

UNIFIED SCHOOL DISTRICT NO. 379

Clay Center, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

June 30, 2022

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
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October 19, 2022



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

Independent Auditor's Report

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 379 (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, 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, 2022, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to the Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
 Regulatory Basis
 For the Year Ended June 30, 2022

	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	\$ -	\$ -	\$ 9,703,020	\$ 9,703,020	\$ -	\$ 55,078	\$ 55,078
Supplemental General	139,263	-	3,126,972	2,976,933	289,302	92,815	382,117
Special Purpose Funds							
Preschool-Aged At-Risk	22,452	-	72,500	42,523	52,429	-	52,429
At-Risk (K-12) Fund	314,083	-	1,104,327	1,049,279	369,131	-	369,131
Bilingual Education Fund	8,473	-	3,892	5,000	7,365	-	7,365
Virtual Education Fund	51,436	-	45,000	51,833	44,603	-	44,603
Capital Outlay Fund	1,656,507	-	1,929,091	1,734,535	1,851,063	147,018	1,998,081
Driver Training Fund	65,823	-	20,170	20,556	65,437	-	65,437
Contingency Reserve Fund	501,764	-	33,217	-	534,981	-	534,981
Food Service Fund	268,476	-	1,295,214	1,157,343	406,347	-	406,347
Professional Development Fund	54,133	-	23,000	22,548	54,585	-	54,585
Parent Education Fund	15,057	-	93,821	92,964	15,914	4,712	20,626
Special Education Fund	760,473	-	1,884,699	1,840,346	804,826	-	804,826
Career and Postsecondary Education Fund	220,983	-	533,947	512,600	242,330	2,754	245,084
Special Education Cooperative Fund	896,936	-	5,056,538	4,974,153	979,321	4,450	983,771
KPERs Special Retirement Contribution Fund	-	-	1,575,951	1,575,951	-	-	-
Textbook Rental Fund	203,410	-	165,823	165,255	203,978	16,532	220,510
Gifts and Grants Fund	47,720	-	66,084	59,818	53,986	1,845	55,831
Grants Fund	(194,717)	-	1,005,491	855,936	(45,162)	19,984	(25,178)
District Activity	30,854	-	124,673	124,416	31,111	-	31,111
Bond and Interest Funds							
Bond and Interest	1,017,115	-	921,418	735,347	1,203,186	-	1,203,186
Total Reporting Entity (Excluding Agency Funds)	\$ 6,080,241	\$ -	\$ 28,784,848	\$ 27,700,356	\$ 7,164,733	\$ 345,188	\$ 7,509,921
Composition of Cash							
Checking							
Union State Bank							\$ 7,550,551
United Bank & Trust							107,855
Riley State Bank							23,268
Total Cash							\$ 7,681,674
Less: Agency Funds per Schedule 3							(171,753)
Total Reporting Entity (Excluding Agency Funds)							\$ 7,509,921

STATEMENT 1

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies

Unified School District No. 379 (the District) is a Kansas school district governed by an elected seven-member Board of Education. The District prepares and reports its financial information in conformance with the regulatory basis of accounting as prescribed by the Director of Accounts and Reports of the State of Kansas and published in the *Kansas Municipal Audit and Accounting Guide*.

Reimbursed Expenses

Expenditures in the amount of \$82,545 and \$399,360 are classified as reimbursed expenses in the General Fund and Capital Outlay Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

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

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

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

Regulatory Basis Fund Types

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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

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

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

Contingency Reserve	District Activity
Textbook Rental	

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

Note 2: Deposits and Investments

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

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

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
 For the Year Ended June 30, 2022

Note 2: Deposits and Investments (Continued)

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

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

At June 30, 2022, the carrying amount of the District's deposits was \$7,681,674. The bank balance was \$8,847,589. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balances, \$385,975 was secured by FDIC insurance and the remaining \$8,461,614 was collateralized by pledged securities with a fair market value of \$11,045,167 held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank.

Custodial credit risk -- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. As of June 30, 2022, the District had no cash investments.

Note 3: In-Substance Receipt in Transit

The District received \$380,456 for general fund and \$71,214 for supplemental general fund subsequent to June 30, 2022 and as required by K.S.A. 72-5135(d), the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

Note 4: Interfund Transfers

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk (K-12)	K.S.A. 72-6478	\$ 854,327
General	Bilingual	K.S.A. 72-6478	3,000
General	Vocational Education	K.S.A. 72-6478	188,100
General	Food Service	K.S.A. 72-6478	10,369
General	Parents as Teachers	K.S.A. 72-6478	28,810
General	At-Risk (Preschool)	K.S.A. 72-6478	72,500
General	Special Education	K.S.A. 72-6478	1,209,747
General	Virtual Education	K.S.A. 72-6478	45,000
Supplemental General	Professional Development	K.S.A. 72-6478	23,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6478	250,000
Supplemental General	Bilingual	K.S.A. 72-6478	892
Supplemental General	Vocational Education	K.S.A. 72-6478	329,000
Supplemental General	Special Education	K.S.A. 72-6478	669,000
Supplemental General	Textbook Rental	K.S.A. 72-6478	89,000
Total Transfers			\$ 3,772,745

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For Year Ended June 30, 2022

Note 5: Long-Term Debt

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

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Changes	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2015-A	2.00-4.00%	5/1/14	\$ 7,600,000	9/1/24	\$ 6,815,000	\$ -	\$ 4,905,000	\$ (4,905,000)	\$ 1,910,000	\$ 108,638
Series 2022-A (Refunding)		1/6/22	4,645,000	9/1/26	-	4,645,000	-	4,645,000	4,645,000	11,709
Lease Purchase										
HVAC Equipment	2.89%	4/14/20	1,998,860	4/15/30	1,794,422	-	180,959	(180,959)	1,613,463	49,479
Total Long-Term Debt					<u>\$ 8,609,422</u>	<u>\$ 4,645,000</u>	<u>\$ 5,085,959</u>	<u>\$ (440,959)</u>	<u>\$ 8,168,463</u>	<u>\$ 169,826</u>

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

	2023	2024	2025	2026	2027	2028-2032	Total
Principal							
Series 2015-A	\$ 625,000	\$ 635,000	\$ 650,000	\$ -	\$ -	\$ -	\$ 1,910,000
Series 2022	670,000	755,000	615,000	1,290,000	1,315,000	-	4,645,000
HVAC Equipment	186,261	191,611	197,325	203,103	209,052	626,111	1,613,463
Total Principal	<u>\$ 1,481,261</u>	<u>\$ 1,581,611</u>	<u>\$ 1,462,325</u>	<u>\$ 1,493,103</u>	<u>\$ 1,524,052</u>	<u>\$ 626,111</u>	<u>\$ 8,168,463</u>
Interest							
Series 2015-A	\$ 33,576	\$ 20,976	\$ 7,313	\$ -	\$ -	\$ -	\$ 61,865
Series 2022	71,115	59,359	48,056	32,340	10,849	-	221,719
HVAC Equipment	44,180	38,830	33,113	27,334	21,387	26,794	191,638
Total Interest	<u>\$ 148,871</u>	<u>\$ 119,165</u>	<u>\$ 88,482</u>	<u>\$ 59,674</u>	<u>\$ 32,236</u>	<u>\$ 26,794</u>	<u>\$ 475,222</u>

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note 6: Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory contribution rate was 14.83% and 13.33% for the fiscal year ended June 30, 2022.

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 dollars 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 \$1,575,951 for the year ended June 30, 2022.

Net Pension Liability. At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$12,354,537. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note 7: Compensated Absences

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

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

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

The District has not recorded or computed this liability.

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: Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District as of June 30, 2022.

Note 10: Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note 11: 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, 2022.

Note 12: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through October 19, 2022, which is the date at which the financial statement was available to be issued.

Note 13: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the District to assist with the risks and help offset incurred costs of the District.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
 For the Year Ended June 30, 2022

	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)
Funds						
Governmental Type Funds						
General Funds						
General	\$ 10,121,311	\$ (500,836)	\$ 82,545	\$ 9,703,020	\$ 9,703,020	\$ -
Supplemental General	3,122,036	(147,909)	2,806	2,976,933	2,976,933	-
Special Purpose Funds						
At-Risk (K-12) Fund	1,526,845	-	-	1,526,845	1,049,279	(477,566)
Preschool-Aged At-Risk	45,192	-	-	45,192	42,523	(2,669)
Bilingual Education Fund	12,000	-	-	12,000	5,000	(7,000)
Virtual Education Fund	119,500	-	-	119,500	51,833	(67,667)
Capital Outlay Fund	3,226,000	-	399,360	3,625,360	1,734,535	(1,890,825)
Driver Training Fund	52,025	-	-	52,025	20,556	(31,469)
Food Service Fund	1,411,500	-	-	1,411,500	1,157,343	(254,157)
Professional Development Fund	67,000	-	-	67,000	22,548	(44,452)
Parent Education Fund	105,739	-	-	105,739	92,964	(12,775)
Special Education Fund	2,860,743	-	-	2,860,743	1,840,346	(1,020,397)
Career and Postsecondary Education Fund	716,000	-	-	716,000	512,600	(203,400)
Special Education Cooperative Fund	6,166,342	-	-	6,166,342	4,974,153	(1,192,189)
KPERS Special Retirement Contribution Fund	1,821,416	-	-	1,821,416	1,575,951	(245,465)
Gifts and Grants Fund	622,500	-	-	622,500	59,818	(562,682)
Federal Funds	2,655,000	-	-	2,655,000	855,936	(1,799,064)
Debt Service Fund						
Bond and Interest	786,300	-	-	786,300	735,347	(50,953)
	<u>\$ 35,437,449</u>	<u>\$ (648,745)</u>	<u>\$ 484,711</u>	<u>\$ 35,273,415</u>	<u>\$ 27,410,685</u>	<u>\$ (7,862,730)</u>

UNIFIED SCHOOL DISTRICT NO. 379

Clay Center, Kansas

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal aid	\$ 20,190	\$ -	\$ 20,190
State aid	9,600,285	10,121,311	(521,026)
Reimbursements	82,545	-	82,545
Total Cash Receipts	<u>\$ 9,703,020</u>	<u>\$ 10,121,311</u>	<u>\$ (418,291)</u>
EXPENDITURES			
Instruction	\$ 3,519,694	\$ 3,521,354	\$ (1,660)
Student support services	455,150	531,631	(76,481)
Instructional support services	294,126	318,253	(24,127)
General administration	314,748	354,369	(39,621)
School administration	980,160	988,145	(7,985)
Central services	144,059	144,665	(606)
Operations and maintenance	1,070,186	1,071,237	(1,051)
Student transportation services	513,044	507,542	5,502
Transfers	2,411,853	2,684,115	(272,262)
Adjustment to comply with legal maximum budget	-	(500,836)	500,836
Adjustment for qualifying budget credits	-	82,545	(82,545)
Total Expenditures	<u>\$ 9,703,020</u>	<u>\$ 9,703,020</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)			
EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>-</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem taxes	\$ 1,689,804	\$ 15,839	\$ 1,673,965
Delinquent taxes	15,641	14,584	1,057
Local Sources - Reimbursed Expenses	2,806	-	2,806
Motor vehicle taxes	149,364	145,136	4,228
State aid	1,269,357	1,332,485	(63,128)
Total Cash Receipts	<u>\$ 3,126,972</u>	<u>\$ 1,508,044</u>	<u>\$ 1,618,928</u>
EXPENDITURES			
Instruction	\$ 1,413,928	\$ 1,368,760	\$ 45,168
Instructional support services	16	2,000	(1,984)
General administration	29,522	57,000	(27,478)
School administration	22,467	26,000	(3,533)
Central services	135,041	140,505	(5,464)
Operations and maintenance	15,067	26,000	(10,933)
Transfers	1,360,892	1,501,771	(140,879)
Adjustment to comply with legal maximum budget	-	(147,909)	147,909
Adjustment for qualifying budget credits	-	2,806	(2,806)
Total Expenditures	<u>\$ 2,976,933</u>	<u>\$ 2,976,933</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ 150,039</u>		
UNENCUMBERED CASH - BEGINNING	<u>139,263</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 289,302</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers	\$ 72,500	\$ 25,000	\$ 47,500
EXPENDITURES			
Instruction	\$ 42,523	\$ 45,192	\$ (2,669)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 29,977		
UNENCUMBERED CASH - BEGINNING	<u>22,452</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 52,429</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers	\$ 1,104,327	\$ 1,265,573	\$ (161,246)
EXPENDITURES			
Instruction	\$ 1,049,279	\$ 1,406,845	\$ (357,566)
Student support services	-	120,000	(120,000)
Total Expenditures	<u>\$ 1,049,279</u>	<u>\$ 1,526,845</u>	<u>\$ (477,566)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 55,048		
UNENCUMBERED CASH - BEGINNING	<u>314,083</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 369,131</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers	\$ 3,892	\$ 5,937	\$ (2,045)
EXPENDITURES			
Instruction	\$ 5,000	\$ 12,000	\$ (7,000)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (1,108)		
UNENCUMBERED CASH - BEGINNING	<u>8,473</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 7,365</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers	\$ 45,000	\$ 75,000	\$ (30,000)
EXPENDITURES			
Instruction	\$ 51,833	\$ 119,500	\$ (67,667)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (6,833)		
UNENCUMBERED CASH - BEGINNING	<u>51,436</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 44,603</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem taxes	\$ 1,034,721	\$ 928,311	\$ 106,410
Delinquent taxes	8,832	8,657	175
Motor vehicle taxes	85,944	85,113	831
Federal aid	33,498	8,000	25,498
State aid	321,525	324,609	(3,084)
Miscellaneous	29,932	250,000	(220,068)
Reimbursements	399,360	-	399,360
Interest on idle funds	15,279	13,500	1,779
Total Cash Receipts	<u><u>\$ 1,929,091</u></u>	<u><u>\$ 1,618,190</u></u>	<u><u>\$ 310,901</u></u>
EXPENDITURES			
Instruction	\$ 115,000	\$ 115,000	\$ -
Operations and maintenance	1,013,246	954,000	59,246
Student transportation services	100,180	157,000	(56,820)
Facility acquisition and construction services	506,109	2,000,000	(1,493,891)
Adjustment for qualifying budget credits	-	399,360	(399,360)
Total Expenditures	<u><u>\$ 1,734,535</u></u>	<u><u>\$ 3,625,360</u></u>	<u><u>\$ (1,890,825)</u></u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u><u>\$ 194,556</u></u>		
UNENCUMBERED CASH- BEGINNING	<u><u>1,656,507</u></u>		
UNENCUMBERED CASH - ENDING	<u><u>\$ 1,851,063</u></u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
State aid	\$ 4,270	\$ 5,400	\$ (1,130)
Charges for services	13,500	-	13,500
Transfers in	2,400	-	2,400
Total Cash Receipts	<u>\$ 20,170</u>	<u>\$ 5,400</u>	<u>\$ 14,770</u>
EXPENDITURES			
Instruction	\$ 19,973	\$ 51,025	\$ (31,052)
Operations and maintenance	583	1,000	(417)
Total Expenditures	<u>\$ 20,556</u>	<u>\$ 52,025</u>	<u>\$ (31,469)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (386)		
UNENCUMBERED CASH - BEGINNING	<u>65,823</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 65,437</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended June 30, 2022

CASH RECEIPTS	
Transfers	<u>\$ 33,217</u>
EXPENDITURES	
Instruction	<u>\$ -</u>
RECEIPTS OVER (UNDER)	
EXPENDITURES	\$ 33,217
UNENCUMBERED CASH - BEGINNING	<u>501,764</u>
UNENCUMBERED CASH - ENDING	<u><u>\$ 534,981</u></u>

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Federal aid	\$ 1,242,941	\$ 1,097,500	\$ 145,441
State aid	1,110	6,800	(5,690)
Charges for services	40,047	68,500	(28,453)
Interest	747	500	247
Transfers	10,369	10,000	369
Total Cash Receipts	<u>\$ 1,295,214</u>	<u>\$ 1,183,300</u>	<u>\$ 111,914</u>
EXPENDITURES			
Operations & Maintenance	\$ 1,008	\$ 180,000	\$ (178,992)
Food service operation	1,156,335	1,231,500	(75,165)
Total Expenditures	<u>\$ 1,157,343</u>	<u>\$ 1,411,500</u>	<u>\$ (254,157)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 137,871		
UNENCUMBERED CASH- BEGINNING	<u>268,476</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 406,347</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers	\$ 23,000	\$ 15,000	\$ 8,000
EXPENDITURES			
Instruction	\$ 9,189	\$ -	\$ 9,189
Instructional support services	13,359	67,000	(53,641)
Total Expenditures	<u>\$ 22,548</u>	<u>\$ 67,000</u>	<u>\$ (44,452)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 452		
UNENCUMBERED CASH - BEGINNING	<u>54,133</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 54,585</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
State aid	\$ 60,321	\$ 60,321	\$ -
Miscellaneous	4,690	4,690	-
Transfers	28,810	28,810	-
Total Cash Receipts	<u>\$ 93,821</u>	<u>\$ 93,821</u>	<u>\$ -</u>
EXPENDITURES			
Student support services	\$ 92,964	\$ 100,739	\$ (7,775)
Instructional support services	-	5,000	(5,000)
Total Expenditures	<u>\$ 92,964</u>	<u>\$ 105,739</u>	<u>\$ (12,775)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 857		
UNENCUMBERED CASH - BEGINNING	<u>15,057</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 15,914</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers in	\$ 1,878,747	\$ 2,194,714	\$ (315,967)
Federal aid	5,952	30,323	(24,371)
Total Cash Receipts	<u>\$ 1,884,699</u>	<u>\$ 2,225,037</u>	<u>\$ (340,338)</u>
EXPENDITURES			
Instruction	\$ 1,730,271	\$ 2,319,123	\$ (588,852)
Student support services	-	100,000	(100,000)
Instructional support staff	-	100,000	(100,000)
Operations and maintenance	-	100,000	(100,000)
Student transportation services	110,075	241,620	(131,545)
Total Expenditures	<u>\$ 1,840,346</u>	<u>\$ 2,860,743</u>	<u>\$ (1,020,397)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 44,353		
UNENCUMBERED CASH - BEGINNING	<u>760,473</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 804,826</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Federal aid	\$ -	\$ 5,000	\$ (5,000)
Local sources - Reimbursed expenses	16,847	10,000	6,847
Transfers	517,100	565,852	(48,752)
Total Cash Receipts	<u>\$ 533,947</u>	<u>\$ 580,852</u>	<u>\$ (46,905)</u>
EXPENDITURES			
Instruction	\$ 506,160	\$ 686,000	\$ (179,840)
Student support services	-	5,000	(5,000)
Instructional support services	6,440	25,000	(18,560)
Total Expenditures	<u>\$ 512,600</u>	<u>\$ 716,000</u>	<u>\$ (203,400)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ 21,347</u>		
UNENCUMBERED CASH - BEGINNING	<u>220,983</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 242,330</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SPECIAL EDUCATION COOPERATIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Tuition	\$ 2,533,690	\$ 2,722,207	\$ (188,517)
Other	1,735,205	2,030,838	(295,633)
Reimbursements	739	-	739
State Aid	3,345	6,000	(2,655)
Federal Aid	622,262	826,115	(203,853)
Fees for services	161,297	-	161,297
Total Cash Receipts	<u>\$ 5,056,538</u>	<u>\$ 5,585,160</u>	<u>\$ (528,622)</u>
EXPENDITURES			
Instruction	3,603,938	\$ 4,145,660	\$ (541,722)
Student support services	984,934	1,229,682	(244,748)
Instructional support services	5,099	106,300	(101,201)
General administration	302,424	292,100	10,324
School Administration	619	800	(181)
Central services	53,401	69,800	(16,399)
Operations and maintenance	21,372	118,900	(97,528)
Student transportation	2,366	103,100	(100,734)
Other support services	-	100,000	(100,000)
Total Expenditures	<u>\$ 4,974,153</u>	<u>\$ 6,166,342</u>	<u>\$ (1,192,189)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ 82,385</u>		
UNENCUMBERED CASH- BEGINNING	<u>896,936</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 979,321</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
KPERS RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	Variance - Over (Under)
CASH RECEIPTS			
State aid	\$ 1,575,951	\$ 1,821,416	\$ (245,465)
EXPENDITURES			
Instruction	\$ 1,087,406	\$ 1,256,778	\$ (169,372)
Student support services	141,836	163,928	(22,092)
Instructional support services	31,519	36,428	(4,909)
General administration	47,278	54,642	(7,364)
School administration	94,557	109,285	(14,728)
Central services	15,760	18,214	(2,454)
Operations and maintenance	63,037	72,857	(9,820)
Student transportation services	47,279	54,642	(7,363)
Food service	47,279	54,642	(7,363)
Total Expenditures	<u>\$ 1,575,951</u>	<u>\$ 1,821,416</u>	<u>\$ (245,465)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>-</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended June 30, 2022

CASH RECEIPTS

Other	\$ 74,231
Transfers in	89,000
Reimbursed Expenditures	2,592
Total Receipts	<u>\$ 165,823</u>

EXPENDITURES

Instruction	<u>\$ 165,255</u>
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RECEIPTS OVER (UNDER)
EXPENDITURES

\$ 568

UNENCUMBERED CASH - BEGINNING

203,410

UNENCUMBERED CASH - ENDING

\$ 203,978

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	Variance - Over (Under)
CASH RECEIPTS			
State Aid	\$ 11,250	\$ 11,250	\$ -
Federal Aid	11,358	11,358	-
Miscellaneous	43,476	600,000	(556,524)
Total Cash Receipts	<u>\$ 66,084</u>	<u>\$ 622,608</u>	<u>\$ (556,524)</u>
EXPENDITURES			
Instruction	\$ 56,319	\$ 222,500	\$ (166,181)
Student support services	122	100,000	(99,878)
Operations and maintenance	2,405	100,000	(97,595)
Student transportation services	972	100,000	(99,028)
Other support services	-	100,000	(100,000)
Total Expenditures	<u>\$ 59,818</u>	<u>\$ 622,500</u>	<u>\$ (562,682)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 6,266		
UNENCUMBERED CASH- BEGINNING	<u>47,720</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 53,986</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
FEDERAL FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
 Regulatory Basis
 For the Year Ended June 30, 2022

	Title I	Federal Title IIA (Teacher Quality)	Title VI-B	Title IV Student Support	Title IV Project Lead	KHDE K-12 Grant	ESSER II	Total Actual	Budget	Variance Over (Under)
RECEIPTS										
Federal aid	\$ 209,082	\$ 45,659	\$ 26,142	\$ 20,017	\$ 160,052	\$ 17,158	\$ 505,280	\$ 983,390	\$2,876,383	\$(1,892,993)
Reimbursed Expenditure	-	419	-	-	-	-	-	419	-	-
Other	-	-	-	-	21,682	-	-	21,682	20,000	1,682
Total Receipts	<u>\$ 209,082</u>	<u>\$ 46,078</u>	<u>\$ 26,142</u>	<u>\$ 20,017</u>	<u>\$ 181,734</u>	<u>\$ 17,158</u>	<u>\$ 505,280</u>	<u>\$ 1,005,491</u>	<u>\$2,896,383</u>	<u>\$(1,891,311)</u>
EXPENDITURES										
Instruction	\$ 209,082	\$ 46,078	\$ 22,068	\$ 20,017	\$ 153,088	\$ -	\$ 296,152	\$ 746,485	\$1,535,000	\$ 788,515
Student support services	-	-	-	-	12,680	66,311	-	78,991	120,000	41,009
Instructional support staff	-	-	-	-	-	-	-	-	100,000	100,000
General administration	-	-	4,074	-	-	-	-	4,074	-	(4,074)
School administration	-	-	-	-	-	-	8,455	8,455	-	(8,455)
Student transportation	-	-	-	-	288	-	17,372	17,660	-	(17,660)
Operations and maintenance	-	-	-	-	-	-	271	271	900,000	899,729
Total Expenditures	<u>\$ 209,082</u>	<u>\$ 46,078</u>	<u>\$ 26,142</u>	<u>\$ 20,017</u>	<u>\$ 166,056</u>	<u>\$ 66,311</u>	<u>\$ 322,250</u>	<u>\$ 855,936</u>	<u>\$2,655,000</u>	<u>\$ 1,799,064</u>
RECEIPTS OVER (UNDER)										
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 15,678	\$ (49,153)	\$ 183,030	\$ 149,555		
UNENCUMBERED CASH - BEGINNING	-	-	-	-	1,446	-	(196,163)	(194,717)		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,124</u>	<u>\$ (49,153)</u>	<u>\$ (13,133)</u>	<u>\$ (45,162)</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem	\$ 615,942	\$ 550,948	\$ 64,994
Delinquent taxes	5,950	7,182	(1,232)
Motor vehicle taxes	63,636	61,340	2,296
State aid	235,890	235,890	-
Total Cash Receipts	<u>\$ 921,418</u>	<u>\$ 855,360</u>	<u>\$ 66,058</u>
EXPENDITURES			
Interest	\$ -	\$ 171,300	\$ (171,300)
Principal	735,347	615,000	120,347
Total Expenditures	<u>\$ 735,347</u>	<u>\$ 786,300</u>	<u>\$ (50,953)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 186,071		
UNENCUMBERED CASH- BEGINNING	<u>1,017,115</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 1,203,186</u>		

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
 Regulatory Basis
 For the Year Ended June 30, 2022

	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Elementary Schools				
Lincoln Elementary	\$ 2,908	\$ 1,342	\$ 186	\$ 4,064
Garfield Elementary	1,141	682	581	1,242
Total Elementary Schools	<u>\$ 4,049</u>	<u>\$ 2,024</u>	<u>\$ 767</u>	<u>\$ 5,306</u>
Middle School Funds				
Clay Center Community Middle School	\$ 13,740	\$ 33,438	\$ 34,896	\$ 12,283
Wakefield School	16,887	38,244	33,140	21,991
Total Middle School Funds	<u>\$ 30,627</u>	<u>\$ 71,682</u>	<u>\$ 68,036</u>	<u>\$ 34,274</u>
High School Funds				
Clay Center Community High School	<u>\$ 74,339</u>	<u>\$ 159,419</u>	<u>\$ 153,818</u>	<u>\$ 79,940</u>
Other Agency Funds				
Payroll Clearing Fund	<u>\$ 67,450</u>	<u>\$ 101,922</u>	<u>\$ 117,139</u>	<u>\$ 52,233</u>
TOTAL AGENCY FUNDS	<u><u>\$ 176,465</u></u>	<u><u>\$ 335,047</u></u>	<u><u>\$ 339,760</u></u>	<u><u>\$ 171,753</u></u>

UNIFIED SCHOOL DISTRICT NO. 379
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
 Regulatory Basis
 For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
District Activity Funds						
Gate Receipts						
Clay Center Community Middle School	\$ 3,991	\$ 22,751	\$ 24,823	\$ 1,919	\$ -	\$ 1,919
Wakefield School	1,635	13,942	14,300	1,277	-	1,277
Clay Center Community High School	25,228	87,980	85,293	27,915	-	27,915
Total District Activity Funds	\$ 30,854	\$ 124,673	\$ 124,416	\$ 31,111	\$ -	\$ 31,111



October 19, 2022

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 379 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated October 19, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

October 19, 2022
Unified School District No. 379
(continued)

Purpose of this Report

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



October 19, 2022

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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 379's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2022. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

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 audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program have occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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, 2022.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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, 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. According, this report is not suitable for any other purpose.

Varnay & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
U.S. Department of Education			
Direct U.S. Department of Education Impact Aid (P.L. 81-874)	84.041	N/A	\$ 34,795
Passed through Kansas Department of Education Special Education Cluster:			
Title VI, Special Education	84.027	D0379	\$ 618,977
Special Education - Preschool Grants	84.173	DO379	29,427
Total Special Education Cluster			<u>\$ 648,404</u>
Title I	84.010	DO379	\$ 209,082
Title IV Project Lead	84.287	DO379	160,052
Title II-A Teacher Quality	84.367	DO379	45,659
Title IVA Student Support & Academic Enrichment	84.424	DO379	20,017
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D	DO379	322,250
Total Passed Through U.S. Department of Education			<u>\$ 1,405,464</u>
Total Department of Education			<u>\$ 1,440,259</u>
U.S. Department of Agriculture			
Passed through Kansas Department of Education Child Nutrition Cluster			
School Breakfast	10.553	DO379	\$ 336,368
Section 4	10.555	DO379	709,733
Summer Food Service Program	10.559	DO379	110,374
Subtotal Child Nutrition Cluster			<u>\$ 1,156,475</u>
Child and Adult Care Food Program	10.558	DO379	\$ 254
COVID-19 Coronavirus	10.649	DO379	614
Total Department of Agriculture			<u>\$ 1,157,343</u>
U.S. Department of Health & Human Services			
Passed through Kansas Department of Education Youth Risk Behavior Survey	93.079	DO379	\$ 17,158
KSDE K-12 COVID Testing Grant	93.323	DO379	267
Temporary Assistance for Needy Families	93.558	DO379	11,358
Total Department of Health & Human Services			<u>\$ 28,783</u>
U.S. Department of Transportation			
Highway Safety Cluster	20.6	N/A	\$ 2,400
Total Federal Expenditures			<u><u>\$ 2,628,785</u></u>

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2022

Note 1: Basis of Presentation

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

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

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

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2022.

Note 3: Indirect Cost Rate

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

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None

Federal Awards

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

Identification of major programs:

<u>Name of Federal program</u>	<u>CFDA Number(s)</u>
Child Nutrition Cluster	10.553, 10.555 and 10.559

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Note:

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

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.