

**Rock Creek
Unified School District No. 323**

**Financial Statement
June 30, 2021**

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Unified School District No. 323
June 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Rock Creek, Unified School District No. 323

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 323, (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; 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 the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 to the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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, 2021, 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 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.

Other Matters

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, and the 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 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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 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 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 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.

James Gordon + Associates CPA, P.A.

James Gordon & Associates CPA, P.A.

Manhattan, Kansas

October 31, 2022

**Rock Creek
Unified School District No. 323
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021**

Statement 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ -	\$ 8,734,940	\$ 8,734,940	\$ -	\$ 685,605	\$ 685,605
Supplemental General	89,539	2,608,588	2,607,682	90,445	322,773	413,218
Special Purpose Funds:						
Bilingual Education	9,807	1,301	5,527	5,581	-	5,581
Capital Outlay	1,080,089	639,587	473,195	1,246,481	124,928	1,371,409
Food Service	203,270	705,100	698,609	209,761	28,134	237,895
Professional Development	72,161	5,841	45,882	32,120	2	32,122
Parents as Teachers	22,699	70,330	60,556	32,473	-	32,473
Special Education	630,791	1,778,280	1,740,200	668,871	3,351	672,222
Vocational Education	314,552	305,356	284,709	335,199	23,624	358,823
Federal Funds	(203,305)	420,767	389,018	(171,556)	39,629	(131,927)
Gifts and Grants	14,870	90,951	89,641	16,180	-	16,180
KPERS Special Retirement Contribution	-	880,331	880,331	-	-	-
At Risk	74,163	427,283	457,266	44,180	50,044	94,224
Preschool Aged At Risk	-	119,612	59,806	59,806	11,054	70,860
Student Material Revolving/Textbook Rent	29,326	50,274	35,788	43,812	12,374	56,186
Contingency Reserve	562,603	18,239	18,114	562,728	14,118	576,846
District Activity	527	62,051	51,424	11,154	-	11,154
Capital Improvement	1,366,490	104	490,610	875,984	82,662	958,646
Bond & Interest Fund	2,249,784	2,435,995	2,269,240	2,416,539	-	2,416,539
Total Reporting Entity (Excluding Agency Funds)	\$ 6,517,366	\$ 19,354,930	\$ 19,392,538	\$ 6,479,758	\$ 1,398,298	\$ 7,878,056

Composition of Cash:

Now Checking	\$ 1,533,039
Now Money Market	4,377,342
Petty Cash	6,000
Checking Account - Rock Creek Junior/Senior High School	131,411
Checking Account - St. George Grade School	14,322
Checking Account - Westmoreland Grade School	10,375
Checking Account - 2018 Bond	396,889
Municipal Investment Pool	909,550
In-Substance Receipt in Transit	640,431
Total Cash	8,019,359
Less Agency Funds per Schedule 3	(141,303)
Total Reporting Entity (Excluding Agency Funds)	\$ 7,878,056

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

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

1. Summary of Significant Accounting Policies

Reporting Entity

Rock Creek Unified School District No. 323 (the District) is a municipal corporation governed by an elected seven-member board organized under the laws of the State of Kansas to provide a system of education to elementary and high school students who reside within the designated district area.

Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds were utilized in recording the financial activities of the District for the year ended June 30, 2021.

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 regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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.

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

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special revenue funds (unless specifically exempted by statute), and bond and interest funds and business funds. Although directory rather than mandatory, 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 calendar year on or before August 1st.
2. Publication in the local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of a notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District did not hold a revenue neutral rate heading for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for the capital project funds, agency funds, activity funds, and the following special purpose funds: Student Material/Textbook Rent fund, Contingency Reserve fund, the Federal Funds fund, and the Gift and Grants fund.

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

K.S.A. 10-1113 requires that expenditures be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. At June 30, 2021, the Federal Funds fund had an ending unencumbered cash balance of \$171,556. The Districts expects expenditures over currently reported receipts to be reimbursed in the next year.

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

3. Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

4. Deposits and Investments

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

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

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. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have a peak period pledge agreement during the year ended June 30, 2021, and therefore the District did not designate peak periods.

At June 30, 2021, the District's carrying amount of deposits was \$7,109,809 and the bank balance was \$7,619,518. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$256,070 was covered by federal depository insurance, \$6,716,463 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name, and \$909,550 was collateralized by the Kansas Municipal Investment Pool, leaving the district fully secured.

At June 30, 2021, the District has invested \$909,550 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor.

The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

4. Deposits and Investments (continued)

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.

5. In-Substance Receipt in Transit

The District received \$640,431 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.

6. Capital Projects

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Capital Outlay fund		
Energy saving equipment	\$ 2,180,822	\$ 1,178,512
Facilities	30,630,000	29,793,334

7. Long-Term Debt

On March 1, 2018, the District issued \$30,630,000 in general obligation building bonds – Series 2018 with a variable interest rate of 3.00% to 4.00% to finance the construction of new facilities within the district. The bonds mature on September 1, 2042 and will be subject to optional redemption for bonds maturing on September 1, 2026 and thereafter and mandatory redemption for the 2042 term bonds at the redemption price plus accrued interest.

The District entered into an agreement to lease energy saving equipment to be installed in District buildings. The fair market value of the equipment is \$2,180,822. The term of the lease requires fifteen equal payments of \$192,596. The Board has authorized the total lease cost to be paid from the Capital Outlay fund.

Long-term liabilities for the District for the year ended June 30, 2021, were as follows:

	<u>Amount of Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Bonds				
Series 2012	\$ 4,420,000	3.00%	7/11/2012	9/1/2032
Series 2013	9,625,000	2.0-2.5%	4/1/2013	9/1/2027
Series 2018	30,630,000	3.0-4.0%	3/1/2018	9/1/2042
Lease-Purchase	2,180,822	3.74%	10/21/2010	10/21/2025

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

7. Long-Term Debt (continued)

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

	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2012	\$ 4,420,000	\$ -	\$ -	\$ 4,420,000	\$ 132,600
Series 2013	7,665,000	-	800,000	6,865,000	161,510
Series 2018	30,630,000	-	20,000	30,610,000	1,155,431
Total General Obligation Bonds	42,715,000	-	820,000	41,895,000	1,449,541
Lease-Purchase	1,018,218	-	154,514	863,704	38,082
Total Long Term Debt	\$ 43,733,218	\$ -	\$ 974,514	\$ 42,758,704	\$ 1,487,623

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

Year	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Lease-Purchase	Total	General Obligation Bonds	Lease-Purchase	Total	
2022	\$ 910,000	\$ 160,294	\$ 1,070,294	\$ 1,431,416	\$ 32,301	\$ 1,463,717	\$ 2,534,011
2023	1,010,000	166,289	1,176,289	1,409,766	26,306	1,436,072	2,612,361
2024	1,120,000	172,508	1,292,508	1,383,516	20,088	1,403,604	2,696,112
2025	1,235,000	178,960	1,413,960	1,352,654	13,635	1,366,289	2,780,249
2026	2,845,000	185,653	3,030,653	1,961,749	6,943	1,968,692	4,999,345
2027-2031	8,620,000	-	8,620,000	5,677,906	-	5,677,906	14,297,906
2032-2036	10,055,000	-	10,055,000	4,004,506	-	4,004,506	14,059,506
2037-2041	13,030,000	-	13,030,000	1,994,018	-	1,994,018	15,024,018
2042-2046	3,070,000	-	3,070,000	111,288	-	111,288	3,181,288
Total	\$ 41,895,000	\$ 863,704	\$ 42,758,704	\$ 19,326,819	\$ 99,273	\$ 19,426,092	\$ 62,184,796

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

8. Interfund Transactions

Operating transfers during the fiscal year ended June 30, 2021 were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Special Education	K.S.A. 72-6428	\$ 1,159,236
General Fund	Food Service	K.S.A. 72-6428	3,614
General Fund	Preschool Aged At Risk		119,612
General Fund	Contingency Reserve		18,239
Supplemental General	Vocational Education	K.S.A. 72-6433	300,000
Supplemental General	Special Education	K.S.A. 72-6433	600,000
Supplemental General	At Risk	K.S.A. 72-5143	427,283
Supplemental General	Parents as Teachers	K.S.A. 72-6433	30,000
Supplemental General	Bilingual Education	K.S.A. 72-5143	1,301
Title II	Title IV		7,879

9. Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employee. Following is a synopsis of the District's compensated absence policies:

Vacation Leave Superintendent and Administrative Staff

The superintendent receives 20 working days' vacation each year. Full-time administrative staff may earn/accrue vacation leave at a rate of one day for each month during the year, up to a maximum of 10 days per year, or after 10 years of employment service with the District, at a rate of 1.5 days per month, up to a maximum of 15 days per year.

Employees must utilize all vacation leave accrued during the prior year no later than December 31st of any year, carrying forward no more than the maximum earned/accrued during the current year. Employees leaving the District shall be paid for all unused earned vacation leave at the employee's current rate of pay when the employment is terminated with the District. As of June 30, 2021, the accumulated vacation leave due was \$23,656.

Sick and Personal Leave Superintendent and Administrative Staff

Administrative employees are allowed 12 days of sick leave and two days personal leave per year. Supervisors and secretaries employed less than 12 months or on a part time basis have the sick leave prorated up to one-day sick leave for each contracted month of which two may be used for personal leave.

Non-custodial employees may accumulate up to 90 days (or 720 hours, depending on whether employee is salary or hourly) of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90-day limit.

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

9. Compensated Absences (continued)

Sick and Personal Leave Superintendent and Administrative Staff (continued)

Bus drivers, cooks, and aides are allowed nine days of sick leave per year of which two days may be used for personal leave. Bus drivers, cooks, and aides may accumulate up to 90 days of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90-day limit.

If an employee leaves the employment of the District for any reason (other than a certified teacher retiring under KPERS, with at least 20 years' service to the District), no payment will be made for unused sick leave.

Leave – Teachers

Teachers are granted eleven (11) days of Leave plus two (2) days of bereavement per year. Leave is cumulative to a maximum of 100 days, the next year's allowance of eleven (11) days will be added to that 100 days cumulative to a maximum of 111 days. Leave days subject to the teacher receiving his/her "full daily pay" amount less sub deduction will still be deducted from the teacher's accumulated leave balance.

Upon completion of the contract year and pursuant to a request submitted by the teacher, the District will reimburse the teacher under the following conditions for the number of leave days which have not been used. Except for part time teachers, payment will not be made for fractional days. Before being eligible for buy back, the teacher must have a minimum of 20 days accumulated to carry over to the next contract year (any days in excess of 20 days may be sold back). Teachers who are retiring will be allowed to sell back all accumulated leave.

1. The Board shall honor such requests not to exceed a total expenditure of \$30,000 (the \$30,000 includes all teachers eligible for buy back under district policy).
2. The District will divide \$30,000 by the total number of days submitted for buy back. The quotient shall become the daily reimbursement up to a maximum of \$90 per day.
3. A buy back form will be distributed by May 15 of the contract year. The employee will submit the completed buy back form to the District Office no later than the last contract day.

Bereavement Leave

All employees are allowed two days bereavement leave per year which may not be accumulated.

**Rock Creek
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Notes to the Financial Statement
June 30, 2021**

10. 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.

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, 2021.

11. Defined Benefit Pension Plan

General Information about the 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 is 15.59% and 14.23% respectively for the fiscal year ended June 30, 2021.

**Rock Creek
Unified School District No. 323
Notes to the Financial Statement
June 30, 2021**

11. Defined Benefit Pension Plan (continued)

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 for fiscal year 2021, which totaled \$898,190 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 \$7,173,953. 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, 2021, 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.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

13. Donations

In January 2020, the Rock Creek Diamond Club (the Diamond Club) notified the District of its desire to fund and undertake the construction of a baseball field (the Project) on the District's property. The Diamond Club is solely responsible for funding the Project. The District has no obligation for payment of construction costs, or any loan costs obtained to complete the Project. The parties agreed the Project must not result in the creation of a mortgage or other encumbrance against District property. At the completion of the Project, the Diamond Club has agreed to donate the improvements associated with the Project to the District. During 2021 the Project was completed and donated to the District.

14. Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, the date the financial statement was available for use.

Regulatory Required Supplementary Information

**Rock Creek
Unified School District No. 323
Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021**

Schedule 1

	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)
General Funds:						
General	\$ 9,104,639	\$ (492,988)	\$ 123,289	\$ 8,734,940	\$ 8,734,940	\$ -
Supplemental General	2,817,841	(215,237)	5,078	2,607,682	2,607,682	-
Special Revenue Funds:						
Bilingual Education	25,000	-	-	25,000	5,527	(19,473)
Capital Outlay	1,934,500	-	-	1,934,500	473,195	(1,461,305)
Food Service	1,254,215	-	-	1,254,215	698,609	(555,606)
Professional Development	112,111	-	-	112,111	45,882	(66,229)
Parents as Teachers	72,760	-	-	72,760	60,556	(12,204)
Special Education	1,989,484	-	-	1,989,484	1,740,200	(249,284)
Vocational Education	432,761	-	-	432,761	284,709	(148,052)
Preschool Aged At Risk	109,556	-	-	109,556	59,806	(49,750)
Federal Funds	334,608	-	78,237	412,845	389,018	(23,827)
Gifts and Grants	55,752	-	35,200	90,952	89,641	(1,311)
KPERS Special Retirement Contribution	1,055,517	-	-	1,055,517	880,331	(175,186)
At Risk	725,578	-	-	725,578	457,266	(268,312)
Bond & Interest Fund	2,341,417	-	-	2,341,417	2,269,240	(72,177)

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
1 of 18

	Actual	Budget	Variance- Over (Under)
Receipts			
General State Aid	\$ 7,452,415	\$ 7,893,145	\$ (440,730)
Special education	1,159,236	1,211,494	(52,258)
Reimbursements	123,289	-	123,289
Total Receipts	<u>8,734,940</u>	<u>\$ 9,104,639</u>	<u>\$ (369,699)</u>
Expenditures			
Instruction	4,779,207	\$ 4,948,948	\$ (169,741)
Student support services	231,944	163,315	68,629
Instructional support services	193,759	215,598	(21,839)
General administration	391,494	377,756	13,738
School administration	735,173	864,073	(128,900)
Operations and maintenance	568,441	142,395	426,046
Transportation services	534,221	603,231	(69,010)
Transfers out	1,300,701	1,789,323	(488,622)
Adjustment for qualifying budget credit	-	123,289	(123,289)
Adjustment to comply to legal max	-	(492,988)	492,988
Total Expenditures	<u>8,734,940</u>	<u>\$ 8,734,940</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Ad valorem property	\$ 954,917	\$ 1,065,051	\$ (110,134)
Delinquent	9,618	14,573	(4,955)
Motor and recreational vehicle	130,660	98,142	32,518
Watercraft	887	-	887
Supplemental state aid	1,507,428	1,639,702	(132,274)
Miscellaneous	-	2,812	(2,812)
Reimbursements	5,078	-	5,078
Total Receipts	<u>2,608,588</u>	<u>\$ 2,820,280</u>	<u>\$ (211,692)</u>
Expenditures			
Instruction	157,736	\$ 271,687	\$ (113,951)
Support services	-	2,511	(2,511)
Instructional support services	108,079	80,500	27,579
Central services	-	11,001	(11,001)
Operations and maintenance	983,283	1,359,834	(376,551)
Transfers out	1,358,584	1,092,308	266,276
Adjustment for qualifying budget credit	-	5,078	(5,078)
Adjustment to comply to legal max	-	(215,237)	215,237
Total Expenditures	<u>2,607,682</u>	<u>\$ 2,607,682</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	906		
Unencumbered Cash, Beginning	<u>89,539</u>		
Unencumbered Cash, Ending	<u>\$ 90,445</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Bilingual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Transfers in	\$ 1,301	\$ 25,000	\$ (23,699)
Total Receipts	<u>1,301</u>	<u>\$ 25,000</u>	<u>\$ (23,699)</u>
Expenditures			
Instruction	5,527	\$ 25,000	\$ (19,473)
Total Expenditures	<u>5,527</u>	<u>\$ 25,000</u>	<u>\$ (19,473)</u>
Receipts Over (Under) Expenditures	(4,226)		
Unencumbered Cash, Beginning	<u>9,807</u>		
Unencumbered Cash, Ending	<u>\$ 5,581</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Capital Outlay Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Ad valorem property	\$ 266,156	\$ 267,873	\$ (1,717)
Delinquent	2,224	4,091	(1,867)
Motor and recreational vehicle	26,939	23,810	3,129
Watercraft	189	-	189
State aid	138,471	153,369	(14,898)
Interest on idle funds	5,699	100,000	(94,301)
Miscellaneous	199,909	144,000	55,909
Total Receipts	<u>639,587</u>	<u>\$ 693,143</u>	<u>\$ (53,556)</u>
Expenditures			
Instruction	14,561	\$ 575,000	\$ (560,439)
Support services	11,723	705,000	(693,277)
Operations and maintenance	-	250,000	(250,000)
Vehicle service and maintenance	-	212,000	(212,000)
Facility acquisition and construction	446,911	192,500	254,411
Total Expenditures	<u>473,195</u>	<u>\$ 1,934,500</u>	<u>\$ (1,461,305)</u>
Receipts Over (Under) Expenditures	166,392		
Unencumbered Cash, Beginning	<u>1,080,089</u>		
Unencumbered Cash, Ending	<u>\$ 1,246,481</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
5 of 18

	Actual	Budget	Variance- Over (Under)
Receipts			
Breakfast & lunch receipts	\$ 61,461	\$ 340,865	\$ (279,404)
Federal child nutrition program	632,299	693,124	(60,825)
State school fund assistance	7,726	-	7,726
Transfers in	3,614	13,398	(9,784)
Total Receipts	<u>705,100</u>	<u>\$ 1,047,387</u>	<u>\$ (342,287)</u>
Expenditures			
Food service operation:			
Salaries and benefits	244,475	\$ 296,755	\$ (52,280)
Purchased services	-	14,000	(14,000)
Supplies	416,918	823,460	(406,542)
Equipment and furnishings	30,744	112,000	(81,256)
Other	6,472	8,000	(1,528)
Total Expenditures	<u>698,609</u>	<u>\$ 1,254,215</u>	<u>\$ (555,606)</u>
Receipts Over (Under) Expenditures	6,491		
Unencumbered Cash, Beginning	<u>203,270</u>		
Unencumbered Cash, Ending	<u>\$ 209,761</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Professional Development Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
6 of 18

	Actual	Budget	Variance- Over (Under)
Receipts			
State aid	\$ 5,576	\$ -	\$ 5,576
Miscellaneous	265	55,000	(54,735)
Transfers in	-	25,000	(25,000)
	<u>5,841</u>	<u>80,000</u>	<u>(74,159)</u>
Total Receipts	<u>5,841</u>	<u>\$ 80,000</u>	<u>\$ (74,159)</u>
Expenditures			
Salaries and benefits	7,611	\$ 33,311	\$ (25,700)
Purchased services	37,926	78,800	(40,874)
Supplies	345	-	345
	<u>45,882</u>	<u>\$ 112,111</u>	<u>\$ (66,229)</u>
Total Expenditures	<u>45,882</u>	<u>\$ 112,111</u>	<u>\$ (66,229)</u>
Receipts Over (Under) Expenditures	(40,041)		
Unencumbered Cash, Beginning	<u>72,161</u>		
Unencumbered Cash, Ending	<u>\$ 32,120</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Parents as Teachers Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
7 of 18

	Actual	Budget	Variance- Over (Under)
Receipts			
State aid	\$ 40,330	\$ 40,254	\$ 76
Transfers in	30,000	20,000	10,000
Total Receipts	<u>70,330</u>	<u>\$ 60,254</u>	<u>\$ 10,076</u>
Expenditures			
Student support services	56,484	\$ 71,297	\$ (14,813)
Instructional support services	2,477	1,463	1,014
Equipment	1,595	-	1,595
Total Expenditures	<u>60,556</u>	<u>\$ 72,760</u>	<u>\$ (12,204)</u>
Receipts Over (Under) Expenditures	9,774		
Unencumbered Cash, Beginning	<u>22,699</u>		
Unencumbered Cash, Ending	<u>\$ 32,473</u>		

See independent auditor's report on regulatory required supplementary information

Rock Creek
Unified School District No. 323
Special Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Federal aid	\$ 19,043	\$ -	\$ 19,043
Transfers in	1,759,236	1,811,494	(52,258)
Total Receipts	<u>1,778,279</u>	<u>\$ 1,811,494</u>	<u>\$ (33,215)</u>
Expenditures			
Instruction	1,687,893	\$ 1,761,837	\$ (73,944)
Transportation services	-	28,845	(28,845)
Vehicle operating services	52,307	198,802	(146,495)
Total Expenditures	<u>1,740,200</u>	<u>\$ 1,989,484</u>	<u>\$ (249,284)</u>
Receipts Over (Under) Expenditures	38,079		
Unencumbered Cash, Beginning	<u>630,791</u>		
Unencumbered Cash, Ending	<u>\$ 668,870</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Vocational Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Miscellaneous	\$ 5,356	\$ 20,000	\$ (14,644)
Transfers in	300,000	255,000	45,000
Total Receipts	<u>305,356</u>	<u>\$ 275,000</u>	<u>\$ 30,356</u>
Expenditures			
Instruction:			
Salaries and benefits	260,668	\$ 380,421	\$ (119,753)
Purchased services	1,750	7,240	(5,490)
Supplies	22,291	45,100	(22,809)
Total Expenditures	<u>284,709</u>	<u>\$ 432,761</u>	<u>\$ (148,052)</u>
Receipts Over (Under) Expenditures	20,647		
Unencumbered Cash, Beginning	<u>314,552</u>		
Unencumbered Cash, Ending	<u>\$ 335,199</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Preschool Aged At Risk
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Transfer in	\$ 119,612	\$ 50,000	\$ 69,612
Total Receipts	<u>119,612</u>	<u>\$ 50,000</u>	<u>\$ 69,612</u>
Expenditures			
Instruction	-	\$ 47,250	\$ (47,250)
Student support services	<u>59,806</u>	<u>62,306</u>	<u>(2,500)</u>
Total Expenditures	<u>59,806</u>	<u>\$ 109,556</u>	<u>\$ (49,750)</u>
Receipts Over (Under) Expenditures	59,806		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 59,806</u>		

See independent auditor's report on regulatory required supplementary information.

**Rock Creek
Unified School District No. 323
Federal Funds**

**Schedule 2
11 of 18**

**Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021**

	Title I Actual	Title II Actual	Title IV Actual	Sparks CARES COVID-19	ESSER I (Cares Act) Actual	ESSER II (CRRSA) Actual	Total Federal Funds Actual	Federal Funds Budget	Variance- Over (Under)
Receipts									
Federal aid	\$ 69,794	\$ 21,356	\$ 13,609	\$ 242,712	\$ 65,417	\$ -	\$ 412,888	\$ 334,651	\$ 78,237
Other revenue	-	-	-	-	-	-	-	-	-
Transfers in	-	-	7,879	-	-	-	7,879	-	7,879
Total Receipts	<u>69,794</u>	<u>21,356</u>	<u>21,488</u>	<u>242,712</u>	<u>65,417</u>	<u>-</u>	<u>420,767</u>	<u>\$ 334,651</u>	<u>\$ 86,116</u>
Expenditures									
Salaries and benefits	79,409	13,477	-	-	4,158	156,884	253,928	\$ 255,943	\$ (2,015)
Other purchased services	-	-	-	-	42,922	-	42,922	52,951	(10,029)
Operations & maintenance	-	-	-	-	18,337	3,278	21,615	15,100	6,515
Equipment	-	-	-	39,407	-	-	39,407	-	39,407
Other support service	-	-	20,655	-	-	2,612	23,267	10,614	12,653
Adjustment for qualifying budget credit	-	-	-	-	-	-	-	78,237	(78,237)
Transfers out	-	7,879	-	-	-	-	7,879	-	7,879
Total Expenditures	<u>79,409</u>	<u>21,356</u>	<u>20,655</u>	<u>39,407</u>	<u>65,417</u>	<u>162,774</u>	<u>389,018</u>	<u>\$ 412,845</u>	<u>\$ (23,827)</u>
Receipts Over (Under) Expenditures	(9,615)	-	833	203,305	-	(162,774)	31,749		
Unencumbered Cash, Beginning	-	-	-	(203,305)	-	-	(203,305)		
Unencumbered Cash, Ending*	<u>\$ (9,615)</u>	<u>\$ -</u>	<u>\$ 833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (162,774)</u>	<u>\$ (171,556)</u>		

* The District expects expenditures over currently reported receipts to be reimbursed in the next year.

Rock Creek
Unified School District No. 323
Gifts and Grants Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
State Aid	\$ 55,751	\$ 55,751	\$ -
Miscellaneous	35,200	-	35,200
Total Receipts	90,951	\$ 55,751	\$ 35,200
Expenditures			
Instruction:			
Purchased services	14,648	\$ -	\$ 14,648
School Administration:			
Student support services	55,752	41,813	13,939
Instructional support services	19,241	-	19,241
Purchased services	-	13,939	(13,939)
Adjustment for qualifying budget credit	-	35,200	(35,200)
Total Expenditures	89,641	\$ 90,952	\$ (1,311)
Receipts Over (Under) Expenditures	1,310		
Unencumbered Cash, Beginning	14,870		
Unencumbered Cash, Ending	\$ 16,180		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
State aid	\$ 880,331	\$ 1,055,517	\$ (175,186)
Total Receipts	<u>880,331</u>	<u>\$ 1,055,517</u>	<u>\$ (175,186)</u>
Expenditures			
Instruction	593,627	\$ 710,254	\$ (116,627)
Student support	35,212	43,168	(7,956)
Instructional support	32,110	33,311	(1,201)
General administration	40,162	41,755	(1,593)
School administration	80,060	89,801	(9,741)
Operations and maintenance	43,756	60,301	(16,545)
Student transportation services	34,659	48,060	(13,401)
Food service	20,745	28,867	(8,122)
Total Expenditures	<u>880,331</u>	<u>\$ 1,055,517</u>	<u>\$ (175,186)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
At Risk Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	Actual	Budget	Variance- Over (Under)
Receipts			
Transfers in	\$ 427,283	\$ 681,850	\$ (254,567)
Total Receipts	<u>427,283</u>	<u>\$ 681,850</u>	<u>\$ (254,567)</u>
Expenditures			
Instruction	457,266	\$ 725,578	\$ (268,312)
Total Expenditures	<u>457,266</u>	<u>\$ 725,578</u>	<u>\$ (268,312)</u>
Receipts Over (Under) Expenditures	(29,983)		
Unencumbered Cash, Beginning	<u>74,163</u>		
Unencumbered Cash, Ending	<u>\$ 44,180</u>		

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Student Material Revolving/Textbook Rent Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
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	<u>Actual</u>
Receipts	
Rental fees	\$ 50,177
Interest	<u>97</u>
Total Receipts	<u>50,274</u>
Expenditures	
Textbook purchases	<u>35,788</u>
Total Expenditures	<u>35,788</u>
Receipts Over (Under) Expenditures	14,486
Unencumbered Cash, Beginning	<u>29,326</u>
Unencumbered Cash, Ending	<u><u>\$ 43,812</u></u>

See independent auditor's report on regulatory required supplementary information.

Rock Creek
 Unified School District No. 323
 Contingency Reserve Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2021

Schedule 2
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	<u>Actual</u>
Receipts	
Transfers in	\$ 18,239
	<u>18,239</u>
Total Receipts	<u>18,239</u>
Expenditures	
Operations & maintenance	14,118
Instruction	<u>3,996</u>
	<u>18,114</u>
Total Expenditures	<u>18,114</u>
Receipts Over (Under) Expenditures	125
Unencumbered Cash, Beginning	<u>562,603</u>
Unencumbered Cash, Ending	<u><u>\$ 562,728</u></u>

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Capital Improvement Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
17 of 18

	<u>Actual</u>
Receipts	
Interest	<u>\$ 104</u>
Total Receipts	<u>104</u>
Expenditures	
Capital improvements	<u>490,610</u>
Total Expenditures	<u>490,610</u>
Receipts Over (Under) Expenditures	(490,506)
Unencumbered Cash, Beginning	<u>1,366,490</u>
Unencumbered Cash, Ending	<u><u>\$ 875,984</u></u>

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 2
18 of 18

	Actual	Budget	Variance- Over (Under)
Receipts			
Ad valorem property	\$ 1,433,941	\$ 1,424,143	\$ 9,798
Delinquent	15,989	21,816	(5,827)
Motor and recreational vehicle	203,363	159,316	44,047
Watercraft	1,431	-	1,431
State aid	781,271	795,071	(13,800)
Total Receipts	<u>2,435,995</u>	<u>\$ 2,400,346</u>	<u>\$ 35,649</u>
Expenditures			
Principal	820,000	\$ 910,000	\$ (90,000)
Interest	1,449,240	1,431,417	17,823
Total Expenditures	<u>2,269,240</u>	<u>\$ 2,341,417</u>	<u>\$ (72,177)</u>
Receipts Over (Under) Expenditures	166,755		
Unencumbered Cash, Beginning	<u>2,249,784</u>		
Unencumbered Cash, Ending	<u>\$ 2,416,539</u>		

See independent auditor's report on regulatory required supplementary information.

**Rock Creek
Unified School District No. 323
Agency Funds
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021**

**Schedule 3
1 of 2**

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Rock Creek Jr/Sr High School				
Baseball	\$ 14,693	\$ 4,573	\$ 15,862	\$ 3,404
Softball	8,072	26,812	32,496	2,388
Cross Country	1,358	-	-	1,358
Girls Basketball	2,638	10,189	10,523	2,304
Boys Basketball	633	3,831	1,049	3,415
Football	6,133	8,745	3,634	11,244
Track	650	-	-	650
Wrestling	471	-	141	330
Volleyball	1,815	400	634	1,581
Clay Shooting	8,172	28,958	30,133	6,997
SB/BB Camp	1,985	1,210	3,021	174
JH Cheer	-	-	-	-
Cheerleaders	3,759	152	2,726	1,185
Concessions	9,282	9,901	14,276	4,907
Band Trip	19,392	387	328	19,451
Flag Corp	512	160	-	672
Vocal Music	395	189	464	120
Class of 2020	30	1,943	1,058	915
Class of 2021	3,972	3,257	2,688	4,541
Class of 2022	1,337	-	-	1,337
Class of 2023	-	-	-	-
Class of 2024	-	-	-	-
Class of 2025	-	-	-	-
Junior High Student Council	3,863	-	136	3,727
Senior High Student Council	1,891	1,760	1,550	2,101
Senior High FCCLA	4,488	651	1,154	3,985
JH Renaissance	88	-	-	88
Renaissance Fund	187	2,351	2,233	305
Art Club	1,212	378	267	1,323
Building Fund	-	15,004	13,594	1,410
FBLA	1,835	906	808	1,933
Drama	1,934	2,158	1,877	2,215
FFA	3,521	19,978	15,858	7,641

See independent auditor's report on regulatory required supplementary information.

**Rock Creek
Unified School District No. 323
Agency Funds
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021**

**Schedule 3
2 of 2**

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Rock Creek Jr/Sr High School (continued)				
Music Club	\$ -	\$ 65	\$ 65	\$ -
National Honor Society	793	445	647	591
RC Club	-	-	-	-
Scholar's Bowl	1,453	-	-	1,453
Robotics	1,513	-	-	1,513
Forensics	997	2,409	2,473	933
Spanish	1,020	25	950	95
Yearbook	20,968	8,062	7,704	21,326
Special Ed	158	-	52	106
Yellow Ribbon	1,117	200	412	905
Help Fund	36	85	102	19
Total Rock Creek Jr/Sr High School	<u>132,373</u>	<u>155,184</u>	<u>168,915</u>	<u>118,642</u>
St. George Grade School				
Student Activities	981	11,588	10,020	2,549
K Field Trip	30	-	-	30
1/2 Craft Workshops	590	-	105	485
3/4 Field Trip	-	-	-	-
5/6 Field Trip	-	-	-	-
Natl. Honor Choir	8,058	414	2,431	6,041
Lego Club	270	-	250	20
Library	1,931	110	-	2,041
Box Tops for Education	6,828	233	4,943	2,118
Pennies for Patients	-	-	-	-
Playground	-	-	-	-
After School Programs	-	-	-	-
Total St. George Grade School	<u>18,688</u>	<u>12,345</u>	<u>17,749</u>	<u>13,284</u>
Westmoreland Grade School				
Student Activities	7,370	2,367	1,000	8,737
Library	1,662	4,389	5,411	640
Total Westmoreland Grade School	<u>9,032</u>	<u>6,756</u>	<u>6,411</u>	<u>9,377</u>
Total Agency Funds	<u>\$ 160,093</u>	<u>\$ 174,285</u>	<u>\$ 193,075</u>	<u>\$ 141,303</u>

See independent auditor's report on regulatory required supplementary information.

Rock Creek
Unified School District No. 323
District Activity Funds
Schedule of Receipts and Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Rock Creek Jr/Sr High School							
Gate receipts	\$ 527	\$ -	\$ 62,051	\$ 51,424	\$ 11,154	\$ -	\$ 11,154

See independent auditor's report on regulatory required supplementary information.

Single Audit Section

Rock Creek
Unified School District No. 323

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal AL Number</u>	<u>Expenditures</u>
Department of Agriculture		
Passed Through Kansas State Department of Education		
National School Lunch Program (NSLP)	10.555	\$ 86,835
Summer Food Service Program for Children	10.559	545,463
Total Child Nutrition Cluster	10.559	<u>632,298</u>
Total Department of Agriculture		<u>632,298</u>
Department of the Treasury		
Passed Through Pottawatomie County		
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	39,408
Total Department of the Treasury		<u>39,408</u>
Department of Education		
Passed Through Kansas State Department of Education		
Title I Grant to Local Educational Agencies	84.010	79,409
Supporting Effective Instruction State Grants	84.367	21,356
Student Support and Academic Enrichment Grants	84.424	13,609
Elementary and Secondary School Emergency Relief Fund (Covid-19)	84.425	247,231
Total Department of Education		<u>361,605</u>
Total		<u>\$ 1,033,311</u>

See independent auditor's report on the financial statement and notes to the
schedule of expenditures of federal awards.

**Rock Creek
Unified School District No. 323**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Unified School District No. 323 (the District). The reporting District is defined in Note 1 of the District basic financial statement. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the Schedule.

2. Basis of Presentation

The accompanying Schedule is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

The District did not elect to use the 10% de minimis cost rate.

Rock Creek
Unified School District No. 323

**Schedule of Findings and Questioned Costs
June 30, 2021**

Section I – Summary of Independent Auditor’s Results

Financial Statement

Type of auditor’s report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statement noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	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 2 CFR Section 200.516(a)?	No

Identification of Major Federal Programs:

<u>Name of Federal Program or Cluster</u>	<u>AL Number</u>
<u>Child Nutrition Cluster:</u>	
National School Lunch Program	10.555
Summer Food Service	10.559
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Rock Creek
Unified School District No. 323**

**Schedule of Findings and Questioned Costs
June 30, 2021**

Section II – Financial Statement Findings

Finding 2021-001 Significant Deficiency:

- Criteria – Internal controls should be in place to ensure that proper segregation of duties is maintained.
- Condition – Proper segregation of duties does not exist within the District.
- Context – We determined that there is a failure to properly segregate duties within the District.
- Effect – Management may not become aware of irregularities in a timely manner.
- Cause – The District is unable to hire additional staff due to its size and budget constraints.
- Recommendation – Procedures should be established and implemented to segregate duties in the receipts, expenditures, payroll, and accounts payable cycles to strengthen internal controls. Also, involvement of the Board can mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions
- Views of Responsible Official (Unaudited) – See attached Corrective Action Plan.

Section III – Finding and Questioned Costs – Major Federal Award Programs

None



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

To the Board of Education
Rock Creek, Unified School District No. 323

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement, Summary Statement of Receipts, Expenditures, and Unencumbered Cash of Unified School District No. 323 (the District), as of and for the year ended June 30, 2021, 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 31, 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be significant deficiencies.

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*.

Rock Creek, Unified School District No. 323 Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

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

James Gordon & Associates CPA, P.A.

Manhattan, Kansas

October 31, 2022





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

To the Board of Education
Rock Creek, Unified School District No. 323

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 323 (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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 federal statutes, regulations, and the terms and conditions of its federal awards 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* 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 a major federal program 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, 2021.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

James Gordon & Associates CPA, P.A.

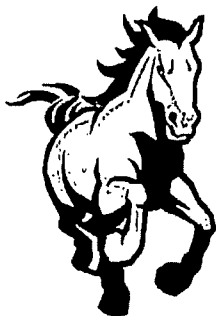
James Gordon & Associates CPA, P.A.
Manhattan, Kansas
October 31, 2022



Administrative Assistant/Clerk
MINA GRUTZMACHER

District Office Secretary
STACI MINER

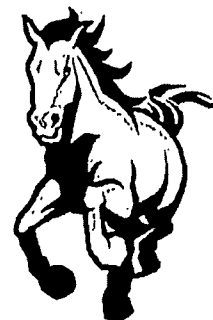
Receptionist/Treasurer
KELLEY BLANKLEY



Unified School District 323

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Joan Simoneau, Superintendent
simoneauj@usd323.org



Board of Education
DEE FORGE
DAWN HENRY
JARED METTLER
NATE MEILE
DAN MOSER
STUART SCHWARZ
JODY WICK

Corrective Action Plan

October 31, 2022

Rock Creek, Unified School District No. 323 respectfully submits the following correction action plan for the fiscal year ended June 30, 2021.

Name and address of independent accounting firm: James Gordon & Associates, P.A. 727 Poyntz Ave. Manhattan, KS 66502

Audit Period: July 1, 2020 through June 30, 2021

II. Financial Statement Findings

Finding 2021-001:

Planned Corrective Action:

We concur with the recommendation. However, the size of the District does not make it practical to have a sufficient number of employees to achieve the optimum level of internal control. We will continue to keep the Board of Education involved in the oversight.

III. Federal Awards Findings and Questioned Costs

None

If there are any questions regarding this plan, please contact Joan Simoneau Superintendent

Sincerely,

A handwritten signature in black ink, appearing to read "Joan Simoneau", written over a horizontal line.

Joan Simoneau
Superintendent of Unified School District No. 323