Programs Operated by						
Local Educational Agencies (Title I)	(7,970)	636,893	758,729	(129,806)	30	(129,776)
Supporting Effective Instruction (Title II)	(45,460)	149,187	81,718	22,009	7,000	29,009
English Language Acquisition (Title III)	(14,480)	28,987	14,507	-	-	-
Student Support & Academic Enrichment						
Program (Title IV)	(53,283)	78,717	24,773	661	-	661
Elementary Secondary School Emergency Relief						
ESSER III	(5,071,344)	5,143,506	72,162	-	-	-
ARP Homeless Grant	(7,885)	17,304	9,336	83	-	83
KDHE COVID Testing Grant	10,636	23,723	34,359	-	-	-
Bond and Interest Fund						
Bond and Interest	5,932,266	5,358,980	5,186,073	6,105,173	-	6,105,173
Capital Project Fund						
Capital Project Fund	1,423,877	43,638	667,734	799,781	282,893	1,082,674
District Activity Funds						
Activity Gate Receipts	60,418	455,220	417,697	97,941	-	97,941
School Projects	28,734	96,231	113,377	11,588	-	11,588
Total Reporting Entity						
(Excluding Agency Funds)	<u>\$ 10,621,075</u>	<u>87,479,325</u>	<u>80,762,874</u>	<u>17,337,526</u>	<u>1,954,135</u>	<u>19,291,661</u>
Composition of Cash						
Union State Bank						
Checking						\$ 170,650
Intrust Bank						
Checking						1,812,117
Municipal Investment Pool						18,270,739
Total Cash						20,253,506
Less Agency Funds (Schedule 3)						961,845
Total Reporting Entity (Excluding Agency Funds)						<u>\$ 19,291,661</u>

The notes to the financial statement are an integral part of this statement.

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 373, Newton, Kansas, is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 373 (District), a municipality.

Regulatory Basis Fund Types

General 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 regulatory receipt 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.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust Fund – used to report assets held in trust for the benefit of the District (i.e., pension funds, investment trust funds, private purpose trust funds which benefit the District, scholarship funds, etc.).

Agency Fund – used to report assets held by the District in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

Activity Fund – under provisions of K.S.A. 72-1178, the Board of Education adopted a resolution relating to the school activity funds, which results in the activity funds being accounted for under policies and procedures of the Board.

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 for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Funds, Special Purpose Funds (unless specifically exempted by statute), and the Bond and Interest Fund. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
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 rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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. There were no such budget amendments for this year.

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 schedules 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for the 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 budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for Agency Funds, District Activity Funds, Capital Project Funds, or the following Special Purpose Funds: Contingency Reserve, Textbook and Material Revolving, Employer Fixed Charges, and Federal and State Grant Programs.

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

Reimbursements

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 comparison, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Unified School District No. 373
 NOTES TO FINANCIAL STATEMENT
 June 30, 2025

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Two Federal and State Government Program Funds reflect negative ending unencumbered cash balances for the year ended June 30, 2025, which is allowable under K.S.A. 12-1663. These federal and state grant programs will be reimbursed in the following year.

3. DEPOSITS AND INVESTMENTS

As of June 30, 2025, the District had the following investment and maturity:

Investment Type	Fair Value	Investment Maturity (in Years) Less than 1	Rating U.S.
Kansas Municipal Investment Pool	\$ 18,270,739	18,270,739	N/A

K.S.A. 9-1401 establishes 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 risk.

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

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. At June 30, 2025, the District held 100% of their investments in the Kansas Municipal Investment Pool.

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. All deposits were legally secured at June 30, 2025.

At June 30, 2025, the District's carrying amount of deposits was \$1,982,767 and the bank balance was \$5,167,016. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$427,460 was covered by federal depository insurance, and \$4,739,556 was collateralized with securities held by the pledging financial institutions' agents 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.

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

3. DEPOSITS AND INVESTMENTS (continued)

At June 30, 2025, the District had invested \$18,270,739 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Virtual Education	K.S.A. 72-5167	\$ 36,000
General	Professional Development	K.S.A. 72-5167	10,000
General	At Risk (K-12)	K.S.A. 72-5167	4,912,250
General	At Risk (4 year old)	K.S.A. 72-5167	10,000
General	Capital Outlay	K.S.A. 72-5167	1,188,428
General	Special Education	K.S.A. 72-5167	3,587,800
General	Career and Postsecondary Education	K.S.A. 72-5167	50,000
General	Contingency Reserve	K.S.A. 72-5167	1,254,913
General	Textbook and Material Revolving	K.S.A. 72-5167	57,048
Supplemental General	Adult Basic Education	K.S.A. 72-5143	19,250
Supplemental General	Bilingual Education	K.S.A. 72-5143	405,006
Supplemental General	Professional Development	K.S.A. 72-5143	175,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	1,314,774
Supplemental General	At Risk (4 year old)	K.S.A. 72-5143	249,700
Supplemental General	Parent Education	K.S.A. 72-5143	32,460
Supplemental General	Special Education	K.S.A. 72-5143	1,397,457
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	1,289,446
Supplemental General	Textbook and Material Revolving	K.S.A. 72-5143	261,856
Special Education	Special Education Cooperative	K.S.A. 72-978(h)	4,538,198

5. OPERATING LEASES

The District entered into operating lease agreements for copiers, printers and a postage meter for a total of 63 months. Payments totaling \$93,216, including overage charges, were made in the year ended June 30, 2025. Under the current lease agreements, the future scheduled minimum payments are as follows:

2026	\$ 41,427
2027	36,674
2028	22,872
2029	21,119
2030	7,856

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

6. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2025, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions /Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
2012 Refunding	2.0%	12/01/2012	\$ 9,885,000	09/01/2026	\$ 8,085,000	-	2,575,000	5,510,000	135,950
2013 Refunding	2.0%	06/01/2013	9,845,000	09/01/2024	1,795,000	-	1,795,000	-	17,950
Refunding & School Building Bonds, Series 2023	4.0-5.0%	01/12/2023	8,195,000	09/01/2037	<u>7,795,000</u>	-	<u>315,000</u>	<u>7,480,000</u>	<u>347,173</u>
					<u>17,675,000</u>	-	<u>4,685,000</u>	<u>12,990,000</u>	<u>501,073</u>
Finance Leases									
Dell Financial Services	3.51%	08/09/2021	1,278,188	12/01/2025	372,689	-	303,889	68,800	-
First Bank	7.34%	11/21/2023	52,379	08/09/2027	39,379	-	-	39,379	-
Flagstar Public Funding	3.42%	06/30/2022	8,443,761	11/15/2037	6,721,923	-	802,129	5,919,794	212,074
KS State Bank-Floor Scrubber	8.91%	04/12/2023	21,979	04/12/2026	10,949	-	5,241	5,708	976
KS State Bank-Mowers	6.44%	05/17/2023	22,200	05/17/2026	18,210	-	8,821	9,389	1,173
KS State Bank-Technology	8.87%	05/10/2024	442,138	03/01/2027	<u>191,371</u>	-	<u>44,126</u>	<u>147,245</u>	<u>13,909</u>
					<u>7,354,521</u>	-	<u>1,164,206</u>	<u>6,190,315</u>	<u>228,132</u>
Total contractual indebtedness					<u>\$ 25,029,521</u>	-	<u>5,849,206</u>	<u>19,180,315</u>	<u>729,205</u>

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

	Year Ending June 30							
	2026	2027	2028	2029	2030	2031-2035	2036-2038	Total
Principal								
General Obligation Bonds	4,945,000	3,065,000	350,000	365,000	390,000	2,255,000	1,620,000	12,990,000
Finance Leases	<u>517,076</u>	<u>452,839</u>	<u>501,498</u>	<u>428,224</u>	<u>442,994</u>	<u>2,454,987</u>	<u>1,392,697</u>	<u>6,190,315</u>
Total Principal	<u>5,462,076</u>	<u>3,517,839</u>	<u>851,498</u>	<u>793,224</u>	<u>832,994</u>	<u>4,709,987</u>	<u>3,012,697</u>	<u>19,180,315</u>
Interest								
General obligation bonds	396,600	279,000	205,550	187,675	168,800	560,525	99,000	1,897,150
Finance Leases	<u>218,447</u>	<u>197,676</u>	<u>179,504</u>	<u>157,756</u>	-	<u>474,912</u>	<u>72,253</u>	<u>1,300,548</u>
Total interest	<u>615,047</u>	<u>476,676</u>	<u>385,054</u>	<u>345,431</u>	<u>168,800</u>	<u>1,035,437</u>	<u>171,253</u>	<u>3,197,698</u>
Total principal and interest	<u>\$ 6,077,123</u>	<u>3,994,515</u>	<u>1,236,552</u>	<u>1,138,655</u>	<u>1,001,794</u>	<u>5,745,424</u>	<u>3,183,950</u>	<u>22,378,013</u>

7. CAPITAL PROJECT

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures To Date
Building and Facility Improvements	\$ 8,195,000	7,706,136

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Each retiree pays the full amount of the applicable premium.

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.

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (continued)

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.

Compensated Absences

Classified employees on a 12-month contract who work at least 20 hours per week are credited with 9 days of sick leave after 60 days of continuous service. After the initial 60-day period, classified employees accrue sick leave monthly and may accumulate 130 days of total compensated leave.

Certified teaching staff are credited with 15 days of temporary chargeable leave (due to illness, bereavement, etc.) on the first day of their employment with the District. After the first year, the teacher receives 10 days of additional leave per year which may be accumulated to 120 days. No compensation is paid for unused leave upon termination.

Classified 12-month employees who work at least 20 hours per week receive 10 days of paid vacation per year during the first 5 years of service. The employee is credited with 5 days of paid vacation after the completion of 6 months of service, and then accrues 10/12 of a day's vacation for each month worked. After 5 years of service, the 12-month employee is credited with five additional days per year. Vacation time credited to an employee at July 1 of any year must be used by June 30 of the following year.

The District's liability for compensated absences at June 30, 2025, has not been recorded in this financial statement.

Early Retirement Pension Plan

The District provides an early retirement program for certain eligible employees. The plan defines those eligible as employees who are "currently employed in licensed employment or administrative employment with the District." Eligible retirees under this program may receive benefits for up to 12 years. Payments to retired employees under this plan for the years ended June 30, 2025 and 2024, were \$480,492 and \$480,686, respectively.

9. 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 S. 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

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

9. DEFINED BENEFIT PENSION PLAN (continued)

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 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 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 \$3,635,572 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 \$32,322,775. 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.kspers.gov or can be obtained as described above.

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

10. RISK MANAGEMENT

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 grantor government. As of the date of this report, not all grant expenditures have been audited, but the District believes that disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain insurance at a cost it considered to be economically justifiable. For this reason, the District elected to participate in the Kansas Insurance Cooperative for Schools (KICS), which is a public entity risk pool operating as a common risk management and insurance program for participating members. The District has also joined together with other school districts in the State to participate in the Kansas Association of School Boards (KASB) Workers Compensation Fund, for its workers' compensation coverage.

The District pays an annual premium to KICS for property and liability insurance coverage. The agreement to participate in this public entity risk pool provides that they will be self sustaining through member premiums, and that KICS will reinsure through commercial companies for claims in excess of specified amounts for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated. The Pool is authorized by K.S.A. 12-2616, et. seq.

The District pays an annual premium to the KASB for its workers' compensation insurance coverage. The agreement to participate provides that the KASB fund will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KASB management. The District records a liability for estimated additional contributions that may be incurred due to adjustments made by the KASB. The cost of this workers' compensation coverage is charged to District funds based on actual payroll expenditures.

The District continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage during the past fiscal year, and there were no settlements that exceeded insurance coverage for each of the past three years.

During the ordinary course of its operations, the District is exposed to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that any current matters are not anticipated to have a material financial impact on the District.

11. RELATED PARTY TRANSACTIONS

The District is the taxing authority for the Newton Recreation Commission (NRC), which operates recreational programs within the District. The District and the City of Newton each appoint two members of the recreation commission board. During the fiscal year ended June 30, 2025, the District levied a total tax of 8.780 mills for the Recreation Commission and Recreation Commission Employee Benefits Funds, which in turn is appropriated to NRC for its operations. The financial activity of NRC is not included in the accompanying financial statement.

Unified School District No. 373
NOTES TO FINANCIAL STATEMENT
June 30, 2025

12. DATE OF MANAGEMENT REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2025, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through February 3, 2026, which is the date at which the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 373
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Unified School District No. 373
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2025

Funds	Certified Budget	Adjustment to to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUNDS						
General	\$26,808,486	(753,206)	902,349	26,957,629	26,957,629	-
Supplemental General	8,471,482	-	-	8,471,482	8,471,482	-
SPECIAL PURPOSE FUNDS						
Adult Basic Education	45,750	-	-	45,750	19,250	(26,500)
Bilingual Education	306,178	-	-	306,178	305,246	(932)
Virtual Education	135,272	-	-	135,272	35,941	(99,331)
Professional Development	609,194	-	-	609,194	196,109	(413,085)
At Risk (K-12)	6,690,210	-	-	6,690,210	6,238,987	(451,223)
At Risk (4 year old)	258,067	-	-	258,067	250,443	(7,624)
Capital Outlay	6,033,980	-	-	6,033,980	4,990,352	(1,043,628)
Driver Training	31,011	-	-	31,011	5,978	(25,033)
Food Service	2,626,032	-	-	2,626,032	1,905,578	(720,454)
Parent Education	255,607	-	-	255,607	193,062	(62,545)
Summer School	45,307	-	-	45,307	1,360	(43,947)
Special Education	7,682,491	-	-	7,682,491	4,812,220	(2,870,271)
Special Education Cooperative	10,717,334	-	-	10,717,334	9,553,569	(1,163,765)
Career and Postsecondary Education	1,912,480	-	-	1,912,480	1,441,433	(471,047)
KPERS Employer Contribution	4,089,706	-	-	4,089,706	3,635,572	(454,134)
Recreation Commission	1,818,000	-	-	1,818,000	1,679,901	(138,099)
Recreation Commission Employee Benefits	575,000	-	-	575,000	546,120	(28,880)
BOND AND INTEREST FUND	5,186,075	-	-	5,186,075	5,186,073	(2)

Unified School District No. 373

General Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Current Year			
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
GENERAL				
RECEIPTS				
General state aid	\$ 21,888,709	22,467,172	22,801,423	(334,251)
Special education state aid	3,346,842	3,587,800	4,007,063	(419,263)
State aid reimbursements	188,256	140,572	-	140,572
Fees and other	659,351	762,085	-	762,085
Total Receipts	<u>26,083,158</u>	<u>26,957,629</u>	<u>26,808,486</u>	<u>149,143</u>
EXPENDITURES, page 16	<u>26,083,171</u>	<u>26,957,629</u>		
Receipts over (under) expenditures	(13)	-		
UNENCUMBERED CASH, beginning	<u>13</u>	-		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		

Unified School District No. 373

General FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Current Year			
	Prior Year			Variance
	Actual	Actual	Budget	Over (Under)
EXPENDITURES				
Instruction	\$ 6,961,755	7,632,207	8,158,902	(526,695)
Student support services	1,216,529	1,409,878	1,661,673	(251,795)
Instructional support staff	735,363	709,515	1,080,689	(371,174)
General administration	371,435	493,174	425,322	67,852
School administration	2,214,941	2,197,573	2,334,521	(136,948)
Other support services	(121,515)	138,593	68,196	70,397
Operations and maintenance	2,495,764	2,494,001	2,705,747	(211,746)
Student transportation	631,665	776,249	748,624	27,625
Transfer to				
Bilingual Education	-	-	68,056	(68,056)
Virtual Education	40,000	36,000	40,000	(4,000)
Professional Development	-	10,000	-	10,000
At Risk (K-12)	4,571,059	4,912,250	4,939,693	(27,443)
At Risk (4 year old)	-	10,000	-	10,000
Capital Outlay	1,554,482	1,188,428	150,000	1,038,428
Parent Education	-	-	20,000	(20,000)
Special Education	5,063,089	3,587,800	4,007,063	(419,263)
Career and Postsecondary Education	248,604	50,000	300,000	(250,000)
Contingency Reserve	100,000	1,254,913	100,000	1,154,913
Textbook and Material Revolving	-	57,048	-	57,048
	<u>26,083,171</u>	<u>26,957,629</u>	<u>26,808,486</u>	<u>149,143</u>
Adjustment to comply with legal max	-	-	(753,206)	753,206
Legal General Fund budget	26,083,171	26,957,629	26,055,280	902,349
Adjustment for qualifying budget credits	-	-	902,349	(902,349)
Total Expenditures	<u>\$ 26,083,171</u>	<u>26,957,629</u>	<u>26,957,629</u>	<u>-</u>

Unified School District No. 373

General FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
		Actual	Budget	
SUPPLEMENTAL GENERAL RECEIPTS				
Tax in process	\$ 71,009	79,174	110,539	(31,365)
Current tax	2,908,588	2,935,830	3,141,869	(206,039)
Delinquent tax	78,386	41,563	62,509	(20,946)
Motor vehicle tax	293,636	318,194	317,873	321
Excise tax	950	930	-	930
State aid	4,859,960	5,051,545	5,051,545	-
Total receipts	<u>8,212,529</u>	<u>8,427,236</u>	<u>8,684,335</u>	<u>(257,099)</u>
EXPENDITURES				
Instruction	86,343	39,311	200,212	(160,901)
Student support services	-	-	500	(500)
Instructional support staff	458,826	467,118	612,487	(145,369)
General administration	424,430	561,410	534,009	27,401
Other support services	550,875	445,517	633,839	(188,322)
Operations and maintenance	1,537,672	1,813,177	2,143,882	(330,705)
Transfer to				
Adult Basic Education	20,000	19,250	20,000	(750)
Bilingual Education	285,234	405,006	38,122	366,884
Professional Development	200,000	175,000	200,000	(25,000)
At Risk (K-12)	1,227,873	1,314,774	1,335,996	(21,222)
At Risk (4 year old)	200,000	249,700	-	249,700
Parent Education	69,223	32,460	41,935	(9,475)
Special Education	1,538,004	1,397,457	1,510,500	(113,043)
Career and Postsecondary Education	1,253,143	1,289,446	1,000,000	289,446
Textbook and Material Revolving	200,000	261,856	200,000	61,856
	8,051,623	8,471,482	8,471,482	-
Adjustment to comply with legal max	-	-	-	-
Total expenditures	<u>8,051,623</u>	<u>8,471,482</u>	<u>8,471,482</u>	<u>-</u>
Receipts over (under) expenditures	160,906	(44,246)		
UNENCUMBERED CASH, beginning	106,430	267,336		
UNENCUMBERED CASH, ending	<u>\$ 267,336</u>	<u>223,090</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
ADULT BASIC EDUCATION				
RECEIPTS				
Transfer from				
Supplemental General	\$ 20,000	19,250	<u>20,000</u>	<u>(750)</u>
EXPENDITURES				
Instruction	<u>19,250</u>	<u>19,250</u>	<u>45,750</u>	<u>(26,500)</u>
Receipts over (under) expenditures	750	-		
UNENCUMBERED CASH, beginning	<u>25,000</u>	<u>25,750</u>		
UNENCUMBERED CASH, ending	<u>\$ 25,750</u>	<u>25,750</u>		
BILINGUAL EDUCATION				
RECEIPTS				
Interest Income	\$ -	-	100,000	(100,000)
Transfer from				
General	-	-	68,056	(68,056)
Supplemental General	<u>285,234</u>	<u>405,006</u>	<u>38,122</u>	<u>366,884</u>
Total receipts	285,234	405,006	<u>206,178</u>	<u>198,828</u>
EXPENDITURES				
Instruction	<u>285,234</u>	<u>305,246</u>	<u>306,178</u>	<u>(932)</u>
Receipts over (under) expenditures	-	99,760		
UNENCUMBERED CASH, beginning	<u>100,000</u>	<u>100,000</u>		
UNENCUMBERED CASH, ending	<u>\$ 100,000</u>	<u>199,760</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
VIRTUAL EDUCATION				
RECEIPTS				
Interest Income	\$ -	-	50,000	(50,000)
Transfer from				
General	<u>40,000</u>	<u>36,000</u>	<u>40,000</u>	<u>(4,000)</u>
Total receipts	<u>40,000</u>	<u>36,000</u>	<u>90,000</u>	<u>(54,000)</u>
EXPENDITURES				
Instruction	<u>35,078</u>	<u>35,941</u>	<u>135,272</u>	<u>(99,331)</u>
Receipts over (under) expenditures	4,922	59		
UNENCUMBERED CASH, beginning	<u>40,350</u>	<u>45,272</u>		
UNENCUMBERED CASH, ending	<u>\$ 45,272</u>	<u>45,331</u>		
PROFESSIONAL DEVELOPMENT				
RECEIPTS				
State aid	\$ 6,546	19,538	12,750	6,788
Interest Income	-	-	50,000	(50,000)
Transfer from				
General	-	10,000	-	10,000
Supplemental General	<u>200,000</u>	<u>175,000</u>	<u>200,000</u>	<u>(25,000)</u>
Total receipts	<u>206,546</u>	<u>204,538</u>	<u>262,750</u>	<u>(58,212)</u>
EXPENDITURES				
Instructional staff support	74,347	166,970	409,194	(242,224)
School administration	<u>22,505</u>	<u>29,139</u>	<u>200,000</u>	<u>(170,861)</u>
Total expenditures	<u>96,852</u>	<u>196,109</u>	<u>609,194</u>	<u>(413,085)</u>
Receipts over (under) expenditures	109,694	8,429		
UNENCUMBERED CASH, beginning	<u>236,751</u>	<u>346,445</u>		
UNENCUMBERED CASH, ending	<u>\$ 346,445</u>	<u>354,874</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
AT RISK (K-12)				
RECEIPTS				
Other local source	\$ -	-	100,000	(100,000)
Miscellaneous	4,014	1,587	-	1,587
Transfer from				
General	4,571,059	4,912,250	4,939,693	(27,443)
Supplemental General	<u>1,227,873</u>	<u>1,314,774</u>	<u>1,335,996</u>	<u>(21,222)</u>
Total receipts	<u>5,802,946</u>	<u>6,228,611</u>	<u>6,375,689</u>	<u>(147,078)</u>
EXPENDITURES				
Instruction	5,522,139	5,960,171	6,387,064	(426,893)
Student support services	124,560	131,139	145,750	(14,611)
School administration	141,319	147,677	157,396	(9,719)
Student transportation services	<u>407</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,788,425</u>	<u>6,238,987</u>	<u>6,690,210</u>	<u>(451,223)</u>
Receipts over (under) expenditures	14,521	(10,376)		
UNENCUMBERED CASH, beginning	<u>300,000</u>	<u>314,521</u>		
UNENCUMBERED CASH, ending	<u>\$ 314,521</u>	<u>304,145</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
AT RISK (4 Year Old)				
RECEIPTS				
Other local source	\$ -	-	50,000	(50,000)
Transfer from				
General	-	10,000	-	10,000
Supplemental General	200,000	249,700	-	249,700
Total receipts	<u>200,000</u>	<u>259,700</u>	<u>50,000</u>	<u>209,700</u>
EXPENDITURES				
Instruction	154,632	109,130	218,399	(109,269)
Student support services	8,364	43,800	9,221	34,579
School administration	20,216	40,015	21,289	18,726
Student transportation	-	48,112	-	48,112
Other supplemental services	8,721	9,386	9,158	228
Total expenditures	<u>191,933</u>	<u>250,443</u>	<u>258,067</u>	<u>(7,624)</u>
Receipts over (under) expenditures	8,067	9,257		
UNENCUMBERED CASH, beginning	<u>200,000</u>	<u>208,067</u>		
UNENCUMBERED CASH, ending	<u>\$ 208,067</u>	<u>217,324</u>		

Unified School District No. 373

Special Purpose FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
CAPITAL OUTLAY				
RECEIPTS				
Tax in process	\$ 43,104	52,842	57,119	(4,277)
Current tax	1,528,135	1,691,639	1,591,201	100,438
Delinquent tax	46,904	22,421	32,830	(10,409)
Motor vehicle tax	175,304	182,616	184,045	(1,429)
Excise tax	568	564	-	564
Capital outlay state aid	1,004,379	1,156,926	1,157,237	(311)
Interest	509,224	620,250	500,000	120,250
Other local source	169,667	71,003	125,000	(53,997)
Transfer from General	<u>1,554,482</u>	<u>1,188,428</u>	<u>150,000</u>	<u>1,038,428</u>
Total receipts	<u>5,031,767</u>	<u>4,986,689</u>	<u>3,797,432</u>	<u>1,189,257</u>
EXPENDITURES				
Instruction	1,049,754	1,766,492	1,250,000	516,492
Instructional support services	271,834	154,762	280,000	(125,238)
Student support services	76,836	68,592	80,000	(11,408)
School administration	250,173	140,436	666,380	(525,944)
General administration	-	8,378	-	8,378
Operations and maintenance	123,340	350,157	301,000	49,157
Other support services	376,210	163,725	626,600	(462,875)
Transportation	298,608	495,926	330,000	165,926
Facilities acquisition and construction	<u>2,548,531</u>	<u>1,841,884</u>	<u>2,500,000</u>	<u>(658,116)</u>
Total expenditures	<u>4,995,286</u>	<u>4,990,352</u>	<u>6,033,980</u>	<u>(1,043,628)</u>
Receipts over (under) expenditures	36,481	(3,663)		
UNENCUMBERED CASH, beginning	<u>1,837,865</u>	<u>1,874,346</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,874,346</u>	<u>1,870,683</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
DRIVER TRAINING				
RECEIPTS	\$ -	-	-	-
EXPENDITURES				
Instruction	-	-	25,011	(25,011)
Operations and maintenance	5,590	5,978	6,000	(22)
Total expenditures	5,590	5,978	31,011	(25,033)
Receipts over (under) expenditures	(5,590)	(5,978)		
UNENCUMBERED CASH, beginning	36,601	31,011		
UNENCUMBERED CASH, ending	\$ 31,011	25,033		
 FOOD SERVICE				
RECEIPTS				
Federal aid	\$ 1,343,614	1,218,724	1,263,839	(45,115)
State aid	15,541	14,184	11,873	2,311
Meal sales	488,207	476,221	454,367	21,854
Other	65,163	48,270	500,000	(451,730)
Total receipts	1,912,525	1,757,399	2,230,079	(472,680)
EXPENDITURES				
Salaries and benefits	1,042,952	949,908	959,463	(9,555)
Food and supplies	851,101	812,137	930,500	(118,363)
Capital outlay and other	55,281	83,152	181,069	(97,917)
Operations and maintenance	51,526	60,381	555,000	(494,619)
Total expenditures	2,000,860	1,905,578	2,626,032	(720,454)
Receipts over (under) expenditures	(88,335)	(148,179)		
UNENCUMBERED CASH, beginning	484,289	395,954		
UNENCUMBERED CASH, ending	\$ 395,954	247,775		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
PARENT EDUCATION				
RECEIPTS				
State aid	\$ 98,610	119,020	119,020	-
Other district contributions	40,550	40,880	-	40,880
Transfer from				
General	-	-	20,000	(20,000)
Supplemental General	<u>69,223</u>	<u>32,460</u>	<u>41,935</u>	<u>(9,475)</u>
Total receipts	<u>208,383</u>	<u>192,360</u>	<u>180,955</u>	<u>11,405</u>
EXPENDITURES				
Student support services	182,414	183,982	248,607	(64,625)
Instructional staff support	3,399	7,109	5,000	2,109
Operations and maintenance	<u>2,000</u>	<u>1,971</u>	<u>2,000</u>	<u>(29)</u>
Total Expenditures	<u>187,813</u>	<u>193,062</u>	<u>255,607</u>	<u>(62,545)</u>
Receipts over (under) expenditures	20,570	(702)		
UNENCUMBERED CASH, beginning	<u>54,082</u>	<u>74,652</u>		
UNENCUMBERED CASH, ending	<u>\$ 74,652</u>	<u>73,950</u>		
SUMMER SCHOOL				
RECEIPTS				
Student fees	\$ 6,950	9,730	<u>20,000</u>	<u>(10,270)</u>
EXPENDITURES				
Instruction	<u>3,556</u>	<u>1,360</u>	<u>45,307</u>	<u>(43,947)</u>
Receipts over (under) expenditures	3,394	8,370		
UNENCUMBERED CASH, beginning	<u>21,913</u>	<u>25,307</u>		
UNENCUMBERED CASH, ending	<u>\$ 25,307</u>	<u>33,677</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
SPECIAL EDUCATION				
RECEIPTS				
Medicaid	\$ 158,756	64,268	200,000	(135,732)
Interest Income	-	-	200,000	(200,000)
Transfer from				
General	5,063,089	3,587,800	4,007,063	(419,263)
Supplemental General	<u>1,538,004</u>	<u>1,397,457</u>	<u>1,510,500</u>	<u>(113,043)</u>
Total receipts	<u>6,759,849</u>	<u>5,049,525</u>	<u>5,917,563</u>	<u>(868,038)</u>
EXPENDITURES				
Instruction	31	1,684	1,291,584	(1,289,900)
Student transportation services	4,840	1,970	-	1,970
Operations and maintenance	280,282	234,823	1,001,911	(767,088)
Other transportation services	37,371	35,545	20,000	15,545
Transfer to				
Special Education Cooperative	<u>5,483,848</u>	<u>4,538,198</u>	<u>5,368,996</u>	<u>(830,798)</u>
Total expenditures	<u>5,806,372</u>	<u>4,812,220</u>	<u>7,682,491</u>	<u>(2,870,271)</u>
Receipts over (under) expenditures	953,477	237,305		
UNENCUMBERED CASH, beginning	<u>814,527</u>	<u>1,768,004</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,768,004</u>	<u>2,005,309</u>		

Unified School District No. 373

Special Purpose FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
SPECIAL EDUCATION COOPERATIVE RECEIPTS				
Federal aid	\$ 1,013,936	2,760,040	1,196,178	1,563,862
Federal aid - ESSER I	15,885	-	-	-
Federal aid - ESSER II	158,538	-	-	-
State aid	-	160,505	-	160,505
Medicaid reimbursements	106,952	80,916	200,000	(119,084)
Other district contributions	2,174,795	2,489,505	-	2,489,505
Interest income	-	-	300,000	-
Other income	18,650	15,629	-	15,629
Transfer from Special Education	<u>5,483,848</u>	<u>4,538,198</u>	<u>7,635,616</u>	<u>(3,097,418)</u>
Total receipts	<u>8,972,604</u>	<u>10,044,793</u>	<u>9,331,794</u>	<u>1,012,999</u>
EXPENDITURES				
Instruction	6,964,326	7,050,535	7,934,798	(884,263)
Student support services	1,819,638	2,050,706	2,116,801	(66,095)
Instructional staff support	26,629	22,827	60,000	(37,173)
General administration	377,224	373,947	462,670	(88,723)
School administration	24,041	21,831	28,065	(6,234)
Operation and maintenance	28,035	5,522	45,000	(39,478)
Student transportation	7,484	3,201	20,000	(16,799)
Other supplemental services	<u>25,709</u>	<u>25,000</u>	<u>50,000</u>	<u>(25,000)</u>
Total expenditures	<u>9,273,086</u>	<u>9,553,569</u>	<u>10,717,334</u>	<u>(1,163,765)</u>
Receipts over (under) expenditures	(300,482)	491,224		
UNENCUMBERED CASH, beginning	<u>1,686,021</u>	<u>1,385,539</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,385,539</u>	<u>1,876,763</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CAREER AND POSTSECONDARY EDUCATION				
RECEIPTS				
Tuition	\$ 103,925	51,500	-	51,500
Federal vocational grant	3,579	112,219	-	112,219
Other local sources	420	384	-	384
Interest income	-	-	300,000	(300,000)
Transfer from				
General	248,604	50,000	300,000	(250,000)
Supplemental General	<u>1,253,143</u>	<u>1,289,446</u>	<u>1,000,000</u>	<u>289,446</u>
Total receipts	<u>1,609,671</u>	<u>1,503,549</u>	<u>1,600,000</u>	<u>(96,451)</u>
EXPENDITURES				
Instruction	1,399,442	1,188,571	1,696,268	(507,697)
Student support services	3,191	3,306	3,200	106
Instructional staff support	67,661	91,132	75,401	15,731
School administration	96,361	123,489	101,335	22,154
General administration	8,185	8,222	8,595	(373)
Operations and maintenance	<u>28,618</u>	<u>26,713</u>	<u>27,681</u>	<u>(968)</u>
Total expenditures	<u>1,603,458</u>	<u>1,441,433</u>	<u>1,912,480</u>	<u>(471,047)</u>
Receipts over (under) expenditures	6,213	62,116		
UNENCUMBERED CASH, beginning	<u>306,268</u>	<u>312,481</u>		
UNENCUMBERED CASH, ending	<u>\$ 312,481</u>	<u>374,597</u>		

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
KPERS EMPLOYER CONTRIBUTION				
RECEIPTS				
State aid	<u>\$ 3,786,765</u>	<u>3,635,572</u>	<u>4,089,706</u>	<u>(454,134)</u>
EXPENDITURES				
Instruction	2,488,888	2,283,099	2,726,933	(443,834)
Student support services	327,856	425,752	344,249	81,503
Instructional support services	151,340	143,445	158,907	(15,462)
General administration	69,033	97,116	72,485	24,631
School administration	269,301	264,844	282,766	(17,922)
Other supplemental services	76,702	67,496	80,537	(13,041)
Operations and maintenance	207,401	180,103	217,771	(37,668)
Student transportation services	81,771	81,689	85,861	(4,172)
Food service operations	100,626	92,028	120,197	(28,169)
Community service operations	<u>13,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,786,765</u>	<u>3,635,572</u>	<u>4,089,706</u>	<u>(454,134)</u>
Receipts over (under) expenditures	-	-	-	-
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		<u>Current Year</u>		
	Prior Year			Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Over (Under)
RECREATION COMMISSION				
RECEIPTS				
Tax in process	\$ 37,322	33,746	42,048	(8,302)
Current tax	1,243,550	1,370,541	1,290,475	80,066
Delinquent tax	42,753	18,858	26,732	(7,874)
Motor vehicle tax	161,058	164,429	166,695	(2,266)
Excise tax	<u>522</u>	<u>533</u>	<u>200,000</u>	<u>(199,467)</u>
Total receipts	1,485,205	1,588,107	<u>1,725,950</u>	<u>(137,843)</u>
EXPENDITURES				
Appropriation to Recreation Commission	<u>1,538,000</u>	<u>1,679,901</u>	<u>1,818,000</u>	<u>(138,099)</u>
Receipts over (under) expenditures	(52,795)	(91,794)		
UNENCUMBERED CASH, beginning	<u>144,854</u>	<u>92,059</u>		
UNENCUMBERED CASH, ending	<u>\$ 92,059</u>	<u>265</u>		
 RECREATION COMMISSION				
EMPLOYEE BENEFITS				
RECEIPTS				
Tax in process	\$ 11,230	12,111	15,514	(3,403)
Current tax	445,592	474,585	446,764	27,821
Delinquent tax	13,028	6,482	9,573	(3,091)
Motor vehicle tax	47,854	52,868	53,374	(506)
Excise tax	<u>155</u>	<u>162</u>	<u>50,000</u>	<u>(49,838)</u>
Total receipts	517,859	546,208	<u>575,225</u>	<u>(29,017)</u>
EXPENDITURES				
Appropriation to Recreation Commission	<u>531,894</u>	<u>546,120</u>	<u>575,000</u>	<u>(28,880)</u>
Receipts over (under) expenditures	(14,035)	88		
UNENCUMBERED CASH, beginning	<u>13,947</u>	<u>(88)</u>		
UNENCUMBERED CASH, ending	<u>\$ (88)</u>	<u>-</u>		

Unified School District No. 373

Special Purpose FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
CONTINGENCY RESERVE		
RECEIPTS		
Transfer from General	\$ 100,000	1,254,913
EXPENDITURES		
Instruction	<u>89,695</u>	<u>21,341</u>
Receipts over (under) expenditures	10,305	1,233,572
UNENCUMBERED CASH, beginning	<u>1,052,003</u>	<u>1,062,308</u>
UNENCUMBERED CASH, ending	<u><u>\$ 1,062,308</u></u>	<u><u>2,295,880</u></u>
 TEXTBOOK AND MATERIAL REVOLVING		
RECEIPTS		
Fees and other	\$ 150,409	236,932
Transfer from		
General	-	57,048
Supplemental General	<u>200,000</u>	<u>261,856</u>
Total receipts	350,409	555,836
EXPENDITURES		
Instruction	<u>322,558</u>	<u>443,668</u>
Receipts over (under) expenditures	27,851	112,168
UNENCUMBERED CASH, beginning	<u>314,329</u>	<u>342,180</u>
UNENCUMBERED CASH, ending	<u><u>\$ 342,180</u></u>	<u><u>454,348</u></u>
 EMPLOYER FIXED CHARGES		
RECEIPTS		
Other income	\$ 183,930	212,812
EXPENDITURES		
Workers compensation insurance	<u>152,421</u>	<u>174,812</u>
Receipts over (under) expenditures	31,509	38,000
UNENCUMBERED CASH, beginning	<u>18,849</u>	<u>50,358</u>
UNENCUMBERED CASH, ending	<u><u>\$ 50,358</u></u>	<u><u>88,358</u></u>

Unified School District No. 373

Special Purpose FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
FEDERAL AND STATE GRANT PROGRAMS		
HEAD START		
RECEIPTS		
Federal aid	\$ 1,194,883	1,571,476
EXPENDITURES		
Instruction	783,469	1,038,612
Student support services	189,975	135,059
Instructional support	18,388	30,923
School administration	88,067	147,953
Other support services	29,446	33,294
Student transportation	178,224	71,623
Food service	54,663	44,892
Total expenditures	<u>1,342,232</u>	<u>1,502,356</u>
Receipts over (under) expenditures	(147,349)	69,120
UNENCUMBERED CASH, beginning	<u>(208,587)</u>	<u>(355,936)</u>
UNENCUMBERED CASH, ending	<u>\$ (355,936)</u>	<u>(286,816)</u>
 IMPROVING BASIC PROGRAMS OPERATED BY		
LOCAL EDUCATIONAL AGENCIES (TITLE I)		
RECEIPTS		
Federal aid	\$ 638,342	636,893
EXPENDITURES		
Instruction	641,467	718,077
Instructional support	<u>32,550</u>	<u>40,652</u>
Total expenditures	<u>674,017</u>	<u>758,729</u>
Receipts over (under) expenditures	(35,675)	(121,836)
UNENCUMBERED CASH, beginning	<u>27,705</u>	<u>(7,970)</u>
UNENCUMBERED CASH, ending	<u>\$ (7,970)</u>	<u>(129,806)</u>

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
FEDERAL AND STATE GRANT PROGRAMS		
SUPPORTING EFFECTIVE INSTRUCTION (TITLE II)		
RECEIPTS		
Federal aid	\$ 39,110	149,187
EXPENDITURES		
Instruction	25,491	42,585
Instructional support	<u>57,057</u>	<u>39,133</u>
Total expenditures	<u>82,548</u>	<u>81,718</u>
Receipts over (under) expenditures	(43,438)	67,469
UNENCUMBERED CASH, beginning	<u>(2,022)</u>	<u>(45,460)</u>
UNENCUMBERED CASH, ending	<u><u>\$ (45,460)</u></u>	<u><u>22,009</u></u>
 ENGLISH LANGUAGE ACQUISITION (TITLE III)		
RECEIPTS		
Federal aid	\$ -	<u>28,987</u>
EXPENDITURES		
Instruction	14,480	13,610
Instructional support	<u>-</u>	<u>897</u>
Total expenditures	<u>14,480</u>	<u>14,507</u>
Receipts over (under) expenditures	(14,480)	14,480
UNENCUMBERED CASH, beginning	<u>-</u>	<u>(14,480)</u>
UNENCUMBERED CASH, ending	<u><u>\$ (14,480)</u></u>	<u><u>-</u></u>

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
FEDERAL AND STATE GRANT PROGRAMS		
STUDENT SUPPORT & ACADEMIC ENRICHMENT PROGRAM (TITLE IV)		
RECEIPTS		
Federal aid	\$ 30,364	78,717
EXPENDITURES		
Instruction	<u>65,968</u>	<u>24,773</u>
Receipts over (under) expenditures	(35,604)	53,944
UNENCUMBERED CASH, beginning	<u>(17,679)</u>	<u>(53,283)</u>
UNENCUMBERED CASH, ending	<u><u>\$ (53,283)</u></u>	<u><u>661</u></u>
ELEMENTARY SECONDARY SCHOOL EMERGENCY RELIEF (ESSER I)		
RECEIPTS		
Federal aid	\$ 1,582	-
EXPENDITURES		
Instruction	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	1,582	-
UNENCUMBERED CASH, beginning	<u>(1,582)</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u><u>\$ -</u></u>	<u><u>-</u></u>

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
FEDERAL AND STATE GRANT PROGRAMS		
ELEMENTARY SECONDARY SCHOOL		
EMERGENCY RELIEF (ESSER II)		
RECEIPTS		
Federal aid	\$ 1,465,421	-
EXPENDITURES		
Instruction	12,592	-
Student support services	1,300	-
Instructional support	87,516	-
School administration	3,613	-
Equipment	<u>938,493</u>	<u>-</u>
Total expenditures	<u>1,043,514</u>	<u>-</u>
Receipts over (under) expenditures	421,907	-
UNENCUMBERED CASH, beginning	<u>(421,907)</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>
ELEMENTARY SECONDARY SCHOOL		
EMERGENCY RELIEF (ESSER III)		
RECEIPTS		
	<u>\$ -</u>	<u>5,143,506</u>
EXPENDITURES		
Instruction	841,152	55,009
Student support services	455,355	11,891
Instructional support	257,174	5,236
School administration	22,627	26
Equipment	<u>2,100,000</u>	<u>-</u>
Total expenditures	<u>3,676,308</u>	<u>72,162</u>
Receipts over (under) expenditures	(3,676,308)	5,071,344
UNENCUMBERED CASH, beginning	<u>(1,395,036)</u>	<u>(5,071,344)</u>
UNENCUMBERED CASH, ending	<u>\$ (5,071,344)</u>	<u>-</u>

Unified School District No. 373

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
FEDERAL AND STATE GRANT PROGRAMS		
ARP HOMELESS GRANT		
RECEIPTS		
Federal aid	\$ 6,505	17,304
EXPENDITURES		
School administration	<u>(4,022)</u>	<u>9,336</u>
Receipts over (under) expenditures	10,527	7,968
UNENCUMBERED CASH, beginning	<u>(18,412)</u>	<u>(7,885)</u>
UNENCUMBERED CASH, ending	<u>\$ (7,885)</u>	<u>83</u>
KDHE COVID TESTING GRANT		
RECEIPTS		
Federal aid	<u>\$ 960,972</u>	<u>23,723</u>
EXPENDITURES		
Other support services	38,559	34,359
Equipment	<u>519,584</u>	<u>-</u>
Total expenditures	<u>558,143</u>	<u>34,359</u>
Receipts over (under) expenditures	402,829	(10,636)
UNENCUMBERED CASH, beginning	<u>(392,193)</u>	<u>10,636</u>
UNENCUMBERED CASH, ending	<u>\$ 10,636</u>	<u>-</u>

Unified School District No. 373

Bond and Interest Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
BOND AND INTEREST RECEIPTS				
Tax in process	\$ 63,606	51,006	71,867	(20,861)
Current tax	1,881,681	2,042,610	1,923,314	119,296
Delinquent tax	68,548	29,036	40,447	(11,411)
Motor vehicle tax	260,239	254,116	255,553	(1,437)
Excise tax	487	833	-	833
State aid	<u>3,072,340</u>	<u>2,981,379</u>	<u>2,981,379</u>	<u>-</u>
Total receipts	<u>5,346,901</u>	<u>5,358,980</u>	<u>5,272,560</u>	<u>86,420</u>
EXPENDITURES				
Principal	4,705,000	4,685,000	4,854,650	(169,650)
Interest	<u>656,749</u>	<u>501,073</u>	<u>331,425</u>	<u>169,648</u>
Total expenditures	<u>5,361,749</u>	<u>5,186,073</u>	<u>5,186,075</u>	<u>(2)</u>
Receipts over (under) expenditures	(14,848)	172,907		
UNENCUMBERED CASH, beginning	<u>5,947,114</u>	<u>5,932,266</u>		
UNENCUMBERED CASH, ending	<u>\$5,932,266</u>	<u>6,105,173</u>		

Unified School District No. 373

Capital Project Fund

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2025

(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	<u>2024</u>	<u>2025</u>
BOND ISSUANCE		
RECEIPTS		
Interest	\$ <u>297,680</u>	<u>43,638</u>
EXPENDITURES		
Construction costs	3,194,890	662,734
Cost of issuance	<u>605</u>	<u>5,000</u>
Total expenditures	<u>3,195,495</u>	<u>667,734</u>
Receipts over (under) expenditures	(2,897,815)	(624,096)
UNENCUMBERED CASH, beginning	<u>4,321,692</u>	<u>1,423,877</u>
UNENCUMBERED CASH, ending	<u><u>\$ 1,423,877</u></u>	<u><u>799,781</u></u>

Unified School District No. 373

Agency FundsSUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended June 30, 2025

	<u>Beginning</u> <u>Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u> <u>Cash Balance</u>
STUDENT ORGANIZATIONS				
Newton High School				
AD Food Club-Food 4 Life	\$ 2,903	20	461	2,462
Art Club	823	638	490	971
Auto Mechanics	1,864	-	-	1,864
Auto Mechanics VICA	399	1,836	58	2,177
Azteca	5	-	5	-
Azteca Dance Troupe	113	5	77	41
Broadcasting	101	-	-	101
Brothers & Sisters For Life	31	-	31	-
BTC Weld VICA	522	4,265	695	4,092
Business Professionals of America	1,849	11,739	10,060	3,528
BPA Printing-Railer Ink	267	-	267	-
BPA Train Stop Store	402	-	402	-
Cheerleaders Special	437	26,734	24,466	2,705
Chemistry/Physics	266	1,162	467	961
Circle of Friends	2,049	915	1,109	1,855
Class of 2023	3,793	8,134	6,666	5,261
CTE Scholarships	500	-	-	500
Debate	454	1,815	1,280	989
E Sports	7,451	2,854	3,837	6,468
D.E.C.A.	97	-	97	-
EPC Greenhouse	512	106	-	618
ELP Contests	174	-	-	174
F.C.A.	214	-	-	214
F.E.A.	131	-	-	131
F.F.A.	12,559	48,370	48,994	11,935
F.F.A. Vending	3,762	228	3,990	-
F.F.A. Ag Academy	-	1,205	631	574
F.C.C.L.A.	156	239	247	148
Forensics	341	11,004	2,402	8,943
French Club	1,474	1,972	1,571	1,875
French Club Honor Society	190	95	216	69
GEI	-	2,015	265	1,750
German Club	66	1,261	1,249	78
German Club Honor Society	80	40	67	53
G.S.A.	523	-	-	523

Unified School District No. 373

Agency FundsSUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended June 30, 2025

	<u>Beginning</u> <u>Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u> <u>Cash Balance</u>
STUDENT ORGANIZATIONS (continued)				
HIRE-Helping Individual Reach	\$ 45	-	45	-
Hobby Club	323	-	323	-
H.O.S.A.	1,052	1,075	1,575	552
Jazz Club	1,540	189	1,729	-
Laser Works-Markit	1,300	20	657	663
Law Enforcement (LERO)	1,709	-	-	1,709
M & M Railer Embroidery	877	350	517	710
Model U.N.	74	-	74	-
Multi-Racial Students Racial Justice	800	-	206	594
National Honor Society	3,671	7,791	6,243	5,219
Nutrition Advisory Council	48	-	48	-
OFACS	4	-	4	-
Project Lead the Way	420	-	110	310
Railer Ambassadors	976	-	-	976
Railer Designs	105	-	105	-
Railer Small Business	-	7,649	5,026	2,623
Railiners Special	5,069	18,045	18,861	4,253
Railrooters/Do Crew Pep Club	1,368	-	263	1,105
Rotary Interact Club	1,113	-	-	1,113
Scholars Bowl	4,212	2,724	3,036	3,900
SOSO-Student Owned Student	27	-	27	-
Spanish Club	172	1,112	650	634
Spanish Club Honor Society	20	144	164	-
Student Council	1,466	4,563	5,241	788
Student Athlete Letter Jacket/PFP	94	-	94	-
Thespians	843	8,212	7,848	1,207
Tri-M Society	645	33	156	522
V.I.C.A. Machine	1,819	616	1,242	1,193
WE	4,375	1,050	2,244	3,181
We Can	201	-	201	-
Young Entrepreneurs of Kansas	144	-	-	144
Weight Room Equipment	170	-	170	-
	<u>79,190</u>	<u>180,225</u>	<u>166,959</u>	<u>92,456</u>

Unified School District No. 373

Agency FundsSUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended June 30, 2025

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
STUDENT ORGANIZATIONS (continued)				
Santa Fe Middle School				
Book fair	\$ 39	-	39	-
Yearbook	2	-	2	-
Walmart grant	<u>584</u>	<u>-</u>	<u>584</u>	<u>-</u>
	<u>625</u>	<u>-</u>	<u>625</u>	<u>-</u>
Chisholm Middle School				
Book fair	13	-	-	13
Yearbook	1,569	3,366	3,972	963
Student Council	3,567	979	3,369	1,177
Social	<u>340</u>	<u>377</u>	<u>-</u>	<u>717</u>
	<u>5,489</u>	<u>4,722</u>	<u>7,341</u>	<u>2,870</u>
Total Student Organizations	<u>85,304</u>	<u>184,947</u>	<u>174,925</u>	<u>95,326</u>
High School Activity Sales Tax	-	19,747	19,747	-
Pension Trust	26,037	480,492	436,361	70,168
Gift Funds	<u>759,800</u>	<u>1,191,950</u>	<u>1,155,399</u>	<u>796,351</u>
Total Agency Funds	<u>\$ 871,141</u>	<u>1,877,136</u>	<u>1,786,432</u>	<u>961,845</u>

Unified School District No. 373

District Activity Funds

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
ACTIVITY GATE RECEIPTS						
Newton High School	\$ 60,418	455,220	417,697	97,941	-	97,941
SCHOOL PROJECTS						
Santa Fe Middle School						
Miscellaneous	1,441	-	1,441	-	-	-
Chisholm Middle School						
Pencil Machine	437	38	109	366	-	366
Pride Squad	308	-	-	308	-	308
Concessions	1,621	4,559	2,776	3,404	-	3,404
Miscellaneous	1,682	1,770	1,195	2,257	-	2,257
Newton High School						
Fund Raising	1,222	2,835	1,847	2,210	-	2,210
Staff Issues	3,881	4,591	7,640	832	-	832
Student of the Week	1,702	60	507	1,255	-	1,255
Art Booster	723	200	923	-	-	-
Band Booster	753	1,193	1,946	-	-	-
Drama Booster	640	248	888	-	-	-
Orchestra Booster	1,993	200	2,193	-	-	-
Vocal Booster	1,513	2,633	4,146	-	-	-
Concessions	7,909	76,089	65,346	18,652	-	18,652
Faculty Flower	389	-	389	-	-	-
FABC Supplemental	69	-	69	-	-	-
Railer Boxcart	4,327	707	578	4,456	-	4,456
State Assessment	224	-	-	224	-	224
Wrestling Vending	11,746	5,329	17,075	-	-	-
Fine Arts Technology Special	237	-	237	-	-	-
Teacher of the Month	-	200	193	7	-	7
Special Revolving Accounts	(14,083)	(4,421)	3,879	(22,383)	-	(22,383)
Total school projects	\$ 28,734	96,231	113,377	11,588	-	11,588

UNIFIED SCHOOL DISTRICT NO. 373
OTHER SUPPLEMENTARY INFORMATION
SINGLE AUDIT SECTION
FOR THE YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Unified School District No. 373
Newton, Kansas

We have audited, in accordance with the 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, and the *Kansas Municipal Audit and Accounting Guide*, the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (financial statement) of Unified School District No. 373, Newton Kansas (District), as of and for the year ended June 30, 2025, and the related disclosures to the financial statement, and have issued our report thereon dated February 3, 2026. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on 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) as a basis for designing 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 District'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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 financial statement. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Krudden, Monroe, & Company LLC

Certified Public Accountants
Newton, Kansas
February 3, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Unified School District No. 373
Newton, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 373, Newton, Kansas' (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 the 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 types of 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 Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*, 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 generally accepted auditing standards, *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.

In performing an audit in accordance with generally accepted auditing standards, *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.

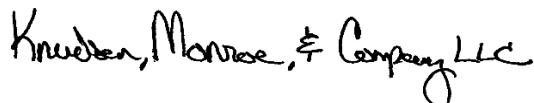
Report on Internal Control over Compliance

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.

The 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. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Newton, Kansas
February 3, 2026

Unified School District No. 373
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	D0373	\$ 254,561
National School Lunch Program	10.555	D0373	931,960
Summer Food Service Program for Children	10.559	D0373	<u>32,203</u>
Total Child Nutrition Cluster			<u>1,218,724</u>
Total U.S. Department of Agriculture			<u>1,218,724</u>
 <u>U.S. Department of Education</u>			
Passed through Kansas Department of Education			
Special Education Cluster (IDEA)			
Special Education, Grants to States, IDEA Part B	84.027	D0373	2,661,107
Special Education, Preschool Grants	84.173	D0373	<u>71,382</u>
Total Special Education Cluster (IDEA)			<u>2,732,489</u>
Career and Technical Education - Basic Grants to States	84.048	D0373	<u>88,294</u>
Grants to Local Educational Agencies, Title I	84.010	D0373	<u>758,729</u>
Supporting Effective Instruction, Title II	84.367	D0373	<u>81,718</u>
English Language Acquisition, Title III	84.365	D0373	<u>14,507</u>
Student Support Academic Enrichment Program	84.424A	D0373	<u>24,773</u>
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief ARP	84.425U	D0373	72,162
COVID-19 Elementary and Secondary School Emergency Relief Homeless Children and Youth	84.425W	D0373	<u>9,336</u>
Total Education Stabilization Fund			<u>81,498</u>
Passed through Kansas Department of Health & Environment:			
Grants for Infant & Families	84.181	D0373	<u>27,551</u>
Total U.S. Department of Education			<u>3,809,559</u>
 <u>U.S. Department of Homeland Security</u>			
Passed through Kansas Division of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	079-UX4FW-00	<u>18,750</u>
Total U.S. Department of Homeland Security			<u>18,750</u>
 <u>U.S. Department of Health and Human Services</u>			
Head Start	93.600		1,502,356
Passed through Kansas Department of Health & Environment:			
Epidemiology and Laboratory Capacity for Infectious Diseases			
K-12 COVID Testing Grant	93.323	D0373	34,360
Passed through Kansas Department for Children and Families:			
TANF - Early Learning Kansans	93.558	D0373	<u>168,529</u>
Total U.S. Department of Health and Human Services			<u>1,705,245</u>
Total Expenditures of Federal Awards			<u>\$ 6,752,278</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule

Unified School District No. 373

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 373, Newton, Kansas (District) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting described in Note 1 to the District's financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. INDIRECT COST RATE

The District has not elected to use the 15 percent *de minimis* indirect cost rate (10 percent prior to October 1, 2024) as allowed under the Uniform Guidance.

D. DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)

The non-federal entity follows guidance provided by the Department of Homeland Security (DHS) and FEMA for reporting Disaster Grants – Public Assistance (Assistance Listing Number 97.036) on the SEFA. Expenditures are recorded in the fiscal year that FEMA formally approves the project (i.e., when the project application/award worksheet is obligated), as this is when funds are considered obligated by the federal government.

For the fiscal year ended June 30, 2025, the amount of \$18,750 reported on the SEFA for ALN 97.036 includes \$18,750 in eligible expenditures that were incurred by the non-Federal entity in a prior fiscal year, but formally approved and obligated by FEMA in the current reporting year.

Unified School District No. 373
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse - GAAP

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes X No

Noncompliance material to financial statement noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes X No

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 2 CFR 200.516(a)? ___ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	
10.555	
10.559	Child Nutrition Cluster
84.027	
84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ Yes X No

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings.

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APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in the Bond Resolution authorizing the issuance of the Bonds. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing document.

THE BOND RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq.*, K.S.A. 10-427 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 *et seq.*, all as amended and supplemented.

[**“AG”** means Assured Guaranty Inc., a Maryland domiciled financial guaranty insurance company, or any successor thereto.]

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

[**“BAM”** means Build America Mutual Assurance Company., a New York domiciled mutual insurance corporation, or any successor thereto.]

“Beneficial Owner” of the Bonds includes any Owner of the Bonds and any other Person who, directly or indirectly has the investment power with respect to such Bonds.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

[**“Bond Insurance Policy”** means the municipal bond insurance policy issued by the Bond Insurer concurrently with the delivery of the Bonds guaranteeing the scheduled payment when due of the principal of and interest on the Bonds.

“Bond Insurer” means [AG] [BAM] with respect to the Bonds.]

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the Issuer and the Purchaser.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

“Bond Registrar” means the State Treasurer, and its successors and assigns.

“Bond Resolution” means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Bonds, as amended from time to time.

“Bonds” means the General Obligation School Building Bonds, Series 2026-A, authorized and issued by the Issuer pursuant to the Bond Resolution.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Bonds.

“Clerk” means the duly appointed and acting Clerk of the Issuer or, in the Clerk's absence, the duly appointed Deputy, Assistant or Acting Clerk of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“Compliance Account” means the account by that name created by the Bond Resolution.

“Consulting Engineer” means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Bond Resolution.

“Costs of Issuance” means all costs of issuing the Bonds, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

“Costs of Issuance Account” means the account by that name created by the Bond Resolution.

“Dated Date” means June 4, 2026.

“Debt Service Account” means the account by that name created within the Bond and Interest Fund by the Bond Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates;
or

(b) [evidences of ownership of proportionate interests in future interest and principal payments on United States Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Government Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated; or

(c) [obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated as of the Dated Date, relating to certain obligations contained in the SEC Rule.

“District” means the Unified School District No. 373, Harvey County, Kansas (Newton).

“DTC” means The Depository Trust Company, New York, New York.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution (other than the covenants relating to continuing disclosure contained in the Bond Resolution and the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Bonds then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Bonds, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Fiscal Year” means the twelve month period ending on June 30.

“Funds and Accounts” means funds and accounts created by or referred to in the Bond Resolution.

“Improvement Fund” means the fund by that name created in the Bond Resolution.

“Improvements” means the improvements referred to in the preamble to the Bond Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Bond Resolution.

[**“Insurer's Fiscal Agent”** means the agent designated by the Bond Insurer pursuant to the Bond Insurance Policy.]

“Interest Payment” means the portion of the interest coming due on September 1, 2026, for the Series 2012 Bonds in the amount of \$5,000.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Bond which shall be March 1 and September 1 of each year, commencing March 1, 2027.

“Issue Date” means the date when the Issuer delivers the Bonds to the Purchaser in exchange for the Purchase Price.

“Issuer” means the District and any successors or assigns.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and in the Bond Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Moody's” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer [with notice to the Bond Insurer].

“Official Statement” means the Issuer’s Official Statement relating to the Bonds.

“Outstanding” means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore, authenticated and delivered, except the following Bonds:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
 - (b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; [and]
 - (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder[.];
- and
- (d) Bonds, the principal or interest of which has been paid by the Bond Insurer.]

“Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register. Whenever consent of the Owners is required pursuant to the terms of the Bond Resolution, and the Owner of the Bonds, as set forth on the Bond Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Bonds.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the State Treasurer and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; [or] (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f); or (m) other investment obligations authorized by

the laws of the State and approved in writing by the Bond Insurer], all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“President” means the duly elected and acting President of the Issuer, or in the President's absence, the duly appointed and/or elected Vice President or Acting President of the Issuer.

“Purchaser” means the financial institution or investment banking firm that is original purchaser of the Bonds.

“Rating Agency” means any company, agency or entity that provides, pursuant to request of the Issuer, financial ratings for the Bonds.

“Rebate Fund” means the fund by that name created by the Bond Resolution.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of the Bond Resolution.

“Redemption Fund” means the fund by that name created in the Bond Resolution.

“Redemption Price” means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of the Bond Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Bonds” means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, DTC, and its successors and assigns.

“Series 2012 Bonds” means the Issuer's General Obligation Refunding Bonds, Series 2012, dated December 1, 2012.

“Special Record Date” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“Standard & Poor's” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer [with notice to the Bond Insurer].

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer of the State or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Substitute Improvements” means the substitute or additional improvements of the Issuer described in the Bond Resolution.

[**“Term Bonds”** means the Bonds scheduled to mature in the year 2046.]

[**“___ Term Bonds”** means the Bonds scheduled to mature in the year ____.]

[“2046 Term Bonds” means the Bonds scheduled to mature in the year 2046.]

[“Term Bonds” means collectively, the ____ Term Bonds and the 2046 Term Bonds.]

“Treasurer” means the duly appointed and/or elected Treasurer of the Issuer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Bonds, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Redemption Fund.
- (c) Debt Service Account (within the Bond and Interest Fund).
- (d) Rebate Fund.
- (e) Costs of Issuance Account.
- (f) Compliance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Bond Resolution so long as the Bonds are Outstanding.

Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (b) An amount to refund the Interest Payment shall be deposited into the Redemption Fund.
- (c) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Bonds during construction of the Improvements; (c) paying Costs of Issuance; and (d) transferring any amounts to the Rebate Fund. Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Bond Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Bonds provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Bonds to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section; and (c) the use of the proceeds of the Bonds to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax status of the Bonds under State or federal law.

The Issuer may reallocate expenditure of Bond proceeds among all Improvements financed by the Bonds; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Bonds allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax status of the Bonds under State or federal law.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Bond Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Bond Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Bonds entitled to payment from such moneys. Any moneys or investments remaining in the Debt Service Account after the retirement of the Bonds shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Application of Moneys in the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance. Any funds remaining in the Costs of Issuance Account, after payment of all Costs of Issuance, but not later than the later of 30 days prior to the first Stated Maturity of principal or one year after the date of issuance of the Bonds, shall be transferred to the Improvement Fund until completion of the Improvements and thereafter to the Compliance Account or Debt Service Account.

Application of Moneys in the Redemption Fund. Moneys in the Redemption Fund shall be transferred to the paying agent for the Series 2012 Bonds and utilized to pay the Interest Payment. Any moneys remaining in the Redemption Fund not needed for such payment shall be transferred to the Debt Service Account.

Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay the fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws. Any funds remaining in the Compliance Account not necessary for such payments shall be transferred to the Debt Service Account.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account other than the Redemption Fund may be invested in accordance with the Bond Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may, at the discretion of the Issuer, be credited to the Debt Service Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Bond Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Bonds. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.

[The Paying Agent shall notify the Owners and Bond Insurer of any Event of Default of which it has actual notice.]

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Bond Resolution and in the Bonds shall be for the equal benefit, protection, and security of the Owners of any or all of the Bonds, all of which Bonds of any series shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

[**Control of Remedies By Bond Insurer Upon an Event of Default and Event of Insolvency.** Upon the occurrence and continuance of an Event of Default, the Bond Insurer, provided the Bond Insurance Policy is in full force and effect and the Bond Insurer shall not be in default thereunder, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under the Bond Resolution. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Owners who hold the Bonds insured by the Bond Insurer absent a default by the Bond Insurer under the applicable Bond Insurance Policy insuring such Bonds.]

DEFEASANCE

When any or all of the Bonds, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and all other rights granted thereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Bonds, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption. [The Issuer shall notify the Bond Insurer of any defeasance of the Bonds.]

[Notwithstanding anything in the Bond Resolution to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding

for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the covenants, agreements and other obligations of the Issuer to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.]

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will take such actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Bond Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds or any other provision of the Bond Resolution until such time as is set forth in the Federal Tax Certificate.

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Bond Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Bonds. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its continuing disclosure covenants contained in the Bond Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section. [The Purchaser or Beneficial Owner shall provide a copy of any such demand or notice to the Bond Insurer.] Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with its continuing disclosure covenants contained in the Bond Resolution shall not be considered an Event of Default under the Bond Resolution.

[PROVISIONS RELATING TO THE BOND INSURANCE POLICY

Provisions relating to the Bond Insurance Policy will be included and updated if the Bonds are purchased with such a policy.]

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk[, and a duplicate copy of the audit shall be mailed to the Bond Insurer]. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Bonds, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Bonds as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law. The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent. If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Bonds or of the Bond Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written

consent of [the Bond Insurer and] the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by [the Bond Insurer and] such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall: (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Bond; (c) permit preference or priority of any Bond over any other Bond; or (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution.

Any provision of the Bonds or of the Bond Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of [the Bond Insurer and] the Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Bond Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Bonds among Improvements, to provide for Substitute Improvements, to conform the Bond Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Bond Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent[and the Bond Insurer]. The Issuer, the Paying Agent[, the Bond Insurer] and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transactions. The issuance of the Bonds and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Bond Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Bond Resolution.

Governing Law. The Bonds and the Bond Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF JUNE 4, 2026

BY

**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)**

\$48,285,000*
**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)**
GENERAL OBLIGATION SCHOOL BUILDING BONDS
SERIES 2026-A
DATED JUNE 4, 2026

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of June 4, 2026 (the “Continuing Disclosure Undertaking”), is executed and delivered by **UNIFIED SCHOOL DISTRICT NO. 373, HARVEY COUNTY, KANSAS (NEWTON)** (the “Issuer”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation School Building Bonds, Series 2026-A (the “Bonds”), pursuant to a Resolution adopted by the governing body of the Issuer (the “Bond Resolution”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”). The Issuer is the only “obligated person” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking, which may include the Issuer's Annual Comprehensive Financial Report, if any, so long as the Annual Comprehensive Financial Report contains the financial information and operating data described in **Section 2(a)(1)** and **(2)**.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in *Section 3* of this Continuing Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the February 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending June 30, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Bonds. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in *Exhibit A*, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under *Section 3*, and the Annual Report deadline provided above shall automatically become the first day of the eighth month after the end of the Issuer’s new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer’s obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Bond Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**UNIFIED SCHOOL DISTRICT NO. 373,
HARVEY COUNTY, KANSAS (NEWTON)**

(SEAL)

President

Clerk

EXHIBIT A

**FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in tables in the following sections contained in *Appendix A* of the final Official Statement relating to the Bonds:

- Assessed Valuation – Total Assessed Valuation
- Tax Rates
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers
- District Enrollment

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APPENDIX E

FORM OF BOND COUNSEL OPINION

[FORM OF BOND COUNSEL OPINION]

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

[June 4, 2026]

Governing Body
Unified School District No. 373,
Harvey County, Kansas (Newton)

Stifel, Nicolaus & Company, Incorporated
Wichita, Kansas

[Assured Guaranty Inc.]
[Build America Mutual Assurance Company]
[New York, New York]

Re: \$48,285,000* General Obligation School Building Bonds, Series 2026-A, of
Unified School District No. 373, Harvey County, Kansas (Newton), Dated June 4,
2026

We have served as Bond Counsel to Unified School District No. 373, Harvey County, Kansas (Newton) (the “Issuer”), in connection with the issuance by the Issuer of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance and prescribing the details of the Bonds.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. The Bonds are payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.
3. The interest on the Bonds [(including any original issue discount properly allocable to an owner of a Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to

comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Kansas.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, or the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

GILMORE & BELL, P.C.

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[*APPENDIX F*
SPECIMEN BOND INSURANCE POLICY]

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