UNIFIED SCHOOL DISTRICT NO. 378

Riley, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
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February 4, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 378
Riley, Kansas

Independent Auditor's Report

We have audited the accompanying fund summary statement of regulatory receipts, expenditures, and unencumbered cash balances (the financial statement) of the Unified School District No. 378 (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statement.

Management's Responsibility 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 to meet the financial reporting requirements of the State of Kansas; 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.

Auditor's Responsibility
Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas 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.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the previous paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
In our opinion, the 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, 2021, 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.

Report on Regulatory-Required Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures-actual and budget and non-budgeted funds, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, summary of receipts and disbursements - agency funds, and schedule of regulatory basis receipts, expenditures, and unencumbered cash - activity funds (Schedules 1, 2-A, 2-B, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however 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 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 information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Additional Information
The June 30, 2020 actual column presented in the individual fund schedules of receipts and expenditures (Schedule 2A as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2020 basic financial statement upon which we rendered an unmodified opinion dated September 4, 2020. The June 30, 2020 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 http://da.ks.gov/ar/muniserv/. Such prior year 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 prior year basic financial statement. The prior year comparative information was subjected to the auditing procedures applied in the audit of the prior year 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 prior year basic financial statement or to the prior year 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 prior year comparative information is fairly stated in all material respects in relation to the prior year basic financial statement as a whole, on the basis of accounting described in Note 1.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds:							
General	$ -	$ -	$ 5,810,942	$ 5,810,942	$ -	$ 5,648	$ 5,648
Supplemental General	49,764	-	1,686,032	1,689,026	46,770	8,030	54,800
Special Purpose Funds							
Budgeted Funds							
At Risk	241,880	-	301,956	248,243	295,593	-	295,593
Capital Outlay	1,413,787	-	792,271	809,278	1,396,780	567,669	1,964,449
Driver Training	26,398	-	23,034	24,644	24,788	-	24,788
Food Service	108,120	-	428,342	402,072	134,390	11,931	146,321
Professional Development	28,883	-	36,232	36,564	28,551	5,092	33,643
Special Education	820,534	-	1,321,531	1,177,511	964,554	-	964,554
Career and Postsecondary Education	165,618	-	248,209	235,486	178,341	-	178,341
KPERS Special Retirement Contribution	-	-	578,589	578,589	-	-	-
Non-Budgeted Funds							
Gifts and Grants	94,399	-	18,041	6,553	105,887	-	105,887
Title I	-	-	77,520	77,520	-	-	-
Title IIA (Teacher Quality)	-	-	20,754	20,754	-	-	-
Title IV	-	-	13,582	13,582	-	-	-
Contingency Reserve	691,967	-	207,033	-	899,000	-	899,000
Textbook and Revolving	151,181	-	127,614	37,217	241,578	2,977	244,555
District Activities	28,699	-	40,319	36,495	32,523	189	32,712
Bond and Interest Funds							
Bond and Interest	543,519	-	1,058,716	536,992	1,065,243	-	1,065,243
Capital Projects							
2019 Bond	13,625,383	-	317,561	9,444,499	4,498,445	1,397,406	5,895,851
Total Reporting Entity (Excluding Agency Funds)	$ 17,990,132	$ -	$ 13,108,278	$ 21,185,967	$ 9,912,443	$ 1,998,942	$ 11,911,385

Composition of Cash and Investments	
Checking Accounts	$ 5,035,056
Money Market Account	6,757,745
Total Cash	$ 11,792,801
Treasury Bonds	586,119
Total Cash and Investments	$ 12,378,920
Less: Agency funds per Schedule 3	(467,535)
Total Reporting Entity (Excluding Agency Funds)	$ 11,911,385

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

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2021

Note 1: Summary of Significant Accounting Policies

Unified School District No. 378 (the District) is a Kansas school district governed by an elected seven-member Board of Education. The District prepares and reports its financial information in conformance with the regulatory basis of accounting as prescribed by the Director of Accounts and Reports of the State of Kansas and published in the *Kansas Municipal Audit and Accounting Guide*.

Regulatory Basis Fund Types

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

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

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

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.

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

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

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

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

Budgetary Information

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

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and this notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

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

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

Gifts and Grants	Title I (Low Income)	Title IIA (Teacher Quality)
Title IV	Contingency Reserve	Textbook & Revolving
SPARKS	ESSER	

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

Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as receipts to the fund. For purposes of budgetary comparisons, reimbursable expenditures are presented as a qualifying budget credit which increases the legally adopted budget by the amount of the reimbursement.

Compensated Absences

The District's policy regarding vacation permits employees to use their vacation no later than six months after the year in which it is earned. If it is not used within six months after year end, it is lost. All employees who receive vacation pay are entitled to payment for all accrued vacation earned prior to termination or resignation. All other compensated absences do not vest or accumulate and the vacation pay does not accumulate; therefore, all compensated absences are recorded as expenditures when they are paid.

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of receipts and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2: Deposits and Investments

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

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

K.S.A. 10-131 governs bond proceeds, and allows for investments in shares or units of a money market fund or trust portfolio of which is comprised entirely of securities described in (3) or (6) of K.S.A. 10-131, which includes treasury securities. The mutual fund is a treasury only mutual fund, and is therefore permitted under state law.

As of June 30, 2021, the District had the following investments and maturities:

		Investment Maturity (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**	**Rating**
U.S. Treasury Notes	$ 586,119	$ 586,119	$ -	N/A

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk -- deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

At June 30, 2021, the carrying amount of the District's deposits was $11,792,801. The bank balance was $12,234,126. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balances, $250,000 was secured by FDIC insurance and the remaining $11,984,126 was collateralized by pledged securities with a fair market value of $12,375,140 held under joint custody receipts issued by a third-party bank in the school district's name. The third-party bank holding the pledged securities is independent of the pledging bank.

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

Note 3: Defined Benefit Pension Plan

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

Note 3: Defined Benefit Pension Plan (Continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

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 $578,589 for the year ended June 30, 2021.

Net Pension Liability. At June 30, 2021, the District’s proportionate share of the collective net pension liability reported by KPERS was $6,431,316. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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 publically available on the website at www.kpers.org or can be obtained as described above.

Note 4: Interfund Transfers

The District made the following operating transfers during the fiscal year 2021. The transfers were approved by the Board of Education.

From	To	Regulatory Authority	Amount
General Fund	Professional Development Fund	K.S.A. 72-5167	$ 12,000
General Fund	Special Education Fund	K.S.A. 72-5167	944,745
General Fund	Career and Postsecondary Edu.	K.S.A. 72-5167	177,618
General Fund	Contingency Reserve	K.S.A. 72-5167	207,033
General Fund	Drivers Education Fund	K.S.A. 72-5167	3,354
General Fund	Food Service Fund	K.S.A. 72-5143	10,000
General Fund	Capital Outlay Fund	K.S.A. 72-5143	110,967
Supplemental General Fund	At Risk Fund	K.S.A. 72-5143	248,244
Supplemental General Fund	Drivers Education Fund	K.S.A. 72-5143	10,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-5143	15,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	343,069
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-5143	70,591
Supplemental General Fund	Textbook and Revolving Fund	K.S.A. 72-5143	73,991
Total Transfers			$ 2,226,612

Note 5: In-Substance Receipt in Transit

The District received $342,907 subsequent to June 30, 2021 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note 6: Long-Term Debt

Changes in long-term debt transactions for the District for the year ended June 30, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General obligation bonds:									
Series 2019	2.00 - 4.00%	12/20/2019	$ 14,355,000	9/1/2040	$ 14,355,000	$ -	$ -	$ 14,355,000	$ 536,992

Current maturities of long-term debt and interest is as follows:

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	Total
Principal									
General obligation bonds	$ 220,000	$ 540,000	$ 560,000	$ 585,000	$ 605,000	$ 3,415,000	$ 3,940,000	$ 4,490,000	$ 14,355,000
Interest									
General obligation bonds	444,132	428,932	406,931	384,031	360,231	1,417,555	911,159	342,275	4,695,246
Total Principal and Interest	$ 664,132	$ 968,932	$ 966,931	$ 969,031	$ 965,231	$ 4,832,555	$ 4,851,159	$ 4,832,275	$ 19,050,246

Note 7: Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2021.

Note 8: Risk Management

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

Note 9: Other Post Employment Benefits

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

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

Non-Certified: Sick Leave, Bereavement Leave and Personal Leave

Employees that work the academic school year are credited with 10 sick days per year. Employees that work the fiscal school year are credited with 12 sick days per year. All employees are limited to maximum accumulation of 80 sick days. A maximum of 5 days bereavement leave per year may be taken each year. Two days of personal leave per year will be granted to cooks, custodians and clerical help who work 25 or more hours per week on a regular basis. The same classification of employees who work less than 25 hours per week on a regular basis, and regularly employed bus drivers, will be granted 2 days of personal leave per year. Full-time employees of the District will be entitled to 2 weeks vacation with pay after 1 year of continuous employment.

Certified: Sick Leave, Bereavement Leave and Personal Leave

Sick leave is 10 days per year, and may accumulate to a maximum of 80 days. A maximum of 5 days bereavement leave per year may be taken each year. Three days of personal leave per year will be granted, but will not be accumulated. However, should 1 personal day be left at the end of the school year, it will be added to the employee's sick leave.

All Employees

On September 1, 1987, the District adopted the U.S.D. No. 378 Riley County Schools Flexible Benefit Plan. Each eligible employee may participate in the plan on the enrollment date coinciding with or following the date on which he or she attains age 18 and completes his or her first day of employment. Employees not eligible to participate are: 1) those who normally work less than 30 hours per week; 2) employees who normally work less than 6 months during any plan year; 3) employees other than teachers who are covered by a collective bargaining agreement; and 4) non-resident aliens who have no earned income from the employer.

Note 9: Other Post Employment Benefits (Continued)

All Employees (Continued)

The purpose of the plan is to permit participating employees to convert a portion of their taxable compensation into nontaxable fringe benefits on an annual basis. This amount may not exceed the amount of compensation of the lowest paid employee who is eligible to participate in the plan. Benefits available to participants are the provision for reimbursement of medical expenses or medical insurance premiums, payment of premiums on group term life or disability insurance, or payment of or reimbursement of dependent care expenses.

Note 10: Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements and encumbrances from inception are as follows:

	Project Authorization	Expenditures to Date
2019 Bond Projects	$ 14,355,000	$ 11,157,897

Note 11: Stewardship, Compliance and Accountability

There were no material compliance violations noted for the year ended June 30, 2021.

Note 12: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through February 4, 2022, which is the date at which the financial statement was available to be issued.

On August 4, 2021, the District was the victim of a cybersecurity attack related to payment of the annual insurance policy, with an initial loss of $115,388. The case is currently still under investigation.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 5,686,577	$ (97,319)	$ 218,415	$ 5,807,673	$ 5,810,942	$ 3,269
Supplemental General	1,718,420	(29,394)	-	1,689,026	1,689,026	-
Special Purpose Funds						
At Risk	551,880	-	-	551,880	248,243	(303,637)
Capital Outlay	2,036,722	-	-	2,036,722	809,278	(1,227,444)
Driver Training	67,023	-	-	67,023	24,644	(42,379)
Food Service	464,876	-	-	464,876	373,408	(91,468)
Professional Development	57,413	-	-	57,413	36,564	(20,849)
Special Education	1,720,535	-	-	1,720,535	1,177,511	(543,024)
Career and Postsecondary Education	464,636	-	-	464,636	235,486	(229,150)
KPERS Special Retirement Contribution	695,659	-	-	695,659	578,589	(117,070)
Bond and Interest Funds						
Bond and Interest	536,992	-	-	536,992	536,992	-
Total Funds	$ 14,000,733	$ (126,713)	$ 218,415	$ 14,092,435	$ 11,520,683	$ (2,571,752)

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 5,419,905	$ 5,592,527	$ 5,685,577	$ (93,050)
Fees and charges	171,687	218,415	-	218,415
Total Cash Receipts	$ 5,591,592	$ 5,810,942	$ 5,685,577	$ 125,365
EXPENDITURES				
Instruction	$ 3,008,714	$ 2,767,761	$ 3,062,479	$ (294,718)
Support - Student	168,619	171,862	176,793	(4,931)
Support - Staff	35,712	36,561	37,387	(826)
Support - General administration	444,857	415,166	425,542	(10,376)
Support - School administration	514,957	522,649	505,582	17,067
Support - Other supplemental services	2,099	1,387	2,000	(613)
Support - Operations and maintenance	377,293	355,848	389,776	(33,928)
Operating transfers	1,039,341	1,539,708	1,087,018	452,690
Adjustment to comply with legal maximum	-	-	(97,319)	97,319
Adjustment for qualifying budget credits	-	-	218,415	(218,415)
Total Expenditures	$ 5,591,592	$ 5,810,942	$ 5,807,673	$ 3,269
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes	$ 1,039,529	$ 1,042,513	$ 1,079,434	$ (36,921)
Intergovernmental	629,105	643,519	654,718	(11,199)
Total Cash Receipts	$ 1,668,634	$ 1,686,032	$ 1,734,152	$ (48,120)
EXPENDITURES				
Instruction	$ 57,240	$ 109,575	$ 80,200	$ 29,375
Support - Staff	370,250	338,621	377,900	(39,279)
Support - School administration	4,310	18,847	8,812	10,035
Support - Operations and maintenance	185,826	160,946	245,000	(84,054)
Support - Student transportation	369,905	374,133	418,508	(44,375)
Transfers out	677,209	686,904	588,000	98,904
Adjustment to comply with legal maximum	-	-	(29,394)	29,394
Total Expenditures	$ 1,664,740	$ 1,689,026	$ 1,689,026	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,894	$ (2,994)		
UNENCUMBERED CASH - BEGINNING	$ 95,840	$ 49,764		
Prior year cancelled encumbrances	-	-		
Correction of error in prior year	(49,970)	-		
UNENCUMBERED CASH - BEGINNING CORRECTED	$ 45,870	$ 49,764		
UNENCUMBERED CASH - ENDING	$ 49,764	$ 46,770		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
AT RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Transfers in	$ 282,370	$ 248,244	$ 310,000	$ (61,756)
Miscellaneous	-	53,712	-	53,712
Total Cash Receipts	$ 282,370	$ 301,956	$ 310,000	$ (8,044)
EXPENDITURES				
Instruction	$ 282,370	$ 248,243	$ 551,880	$ (303,637)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 53,713		
UNENCUMBERED CASH - BEGINNING	241,880	241,880		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 241,880	$ 295,593		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes	$ 505,916	$ 557,872	$ 519,623	$ 38,249
Intergovernmental	101,071	102,966	103,312	(346)
Interest	24,690	13,677	-	13,677
Other	-	6,789	-	6,789
Transfers in	-	110,967	-	110,967
Total Cash Receipts	$ 631,677	$ 792,271	$ 622,935	$ 169,336
EXPENDITURES				
Instruction	$ 21,798	$ 127,765	$ 120,350	$ 7,415
Support - Operations and Maintenance	163,927	364,212	264,482	99,730
Support - Student transportation	213,176	-	128,000	(128,000)
Facility acquisition and construction	25,355	-	1,026,641	(1,026,641)
Building Improvements	14,090	317,301	497,249	(179,948)
Total Expenditures	$ 438,346	$ 809,278	$ 2,036,722	$ (1,227,444)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 193,331	$ (17,007)		
UNENCUMBERED CASH- BEGINNING	1,220,456	1,413,787		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 1,413,787	$ 1,396,780		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 7,410	$ 3,978	$ 5,625	$ (1,647)
Fees and charges	3,800	5,702	-	5,702
Transfers in	23,759	13,354	35,000	(21,646)
Total Cash Receipts	$ 34,969	$ 23,034	$ 40,625	$ (17,591)
EXPENDITURES				
Instruction	$ 36,997	$ 24,396	$ 37,550	$ (13,154)
Support - Operations and maintenance	1,000	248	29,473	(29,225)
Total Expenditures	$ 37,997	$ 24,644	$ 67,023	$ (42,379)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (3,028)	$ (1,610)		
UNENCUMBERED CASH - BEGINNING	29,426	26,398		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 26,398	$ 24,788		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 159,953	$ 380,975	$ 137,313	$ 243,662
Fees and charges	165,909	34,863	183,443	(148,580)
Other	13,829	2,504	-	2,504
Transfers in	50,190	10,000	36,000	(26,000)
Total Cash Receipts	$ 389,881	$ 428,342	$ 356,756	$ 71,586
EXPENDITURES				
Food service operation	$ 389,456	$ 373,408	$ 464,876	$ (91,468)
Support - Operations and maintenance	-	28,664	-	28,664
Total Expenditures	$ 389,456	$ 402,072	$ 464,876	$ (62,804)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 425	$ 26,270		
UNENCUMBERED CASH - BEGINNING	107,695	108,120		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 108,120	$ 134,390		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 4,529	$ 9,232	$ 8,530	$ 702
Transfers in	24,363	27,000	20,000	7,000
Total Cash Receipts	$ 28,892	$ 36,232	$ 28,530	$ 7,702
EXPENDITURES				
Support - Staff	$ 28,942	$ 36,564	$ 57,413	$ (20,849)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (50)	$ (332)		
UNENCUMBERED CASH - BEGINNING	28,933	28,883		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 28,883	$ 28,551		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 29,862	$ 27,202	$ -	$ 27,202
Transfers in	1,016,018	1,287,814	900,000	387,814
Other	7,385	6,515	-	6,515
Total Cash Receipts	$ 1,053,265	$ 1,321,531	$ 900,000	$ 421,531
EXPENDITURES				
Instruction	$ 1,033,550	$ 1,078,525	$ 1,445,035	$ (366,510)
Support - Operations and maintenance	45,356	45,990	150,500	(104,510)
Support - Student transportation	17,973	52,996	125,000	(72,004)
Total Expenditures	$ 1,096,879	$ 1,177,511	$ 1,720,535	$ (543,024)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (43,614)	$ 144,020		
UNENCUMBERED CASH - BEGINNING	864,148	820,534		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 820,534	$ 964,554		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Transfers in	$ 212,458	$ 248,209	$ 299,018	$ (50,809)
EXPENDITURES				
Instruction	$ 212,458	$ 235,486	$ 464,636	$ (229,150)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 12,723		
UNENCUMBERED CASH - BEGINNING	165,618	165,618		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 165,618	$ 178,341		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Instruction	$ 625,368	$ 578,589	$ 695,659	$ (117,070)
EXPENDITURES				
Instruction	$ 413,272	$ 478,879	$ 471,503	$ 7,376
Support - Student	5,336	99,710	6,450	93,260
Support - Staff	6,435	-	6,833	(6,833)
Support - General administration	7,581	-	7,888	(7,888)
Support - School administration	15,836	-	17,001	(17,001)
Support - Other supplemental services	20,526	-	24,988	(24,988)
Support - Operations and maintenance	31,110	-	31,680	(31,680)
Support - Student transportation	72,390	-	73,981	(73,981)
Food service	52,882	-	55,335	(55,335)
Total Expenditures	$ 625,368	$ 578,589	$ 695,659	$ (117,070)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
CASH RECEIPTS				
Taxes	$ 23,889	$ 1,058,716	$ 997,589	$ 61,127
EXPENDITURES				
Interest	$ -	$ 536,992	$ 536,992	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 23,889	$ 521,724		
UNENCUMBERED CASH - BEGINNING	519,630	543,519		
Prior year cancelled encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 543,519	$ 1,065,243		

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2021

	Gifts and Grants	Title I Low Income	Title IIA Teacher Quality	Title IV	Contingency Reserve	Textbook and Revolving	SPARKS	ESSER	2019 Bond
RECEIPTS									
Intergovernmental	$ -	$ 77,520	$ 20,754	$ 13,582	$ -	$ -	$ 107,760	$ 64,923	$ -
Fees and charges	-	-	-	-	-	53,623	-	-	-
Interest	-	-	-	-	-	-	-	-	88,737
Other	18,041	-	-	-	-	-	-	-	228,824
Operating transfers	-	-	-	-	207,033	73,991	-	-	-
Total Receipts	$ 18,041	$ 77,520	$ 20,754	$ 13,582	$ 207,033	$ 127,614	$ 107,760	$ 64,923	$ 317,561
EXPENDITURES									
Instruction	$ 5,640	$ 77,520	$ 20,754	$ 13,582	$ -	$ 36,837	$ 102,418	$ 54,631	$ -
Support				-					
Staff	-	-	-	-	-	380	-	-	-
Operations and maintenance	-	-	-	-	-	-	5,342	10,292	-
Supplemental services	913	-	-	-	-	-	-	-	-
Facility and acquisition	-	-	-	-	-	-	-	-	9,444,499
Total Expenditures	$ 6,553	$ 77,520	$ 20,754	$ 13,582	$ -	$ 37,217	$ 107,760	$ 64,923	$ 9,444,499
RECEIPTS OVER (UNDER) EXPENDITURES	$ 11,488	$ -	$ -	$ -	$ 207,033	$ 90,397	$ -	$ -	$ (9,126,938)
UNENCUMBERED CASH - BEGINNING	94,399	-	-	-	691,967	151,181	-	-	13,625,383
Prior year cancelled encumbrances	-	-	-	-	-	-	-	-	-
UNENCUMBERED CASH - ENDING	$ 105,887	$ -	$ -	$ -	$ 899,000	$ 241,578	$ -	$ -	$ 4,498,445

UNIFIED SCHOOL DISTRICT NO. 378
Riley, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Balance June 30, 2021
Student Organization Funds				
High School				
Classes	$ 10,916	$ 6,392	$ 3,781	$ 13,527
Athletic Misc	21,229	11,294	16,809	15,714
Academic Misc	8,798	12,926	19,023	2,701
Clubs	18,224	31,101	32,391	16,934
Misc Accounts	4,238	5,059	4,674	4,623
Academic Activities	7,859	3,139	2,813	8,185
Vocational	13,679	24,065	27,968	9,776
Subtotal High School	$ 84,943	$ 93,976	$ 107,459	$ 71,460
Grade School				
Classes	$ 1,052	$ 690	$ 600	$ 1,142
School	19,277	6,261	4,722	20,816
Subtotal Grade School	$ 20,329	$ 6,951	$ 5,322	$ 21,958
Subtotal Student Organization Funds	$ 105,272	$ 100,927	$ 112,781	$ 93,418
Employee Flexible Spending	$ 8,337	$ 36,767	$ 34,587	$ 10,517
Payroll Clearing Fund	$ 518,926	$ -	$ 226,312	$ 292,614
Other	$ 58,153	$ 397,176	$ 384,343	$ 70,986
Grand Total Agency Funds	$ 690,688	$ 534,870	$ 758,023	$ 467,535

UNIFIED SCHOOL DISTRICT NO. 378
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Student Activities	$ 28,699	$ -	$ 40,319	$ 36,495	$ 32,523	$ 189	$ 32,712