

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

For the Fiscal Year Ended June 30, 2021

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory Required Supplemental Information
And Federal Compliance Section

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1 - 3
FINANCIAL SECTION	
Summary Statement of Receipts, Expenditures and Unencumbered Cash - Regulatory Basis	4 - 5
Notes to the Financial Statement	6 - 16
REGULATORY – REQUIRED SUPPLEMENTAL INFORMATION	
Schedule 1	
Summary of Expenditures - Actual and Budget – Regulatory Basis	17
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget – Regulatory Basis	
General Fund	18 - 19
Supplemental General Fund	20
At Risk Four Year Old Fund	21
At Risk K-12 Fund	22
Capital Outlay Fund	23
Driver Training Fund	24
Food Service Fund	25
Professional Development Fund	26
Special Education Fund	27
Career and Postsecondary Education Fund	28
Gifts and Grants Fund	29
KPERS Retirement Fund	30
Contingency Reserve Fund	31
Textbook Rental Fund	32
Title I Fund	33
Title II A Teacher Fund	34
Perkins Reserve Fund	35
Grants Fund	36
County SPARKS Fund	37
Bond Project Fund	38
Bond and Interest Fund	39
Scholarships Fund	40
Activity Fund Grants Fund	41
Schedule 3	
Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	42
Schedule 4	
Schedule of Receipts, Expenditures and Unencumbered Cash – District Activity Funds – Regulatory Basis	43

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
TABLE OF CONTENTS
(Continued)

	<u>PAGE NUMBER</u>
FEDERAL COMPLIANCE SECTION	
Schedule 5	
Schedule of Expenditures of Federal Awards	44
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	45 - 46
Independent Auditors' 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 <i>Government Auditing</i> Standards	47 - 48
Schedule of Findings and Questioned Costs	49 - 50
Summary Schedule of Prior Audit Findings	51

Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #404
Riverton, Kansas

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Unified School District #404, Riverton, Kansas as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statement, which comprises the financial statement of the District as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit 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 applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards and the *Kansas Municipal Audit and Accounting Guide* 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 statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

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 fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2021, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the June 30, 2021 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and expenditures – agency funds – regulatory basis and the schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (Schedules 1, 2, 3 and 4 as listed in the table of contents), are presented for purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements. 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 supplementary information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education
Unified School District #404
Riverton, Kansas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 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.

Prior Year Comparative Numbers

The 2020 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2020 financial statement upon which we rendered an unmodified opinion dated October 26, 2020. The 2020 financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

Diehl, Banwart, Bolton CPAs PA

DIEHL, BANWART, BOLTON CPAs PA

November 1, 2021
Fort Scott, Kansas

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus		Ending Cash Balance June 30, 2021
					Encumbrances and Accounts Payable	Cash Balance June 30, 2021	
General Funds							
General	\$ -	\$ 6,125,302.58	\$ 6,125,302.58	\$ -	\$ 525,623.43	\$ 525,623.43	
Supplemental General	83,984.82	1,807,890.15	1,808,388.00	83,486.97	19,295.46	102,782.43	
Special Purpose Funds							
At Risk Four Year Old	-	45,015.05	45,015.05	-	5,091.56	5,091.56	
At Risk K-12	-	658,302.26	658,302.26	-	11,648.53	11,648.53	
Capital Outlay	567,578.41	519,616.30	252,505.91	834,688.80	-	834,688.80	
Driver Training	7,567.60	7,185.00	4,712.16	10,040.44	-	10,040.44	
Food Service	-	375,009.94	375,009.94	-	3,716.47	3,716.47	
Professional Development	456.00	811.00	1,025.00	242.00	-	242.00	
Special Education	18,114.11	1,123,998.63	1,116,289.93	25,822.81	-	25,822.81	
Career & Postsecondary Education	-	376,613.19	376,613.19	-	45,428.76	45,428.76	
Gifts and Grants	27,660.18	58,053.48	29,873.77	55,839.89	-	55,839.89	
KPERS Retirement	-	706,088.06	706,088.06	-	-	-	
Contingency Reserve	29,376.92	-	-	29,376.92	-	29,376.92	
Textbook Rental	78,819.98	8,476.25	7,990.51	79,305.72	-	79,305.72	
Title I	-	143,579.00	143,579.00	-	22,286.63	22,286.63	
Title II A Teacher	-	22,511.00	22,511.00	-	-	-	
Perkins Reserve	-	-	325.00	(325.00)	-	(325.00)	
Grants	14,759.69	126,634.00	126,634.00	14,759.69	-	14,759.69	
County SPARKS	-	300,044.06	300,044.06	-	-	-	
Gate Receipts	50,240.90	60,165.22	59,163.01	51,243.11	-	51,243.11	
Capital Project Funds							
Bond Project	353,799.74	1,729.17	5,500.00	350,028.91	-	350,028.91	
Bond and Interest Funds							
Bond and Interest	942,021.13	1,103,410.29	987,396.81	1,058,034.61	-	1,058,034.61	

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

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus	
					Encumbrances and Accounts Payable	Cash Balances June 30, 2021
FIDUCIARY TYPE FUNDS						
Agency Funds						
Scholarships	\$ 3,650.00	\$ 7,500.00	\$ 1,000.00	\$ 10,150.00	\$ -	\$ 10,150.00
Activity Fund Grants	260.56	314.47	314.47	260.56	-	260.56
Total Reporting Entity (Excluding Agency Funds)	\$ 2,178,290.04	\$ 13,578,249.10	\$ 13,153,583.71	\$ 2,602,955.43	\$ 633,090.84	\$ 3,236,046.27

Composition of Cash	
General Checking Accounts.....	\$ 1,907,659.82
Capital Project Checking Account.....	74,565.62
Petty Cash Checking	1,000.00
School Activity Funds Checking Account.....	143,266.63
Certificates of Deposit.....	900,000.00
Total Cash in Bank Accounts	3,026,492.07
Capital Project Investment Accounts.....	291,167.16
Total Cash	3,317,659.23
Agency Funds per Schedule 3	81,612.96
Total Reporting Entity	\$ 3,236,046.27

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

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #404, Riverton, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 also describes how the District's accounting policies differ from U.S. generally accepted accounting policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District #404, Riverton, Kansas (the municipality) and related municipal entities. Management has determined that there are no related municipal activities that are or should be included in this financial statement.

Basis of Presentation - Fund Accounting

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 on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the District:

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.

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 and transfers from other funds to be used for the payment of general long-term debt.

Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 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 for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Budgetary Information

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

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. There were no budgets amended this year. The General and Supplemental General Fund budgets were subsequently reduced to the legal maximum budget after the determination of final enrollment figures.

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. Regulatory required supplemental information includes budget comparison schedules for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)
Budgetary Information (Continued)

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the municipality 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 fiduciary funds and the following special purpose funds:

- Grant Fund (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)
- Textbook Rental Fund (K.S.A. 72-8250)

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.

Qualifying Budget Credits

Expenditures in various funds include expenditures not subject to the budget laws of the State of Kansas, which include reimbursed expenses and grant expenditures.

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.

Expenditures in the General Fund include expenditures in connection with reimbursements and/or grants received by the District. These are reimbursement type grants whereby grant money is received to reimburse the District for actual grant expenditures paid. These expenditures are similar to reimbursed expenses as discussed in the preceding paragraph.

Deposits and Investments

Deposits and investments are comprised of interest-bearing checking accounts and certificates of deposit. Kansas statutes permit investment in savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.

Compensated Absences

All regular full-time employees are eligible for sick leave benefits. Employees accrue sick leave at the rate of 10 days per year to a maximum of 70 days. Upon death or termination of employment of employees eligible for KPERs retirement or with twenty or more years with the District for certified and 30 years for non-certified, employees or beneficiaries are paid for any unused sick leave at a rate of \$40 for each day of sick leave accumulated. All employees are also paid \$40 for each day of sick pay earned in excess of 70 days but not taken during the current fiscal year, such payment to be made at the end of the contract year (i.e. after June 30th).

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Compensated Absences (Continued)

Certified and Noncertified employees earn three and two days respectively of personal time off each year. Employees are paid up to one day of unused personal time at the end of the contract year.

Full time noncertified employees earn two to three weeks of vacation each year which must be used by the end of the contract year. Unused vacation is lost.

The District accrues a liability for compensated absences which meet the following criteria:

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the District has determined a liability for compensated absences, as follows:

• Sick pay for employees eligible to retire:	\$ 50,439
• Personal pay for all employees:	2,160
• Vacation pay, full time noncertified employees:	<u>18,525</u>
Total Accrual Liability:	<u>\$ 71,124</u>

There is a contingent liability of \$69,698 for sick pay earned by all employees (other than those eligible to retire).

The liability is not shown as a current liability, inasmuch as it is not expected to be paid from current resources. No accrual is recorded for vacation pay and personal leave since the amounts are immaterial.

Termination and Post Employment Benefits

No termination benefits are provided to District employees when employment with the District ends except for the accrued compensated absences as discussed in Note 1 and early retirement benefits.

An early retirement benefit is provided annually to certified staff who are less than 65 years of age on June 30, have twenty years or more full-time employment with the District, and are actually receiving KPERS retirement benefits. The employee receives \$5,000 in September of the year of retirement.

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 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 these financial statements.

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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

The financial statement and regulatory required supplemental schedules are prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas. The apparent cash violation in the Perkins fund is not an actual violation due to grant money receivable at year end.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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 Government is located 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 Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local banks.

Concentration of credit risk. State statutes place no limit on the amount the Government 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 Government's deposits may not be returned to it. State statutes require the Government'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 does not have any "peak periods" designated.

2. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

At June 30, 2021 the District's carrying amount of deposits was \$3,026,492.07 and the bank balance was \$2,825,639.91. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$324,565.62 was covered by federal depository insurance, and the remaining \$2,501,074.29 was secured with securities pledged totaling \$3,527,053.11 held by the pledging financial institutions' agents in the District's name.

Proceeds from the bond issue discussed in Note 8 were placed in the Trust department of a bank. The proceeds were invested in a money market account backed by Federal government obligations with total value of \$291,167.16 as of June 30, 2021.

4. 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 (not including the 1% contribution rate for the Death and Disability Program) was 16.15 % and 14.41% respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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

4. **PENSION PLAN** (Continued)

\$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 \$706,088.06 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 \$7,664,933. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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.

5. **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; employees health and life; and natural disasters. The District manages these various risks of loss through various insurance policies.

6. **CONTINGENCIES**

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

7. INTERFUND TRANSFERS

Operating transfers are routinely made from the General and Supplemental General Funds to other funds as allowed by Kansas Statutes. Operating transfers were as follows:

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	At Risk Four Year Old	K.S.A. 72-6428	\$12,210.81
General	At Risk K-12	K.S.A. 72-6428	366,407.69
General	Food Service	K.S.A. 72-6428	10,617.10
General	Professional Development	K.S.A. 72-6428	350.00
General	Special Education	K.S.A. 72-6428	720,939.97
General	Career & Post Secondary Ed	K.S.A. 72-6428	30,559.54
Supplemental General	At Risk Four Year Old	K.S.A. 72-6433	32,804.24
Supplemental General	At Risk K-12	K.S.A. 72-6433	291,894.57
Supplemental General	Food Service	K.S.A. 72-6433	19,301.49
Supplemental General	Career & Post Secondary Ed	K.S.A. 72-6433	297,321.06
Supplemental General	Special Education	K.S.A. 72-6433	374,659.40

8. CAPITAL PROJECTS

In June 2015, the District issued several general obligation bonds totaling \$12,350,000 to pay for capital improvements. The sources of the funds, the project authorization, and expenditures to date are as follows:

<u>Sources of Funds</u>		
Bond Proceeds	\$ 12,350,000.00	
Premium Paid	494,481.20	
Interest Earned	90,889.06	
Reimbursements	174,970.16	
Total Services	<u>\$ 13,110,340.42</u>	
<u>Project Authorizaton</u>		<u>Expenditures to Date</u>
Project Costs	\$ 12,615,859.22	\$ 12,269,330.31
Cost of Issuance	392,322.46	385,617.46
Debt Service	<u>102,158.74</u>	<u>105,363.74</u>
Totals	<u>\$ 13,110,340.42</u>	<u>\$ 12,760,311.51</u>

9. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$419,030 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.

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2021 through November 1, 2021, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement, except as follows:

11. LONG TERM OBLIGATIONS

In April 2020 the District issued Series 2020 Refunding Bonds to refund a portion of the Series 2015-A bonds outstanding at the time. Proceeds from the new bonds less bond issues costs were placed in an Escrow trust account to pay off the Series 2015-A bonds totaling \$3,925,000 that are scheduled to mature on September 1, 2031 through 2035. The proceeds from the new bonds should be sufficient to pay the interest on the bonds through September 1, 2024 at which time the principal on the bonds will be called early and paid off as well. It is anticipated that once the refunded series 2015A bonds are refunded, the district will be able to switch the new Series 2020 bonds from a taxable bond issue to a non-taxable bond issue, which will result in a lowered interest rate from 2.50% to an anticipated rate of 1.97%.

Details about the City's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

11. LONG TERM OBLIGATIONS (Continued)

Schedule of Changes in Long-Term Obligations

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds									
Series 2015-A	3.0% - 4.0%	6/23/2015	9,500,000	9/1/2035	\$ 5,575,000	\$ -	\$ -	\$ 5,575,000	\$ 183,600
Series 2015-B	2.0% - 2.5%	6/23/2015	2,850,000	9/1/2021	1,005,000	-	515,000	490,000	18,173
Series 2020	2.50%	4/9/2020	4,595,000	9/1/2030	4,595,000	-	170,000	4,425,000	100,624
Total General Obligation Bonds					\$ 11,175,000	\$ -	\$ 685,000	\$ 10,490,000	\$ 302,397

11. LONG TERM OBLIGATIONS (Continued)

Schedule of Maturities in Long-Term Debt

	2022	2023	2024	2025	2026	2027	Totals
PRINCIPAL							
<u>General Obligation Bonds</u>							
Series 2015-A	\$ 40,000	\$ 540,000	\$ 560,000	\$ 575,000	\$ 590,000	\$ 3,270,000	\$ 5,575,000
Series 2015-B	490,000	-	-	-	-	-	490,000
Series 2020	390,000	400,000	410,000	420,000	445,000	2,360,000	4,425,000
Total Principal	<u>\$ 920,000</u>	<u>\$ 940,000</u>	<u>\$ 970,000</u>	<u>\$ 995,000</u>	<u>\$ 1,035,000</u>	<u>\$ 5,630,000</u>	<u>\$ 10,490,000</u>
INTEREST							
<u>General Obligation Bonds</u>							
Series 2015-A	\$ 183,000	\$ 174,300	\$ 157,800	\$ 140,775	\$ 144,575	\$ 272,725	\$ 1,073,175
Series 2015-B	6,125	-	-	-	-	-	6,125
Series 2020	105,750	95,875	85,750	75,375	64,563	149,625	576,938
Total Interest	<u>\$ 294,875</u>	<u>\$ 270,175</u>	<u>\$ 243,550</u>	<u>\$ 216,150</u>	<u>\$ 209,138</u>	<u>\$ 422,350</u>	<u>\$ 1,656,238</u>
Total Debt Service	<u>\$ 1,214,875</u>	<u>\$ 1,210,175</u>	<u>\$ 1,213,550</u>	<u>\$ 1,211,150</u>	<u>\$ 1,244,138</u>	<u>\$ 6,052,350</u>	<u>\$ 12,146,238</u>

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended June 30, 2021

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

Summary of Expenditures - Actual and Budget (Budgeted Funds Only) - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds						
General	\$ 6,194,518.00	\$ (195,703.00)	\$ 126,487.58	\$ 6,125,302.58	\$ 6,125,302.58	\$ -
Supplemental General	1,863,411.00	(55,023.00)	-	1,808,388.00	1,808,388.00	-
Special Purpose Funds						
At Risk Four Year Old	50,000.00	-	-	50,000.00	45,015.05	(4,984.95)
At Risk K-12	675,000.00	-	-	675,000.00	658,302.26	(16,697.74)
Capital Outlay	800,000.00	-	-	800,000.00	252,505.91	(547,494.09)
Driver Training	9,900.00	-	-	9,900.00	4,712.16	(5,187.84)
Food Service	440,421.00	-	-	440,421.00	375,009.94	(65,411.06)
Professional Development	2,556.00	-	-	2,556.00	1,025.00	(1,531.00)
Special Education	1,151,514.00	-	-	1,151,514.00	1,116,289.93	(35,224.07)
Career & Postsec Education	420,000.00	-	-	420,000.00	376,613.19	(43,386.81)
KPERS Retirement	822,133.00	-	-	822,133.00	706,088.06	(116,044.94)
Bond and Interest Funds						
Bond and Interest	987,398.00	-	-	987,398.00	987,396.81	(1.19)
	<u>\$ 13,416,851.00</u>					

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	197,267.52	123,044.58	-	123,044.58
State Sources				
General aid	5,321,013.00	5,278,349.00	5,426,118.00	(147,769.00)
Special Education aid	734,001.00	720,466.00	768,400.00	(47,934.00)
Other Grants	6,486.00	3,443.00	-	3,443.00
Federal Sources				
Federal aid	200.00	-	-	-
Total Receipts	6,258,967.52	6,125,302.58	\$ 6,194,518.00	\$ (69,215.42)
Expenditures				
Instruction	2,603,911.24	2,825,360.35	\$ 2,641,238.00	\$ 184,122.35
Support Services				
Student Support	242,361.15	249,455.84	244,100.00	5,355.84
Instructional Support	193,346.93	187,285.86	194,770.00	(7,484.14)
General Administration	235,507.78	244,413.34	238,750.00	5,663.34
School Administration	615,004.05	608,256.96	621,400.00	(13,143.04)
Other Supplemental Services	48,149.95	50,027.49	68,310.00	(18,282.51)
Operations and Maintenance	614,344.67	594,365.69	448,000.00	146,365.69
Transportation	258,670.11	225,051.94	244,550.00	(19,498.06)

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Expenditures (Continued)				
Operating Transfers to Other Funds				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Food Service	56,286.35	10,617.10	60,000.00	(49,382.90)
At Risk Four Year Old	21,785.12	12,210.81	20,000.00	(7,789.19)
At Risk K-12	460,048.33	366,407.69	475,000.00	(108,592.31)
Driver Education	2,465.43	-	-	-
Professional Development	2,187.05	350.00	-	350.00
Special Education	738,529.20	720,939.97	768,400.00	(47,460.03)
Contingency Reserve	-	-	-	-
Career & Postsec Education	166,370.16	30,559.54	170,000.00	(139,440.46)
Adjustment to Comply with Legal Maximum Budget	-	-	(195,703.00)	195,703.00
Legal General Fund Budget	6,258,967.52	6,125,302.58	5,998,815.00	
Adjustments to Budget for Reimbursed Expenses & Grants	-	-	126,487.58	(126,487.58)
Total Expenditures	6,258,967.52	6,125,302.58	\$ 6,125,302.58	\$ -
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Receipts				
Local Sources				
Ad valorem tax	\$ 586,398.36	\$ 536,238.96	\$ 546,160.00	\$ (9,921.04)
Delinquent tax	14,531.36	23,142.20	9,132.00	14,010.20
County Sources				
Motor vehicle tax	91,104.99	94,395.99	87,888.00	6,507.99
State Sources				
State aid	1,182,198.00	1,154,113.00	1,189,229.00	(35,116.00)
Total Receipts	1,874,232.71	1,807,890.15	\$ 1,832,409.00	\$ (24,518.85)
Expenditures				
Instruction	700,795.20	296,642.27	\$ 581,411.00	\$ (284,768.73)
Support Services				
Student Support	22,936.80	20,480.35	23,000.00	(2,519.65)
Instructional Support	14,022.80	12,597.78	15,000.00	(2,402.22)
General Administration	16,809.87	47,721.45	17,000.00	30,721.45
School Administration	40,718.72	67,404.58	42,000.00	25,404.58
Other Supplemental Services	982.04	-	1,000.00	(1,000.00)
Operations and Maintenance	319,558.40	338,094.24	322,500.00	15,594.24
Transportation	10,788.00	9,466.57	11,000.00	(1,533.43)
Operating Transfers to Other Funds				
At Risk Four Year Old	24,393.20	32,804.24	30,000.00	2,804.24
At Risk K-12	185,960.00	291,894.57	200,000.00	91,894.57
Food Service	3,440.35	19,301.49	60,000.00	(40,698.51)
Professional Development	214.79	-	500.00	(500.00)
Special Education	353,315.65	374,659.40	360,000.00	14,659.40
Career & Postsec Education	161,948.18	297,321.06	200,000.00	97,321.06
Adjustment to Comply with Legal Maximum Budget			(55,023.00)	55,023.00
Legal Supplemental General Fund Bud	1,855,884.00	1,808,388.00	1,808,388.00	
Adjustments to Budget				
Reimbursed Expenses & Grants	-	-	-	-
Total Expenditures	1,855,884.00	1,808,388.00	\$ 1,808,388.00	\$ -
Receipts Over(Under) Expenditures	18,348.71	(497.85)		
Unencumbered Cash, Beginning	65,636.11	83,984.82		
Unencumbered Cash, Ending	\$ 83,984.82	\$ 83,486.97		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
AT RISK FOUR YEAR OLD FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfer from Other Funds				
General	\$ 21,785.12	\$ 12,210.81	\$ 20,000.00	\$ (7,789.19)
Supplemental General	24,393.20	32,804.24	30,000.00	2,804.24
Total Receipts	46,178.32	45,015.05	\$ 50,000.00	\$ (4,984.95)
Expenditures				
Instruction	46,178.32	45,015.05	\$ 50,000.00	\$ (4,984.95)
Total Expenditures	46,178.32	45,015.05	\$ 50,000.00	\$ (4,984.95)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
AT RISK K-12 FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from Other Funds				
General	\$ 460,048.33	\$ 366,407.69	\$ 475,000.00	\$ (108,592.31)
Supplemental General	185,960.00	291,894.57	200,000.00	91,894.57
Total Receipts	646,008.33	658,302.26	\$ 675,000.00	\$ (16,697.74)
Expenditures				
Instruction	646,008.33	658,302.26	\$ 675,000.00	\$ (16,697.74)
Total Expenditures	646,008.33	658,302.26	\$ 675,000.00	\$ (16,697.74)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
CAPITAL OUTLAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Local Sources				
Ad valorem tax	\$ 225,469.79	\$ 290,102.43	\$ 278,956.00	\$ 11,146.43
Delinquent tax	3,729.08	6,559.05	3,520.00	3,039.05
Interest on idle funds	4,756.78	3,465.77	-	3,465.77
Other	24,828.91	9,516.73	-	9,516.73
County Sources				
Motor vehicle tax	30,778.69	34,592.32	31,166.00	3,426.32
State Sources				
State of Kansas	137,773.00	175,380.00	175,761.00	(381.00)
Operating Transfer from General Fund	-	-	-	-
Total Receipts	427,336.25	519,616.30	\$ 489,403.00	\$ 30,213.30
Expenditures				
Instruction	76,554.99	31,668.68	\$ 135,000.00	\$ (103,331.32)
Support Services	313,285.81	195,372.16	535,000.00	(339,627.84)
Facility Acquisition and Construction Services	42,303.07	25,465.07	130,000.00	(104,534.93)
Total Expenditures	432,143.87	252,505.91	\$ 800,000.00	\$ (547,494.09)
Receipts Over(Under) Expenditures	(4,807.62)	267,110.39		
Unencumbered Cash, Beginning	572,386.03	567,578.41		
Unencumbered Cash, Ending	\$ 567,578.41	\$ 834,688.80		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
DRIVER TRAINING FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	\$ 2,987.00	\$ 4,431.00	\$ -	\$ 4,431.00
State Sources				
State of Kansas	5,330.00	2,754.00	2,625.00	129.00
Operating Transfer from Other Funds				
General Fund	2,465.43	-	-	-
Total Receipts	10,782.43	7,185.00	\$ 2,625.00	\$ 4,560.00
Expenditures				
Instruction	5,178.63	3,697.07	\$ 9,900.00	\$ (6,202.93)
Support Services	-	1,015.09	-	1,015.09
Total Expenditures	5,178.63	4,712.16	\$ 9,900.00	\$ (5,187.84)
Receipts Over(Under) Expenditures	5,603.80	2,472.84		
Unencumbered Cash, Beginning	1,963.80	7,567.60		
Unencumbered Cash, Ending	\$ 7,567.60	\$ 10,040.44		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Sales	\$ 101,253.85	\$ 20,472.40	\$ 84,631.00	\$ (64,158.60)
Other	1,924.05	415.00	1,500.00	(1,085.00)
State Sources				
Food service aid	3,872.14	7,564.78	2,634.00	4,930.78
Federal Sources				
School Breakfast Program	59,730.38	53,146.16	-	53,146.16
School Lunch Program	175,118.77	263,493.01	231,656.00	31,837.01
Operating Transfer from Other Funds				
General Fund	56,286.35	10,617.10	60,000.00	(49,382.90)
Supplemental General	3,440.35	19,301.49	60,000.00	(40,698.51)
Total Receipts	401,625.89	375,009.94	\$ 440,421.00	\$ (65,411.06)
Expenditures				
Operation and Non instructional Services				
Food Service Operations	404,030.30	375,009.94	\$ 440,421.00	\$ (65,411.06)
Total Expenditures	404,030.30	375,009.94	\$ 440,421.00	\$ (65,411.06)
Receipts Over(Under) Expenditures	(2,404.41)	-		
Unencumbered Cash, Beginning	2,404.41	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Other	\$ 50.00	\$ 219.00	\$ 100.00	\$ 119.00
State Sources				
State aid	441.00	242.00	1,500.00	(1,258.00)
Operating Transfer from Other Funds				
General Fund	2,187.05	350.00	-	350.00
Supplemental General	214.79	-	500.00	(500.00)
Total Receipts	2,892.84	811.00	\$ 2,100.00	\$ (1,289.00)
Expenditures				
Instruction	1,035.06	250.00	\$ -	\$ 250.00
Support Services				
Instructional Staff	1,868.04	775.00	2,556.00	(1,781.00)
Total Expenditures	2,903.10	1,025.00	\$ 2,556.00	\$ (1,531.00)
Receipts Over(Under) Expenditures	(10.26)	(214.00)		
Unencumbered Cash, Beginning	466.26	456.00		
Unencumbered Cash, Ending	\$ 456.00	\$ 242.00		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
SPECIAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Other	\$ 19,203.83	\$ 15,691.26	\$ 20,000.00	\$ (4,308.74)
State Sources				
State aid	-	12,708.00	15,000.00	(2,292.00)
Operating Transfer from other Funds				
General	738,529.20	720,939.97	768,400.00	(47,460.03)
Supplemental General	353,315.65	374,659.40	330,000.00	44,659.40
Total Receipts	<u>1,111,048.68</u>	<u>1,123,998.63</u>	<u>\$ 1,133,400.00</u>	<u>\$ (9,401.37)</u>
Expenditures				
Instruction	1,076,770.94	1,070,253.62	\$ 1,105,684.00	\$ (35,430.38)
Support Services	45,027.92	46,036.31	45,830.00	206.31
Total Expenditures	<u>1,121,798.86</u>	<u>1,116,289.93</u>	<u>\$ 1,151,514.00</u>	<u>\$ (35,224.07)</u>
Receipts Over(Under) Expenditures	(10,750.18)	7,708.70		
Unencumbered Cash, Beginning	<u>28,864.29</u>	<u>18,114.11</u>		
Unencumbered Cash, Ending	<u>\$ 18,114.11</u>	<u>\$ 25,822.81</u>		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Receipts				
Local Sources				
Other	\$ 53,267.96	\$ 48,732.59	\$ 50,000.00	\$ (1,267.41)
State Sources				
Transportation State aid	6,567.00	-	-	-
Operating Transfer from Other Funds				
General	166,370.16	30,559.54	170,000.00	(139,440.46)
Supplemental General	161,948.18	297,321.06	200,000.00	97,321.06
Total Receipts	388,153.30	376,613.19	\$ 420,000.00	\$ (43,386.81)
Expenditures				
Instruction	388,153.30	376,613.19	\$ 420,000.00	\$ (43,386.81)
Total Expenditures	388,153.30	376,613.19	\$ 420,000.00	\$ (43,386.81)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
GIFTS AND GRANTS FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Other	\$ 44,607.90	\$ 27,489.00
State Sources		
State aid	13,891.00	-
Federal Sources		
Federal Aid	<u>92,373.98</u>	<u>30,564.48</u>
Total Receipts	<u>150,872.88</u>	<u>58,053.48</u>
Expenditures		
Instruction	125,671.69	29,873.77
Support Services	<u>37,844.63</u>	<u>-</u>
Total Expenditures	<u>163,516.32</u>	<u>29,873.77</u>
Receipts Over(Under) Expenditures	(12,643.44)	28,179.71
Unencumbered Cash, Beginning	<u>40,303.62</u>	<u>27,660.18</u>
Unencumbered Cash, Ending	<u>\$ 27,660.18</u>	<u>\$ 55,839.89</u>

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
KPERS RETIREMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Receipts				
State Sources				
KPERS payments	\$ 739,061.64	\$ 706,088.06	\$ 822,133.00	\$ (116,044.94)
Total Receipts	739,061.64	706,088.06	\$ 822,133.00	\$ (116,044.94)
Expenditures				
Instruction	739,061.64	706,088.06	\$ 562,633.00	\$ 143,455.06
Support Services				
Student Support	-	-	35,000.00	(35,000.00)
Instructional Support	-	-	22,000.00	(22,000.00)
General Administration	-	-	30,000.00	(30,000.00)
School Administration	-	-	80,000.00	(80,000.00)
Central Services	-	-	6,500.00	(6,500.00)
Operations and Maintenance	-	-	70,000.00	(70,000.00)
Transportation	-	-	10,000.00	(10,000.00)
Food Service	-	-	6,000.00	(6,000.00)
Total Expenditures	739,061.64	706,088.06	\$ 822,133.00	\$ (116,044.94)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
CONTINGENCY RESERVE FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Operating Transfer from Other Funds		
General Fund	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	-
Operating Transfer to Other Funds		
Supplemental General Fund	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>29,376.92</u>	<u>29,376.92</u>
Unencumbered Cash, Ending	<u>\$ 29,376.92</u>	<u>\$ 29,376.92</u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
TEXTBOOK RENTAL FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Textbook rental	<u>\$ 9,880.00</u>	<u>\$ 8,476.25</u>
Total Receipts	<u>9,880.00</u>	<u>8,476.25</u>
Expenditures		
Instruction	<u>20,603.44</u>	<u>7,990.51</u>
Total Expenditures	<u>20,603.44</u>	<u>7,990.51</u>
Receipts Over(Under) Expenditures	(10,723.44)	485.74
Unencumbered Cash, Beginning	<u>89,543.42</u>	<u>78,819.98</u>
Unencumbered Cash, Ending	<u><u>\$ 78,819.98</u></u>	<u><u>\$ 79,305.72</u></u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
TITLE I FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Other	\$ 500.00	\$ -
Federal Sources		
Federal Aid	<u>133,014.00</u>	<u>143,579.00</u>
Total Receipts	<u>133,514.00</u>	<u>143,579.00</u>
Expenditures		
Instruction	133,514.00	143,579.00
Support Services	<u>-</u>	<u>-</u>
Total Expenditures	<u>133,514.00</u>	<u>143,579.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
TITLE II A TEACHER FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Federal Sources		
Federal Aid	<u>\$ 18,679.00</u>	<u>\$ 22,511.00</u>
Total Receipts	<u>18,679.00</u>	<u>22,511.00</u>
Expenditures		
Instruction	<u>18,679.00</u>	<u>22,511.00</u>
Total Expenditures	<u>18,679.00</u>	<u>22,511.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
PERKINS RESERVE FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Federal Sources		
Federal Aid	\$ 1,465.00	\$ -
Local Sources		
Other	<u>-</u>	<u>-</u>
Total Receipts	<u>1,465.00</u>	<u>-</u>
Expenditures		
Instruction	<u>1,465.00</u>	<u>325.00</u>
Total Expenditures	<u>1,465.00</u>	<u>325.00</u>
Receipts Over(Under) Expenditures	-	(325.00)
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (325.00)</u>

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
GRANTS FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Other	\$ -	\$ -
Federal Sources		
ESSER	-	110,536.00
School Preparedness	<u>15,557.00</u>	<u>16,098.00</u>
Total Receipts	<u>15,557.00</u>	<u>126,634.00</u>
Expenditures		
Instruction	26,667.56	117,267.71
Support Services	<u>-</u>	<u>9,366.29</u>
Total Expenditures	<u>26,667.56</u>	<u>126,634.00</u>
Receipts Over(Under) Expenditures	(11,110.56)	-
Unencumbered Cash, Beginning	<u>25,870.25</u>	<u>14,759.69</u>
Unencumbered Cash, Ending	<u>\$ 14,759.69</u>	<u>\$ 14,759.69</u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
COUNTY SPARKS FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Other	\$ -	\$ 44.06
Federal Sources		
County SPARK	-	300,000.00
Total Receipts	-	300,044.06
Expenditures		
Instruction	-	194,988.56
Support Services	-	105,055.50
Total Expenditures	-	300,044.06
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
BOND PROJECT FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Interest from idle funds	3,664.01	57.92
Other	-	1,671.25
Total Cash Receipts	<u>3,664.01</u>	<u>1,729.17</u>
Expenditures		
Project costs	9,294.07	5,500.00
Operating Transfers to Other Funds		
Bond and Interest Fund	-	-
Total Expenditures	<u>9,294.07</u>	<u>5,500.00</u>
Cash Receipts Over(Under) Expenditures	(5,630.06)	(3,770.83)
Unencumbered Cash, Beginning	<u>359,429.80</u>	<u>353,799.74</u>
Unencumbered Cash, Ending	<u>\$ 353,799.74</u>	<u>\$ 350,028.91</u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

With Comparative Actual for the Fiscal Year Ended June 30, 2020

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Local Sources				
Ad valorem tax	\$ 438,261.06	\$ 447,931.86	\$ 431,360.00	\$ 16,571.86
Delinquent tax	7,985.81	13,227.86	6,829.00	6,398.86
Interest from idle funds	7.35	61.71	-	
County Sources				
Motor vehicle tax	65,637.30	69,498.86	64,075.00	5,423.86
State Sources				
State aid	519,155.00	572,690.00	572,690.00	-
Total Receipts	<u>1,031,046.52</u>	<u>1,103,410.29</u>	<u>\$ 1,074,954.00</u>	<u>\$ 28,394.58</u>
Expenditures				
Debt Service				
Principal	510,000.00	685,000.00	\$ 685,000.00	\$ -
Interest	369,922.50	302,396.81	302,398.00	(1.19)
Other	-	-	-	-
Total Expenditures	<u>879,922.50</u>	<u>987,396.81</u>	<u>\$ 987,398.00</u>	<u>\$ (1.19)</u>
Receipts Over(Under) Expenditures	151,124.02	116,013.48		
Unencumbered Cash, Beginning	<u>790,897.11</u>	<u>942,021.13</u>		
Unencumbered Cash, Ending	<u>\$ 942,021.13</u>	<u>\$ 1,058,034.61</u>		

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
SCHOLARSHIPS FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Scholarships	<u>\$ 2,500.00</u>	<u>\$ 7,500.00</u>
Total Receipts	<u>2,500.00</u>	<u>7,500.00</u>
Expenditures		
Student Activities	<u>2,000.00</u>	<u>1,000.00</u>
Total Expenditures	<u>2,000.00</u>	<u>1,000.00</u>
Receipts Over(Under) Expenditures	500.00	6,500.00
Unencumbered Cash, Beginning	<u>3,150.00</u>	<u>3,650.00</u>
Unencumbered Cash, Ending	<u><u>\$ 3,650.00</u></u>	<u><u>\$ 10,150.00</u></u>

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
ACTIVITY FUND GRANTS FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual for the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Other	\$ 509.88	\$ 314.47
Total Receipts	509.88	314.47
Expenditures		
School Activities	509.88	314.47
Total Expenditures	509.88	314.47
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	260.56	260.56
Unencumbered Cash, Ending	\$ 260.56	\$ 260.56

UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS
AGENCY FUNDS

Schedule of Receipts and Disbursements - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Student Organizations	\$ 68,835.82	\$ 156,274.72	\$ 143,497.58	\$ 81,612.96
Total Agency Funds	<u>\$ 68,835.82</u>	<u>\$ 156,274.72</u>	<u>\$ 143,497.58</u>	<u>\$ 81,612.96</u>

UNIFIED SCHOOL DISTRICT #404

RIVERTON, KANSAS

DISTRICT ACTIVITY FUNDS

Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus		Ending Cash Balance June 30, 2021
					Encumbrances and Accounts Payable		
Gate Receipts	\$ 50,240.90	\$ 60,165.22	\$ 59,163.01	\$ 51,243.11	\$ -		\$ 51,243.11
Totals	\$ 50,240.90	\$ 60,165.22	\$ 59,163.01	\$ 51,243.11	\$ -		\$ 51,243.11

UNIFIED SCHOOL DISTRICT #404
FEDERAL COMPLIANCE SECTION
For the Fiscal Year Ended June 30, 2021

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

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

Federal Grantor/ Pass Through Grantor/Program Title	Federal CFDA #	Amount Received	Amount Expended
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas Department of Education:			
Summer School Program	10.553	\$ 53,146.16 (b)	\$ 54,312.32
Coronavirus Aid Program/Summer School cv	10.555	263,493.01 (b)	255,400.27
		<u>316,639.17 (b)</u>	<u>309,712.59</u>
<u>U.S. Department of the Treasury</u>			
Passed Through the State of Kansas Governors' Office to Cherokee County, KS			
Coronavirus Aid program cv	21.019	300,000.00	300,000.00
		<u>300,000.00</u>	<u>300,000.00</u>
<u>U.S. Department of Education</u>			
Passed Through the State of Kansas Department of Education:			
Title I	84.010	143,579.00	143,579.00
Supporting Effective Education	84.367	22,511.00	22,511.00
Title IVA Student Support & Academic Grant	84.424	16,098.00	16,098.00
Element & Secondary School Emerg Relief cv	84.425	123,244.00 (a)	123,244.00
		<u>305,432.00</u>	<u>305,432.00</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through Hysell & Wagner, LLC, known as the Kansas Reading Roadmap			
Temporary Assistance Needy Families	93.938	30,564.48	-
		<u>30,564.48</u>	<u>-</u>
TOTALS		<u><u>952,635.65</u></u>	<u><u>915,144.59</u></u>

Notes to the Schedule of Expenditures of Federal Awards:

Expenses in this schedule are presented in accordance with Generally Accepted Accounting Principles, and include amounts paid as well as accounts payable for goods or services received. Expenses in this schedule do not agree with the expenses according to the financial statements for the CARE/ESSER grant inasmuch as expenses in the financial statements include encumbrances in accordance with the regulatory basis of accounting.

Plus ESSER Expenses in Special Education Fund	12,708.00
Plus ESSER Expenses in the Grant Fund	110,536.00
CARE grant fund expenses according Generally Accepted Accounting Principles (a)	<u>\$ 123,244.00</u>
Expenses for the Child Nutrition Cluster: makred as (b) above: (b)	<u>\$ 309,712.59</u>

cv = Coronavirus Relief grants

There were no subrecipients from the District.

Pass thru entities did not assign a specific identifying number.

The District did not use the 10% de minimus rate for indirect costs.

Diehl Banwart Bolton

Certified Public Accountants P.A.

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

To the Board of Education
Unified School District #404
Riverton, Kansas 66770

Report on Compliance for Each Major Federal Program

We have audited the Unified School District #404's (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, 2021. 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.

Auditors' Responsibilities

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 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.

Diehl, Banwart, Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 1, 2021
Fort Scott, Kansas

Diehl Banwart Bolton

Certified Public Accountants P.A.

**INDEPENDENT AUDITORS' 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
Unified School District #404
Riverton, Kansas 66770

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 statements of Bourbon County Unified School District #404 as of the year ended June 30, 2021, and have issued our report thereon dated November 1, 2021.

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 statements, 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 statements 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 that might be significant deficiencies or material weaknesses. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diehl, Banwart, Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 1, 2021
Fort Scott, Kansas

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION I: SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

The auditors' report was adverse for departures from accounting principles generally accepted in the United State of America due to the preparation of the financial statements in accordance with the Kansas regulatory basis of accounting. An unmodified opinion on the regulatory basis of accounting financial statement of the government was issued.

Internal control over financial reporting:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?

☐ Yes ☒ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief
84.425	Elementary & Secondary School Relief

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs required to be disclosed under the Uniform Guidance.

**UNIFIED SCHOOL DISTRICT #404
RIVERTON, KANSAS**

**Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021**

No audit findings relative to the federal award programs.