

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

Regulatory Basis Financial Statement and  
Independent Auditor's Report

For the Year Ended June 30, 2022

Cindy Jensen, CPA  
Certified Public Accountant  
Council Grove, KS 66846

Unified School District No. 251  
North Lyon County

Regulatory Basis Financial Statement  
For the Fiscal Year Ended June 30, 2022

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# Cindy Jensen

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### Independent Auditor's Report

Board of Education  
Unified School District No. 251  
Americus, KS 66835

#### **Adverse and Unmodified Opinions**

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 251, North Lyon County, Kansas, a municipality, as of and for the year ended June 30, 2022 and the related notes to the financial statement.

#### *Adverse Opinion on the U.S. Generally Accepted Accounting Principles*

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of my report, 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 Unified School District No. 251, North Lyon County, Kansas, as of June 30, 2022, or the changes in its financial position or cash flows for the year then ended.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 251, North Lyon County, Kansas, as of June 30, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

#### **Basis for Adverse Opinion and Unmodified Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. I am required to be independent of Unified School District No. 251, North Lyon County, Kansas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

*Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles* As discussed in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 251, North Lyon County, 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.

#### **Responsibilities of Management for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Unified School District No. 251, North Lyon County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibility for the Audit of the Financial Statement**

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USD 251, North Lyon County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USD 251, North Lyon County's ability to continue as a going concern for a reasonable period of time.

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

### **Regulatory – Required Supplementary Information**

My 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, agency funds summary of receipts and disbursements, and district activity funds schedule of receipts and expenditures (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, but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The supplementary information is the responsibility of management and were 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 respective 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 my 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.



Cindy Jensen, CPA  
Certified Public Accountant  
January 5, 2023

Unified School District No. 251  
North Lyon County

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	\$ 0	\$ 3,456,899	\$ 3,456,899	\$ 0	\$ 0	\$ 0
Supplemental General	77,273	1,140,032	1,118,766	98,539	0	98,539
Special Purpose Funds						
At Risk	236,184	439,750	440,551	235,383	0	235,383
Virtual	1,535	7,500	4,200	4,835	0	4,835
Capital Outlay	2,106,227	890,619	778,642	2,218,204	165,095	2,383,299
Contingency Reserve	321,327	51,347	62,061	310,613	0	310,613
Driver Training	24,667	26,757	26,806	24,618	0	24,618
Food Service	60,967	280,334	270,544	70,757	0	70,757
Professional Development	39,138	12,154	12,217	39,075	0	39,075
Special Education	274,067	720,391	720,995	273,463	0	273,463
Vocational Education	95,068	209,396	209,674	94,790	0	94,790
KPERs Retirement	0	413,725	413,725	0	0	0
Title I	0	65,423	65,423	0	0	0
Title II	0	28,847	28,847	0	0	0
ESSER II	0	195,572	214,037	(18,465)	0	(18,465)
Other	0	0	0	0	0	0
Gifts & Grants	52,358	360,267	390,084	22,541	0	22,541
Rural & Small Schools	0	20,675	20,675	0	0	0
Character Education	102	0	0	102	0	102
After School Program	1,345	6,320	6,070	1,595	0	1,595
Textbook Rental	51,444	39,196	49,052	41,588	0	41,588
District Activity Funds	36,870	65,420	64,274	38,016	0	38,016
Trust Funds						
Private Purpose Trust	7,676	18	100	7,594	0	7,594
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,386,248</u>	<u>\$ 8,430,642</u>	<u>\$ 8,353,642</u>	<u>\$ 3,463,248</u>	<u>\$ 165,095</u>	<u>\$ 3,628,343</u>
						Checking Acct-Kansasland Bank \$ 1,228,437
						Checking-Kansasland - Flex \$ 21,069
						Money Market-Kansasland 450,258
						Citizens State Bank-CD's 1,904,038
						Checking-NLC-Kansasland 7,596
						Men's Club 5,946
						Checking & CD Accounts-Northern Heights-Kansasland 70,387
						Total Cash 3,687,731
						Less: Agency Funds per Schedule 3 (59,388)
						Total Reporting Entity (Excluding Agency Funds) <u>\$ 3,628,343</u>

The accompanying notes are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 251 (USD 251), North Lyon County has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the district's accounting policies are described below.

Financial Reporting Entity

Unified School District No. 251 was organized in accordance with State Statutes to provide a system of public education to elementary through high school students who reside within the designated District areas. USD No. 251 is a municipal corporation governed by an elected seven-member board of education. The District's financial statement does not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the District.

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

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization accounts, etc.)

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.

Reimbursements

USD 251 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are treated as a budget credit.

Use of Estimates

The preparation of a financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash expenditures, cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Ad Valorem Tax Receipts

The determination of assessed valuations and collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with 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. One-half of the property taxes are due December 20 prior to the fiscal year for which they are budgeted and the second half is due the following May 10. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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), 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 eighteen month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality 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 municipality did hold a revenue neutral rate hearing for this year.

After the above procedures have been followed; the Kansas State Board of Education computes the maximum legal general fund of operating expenses. For the fiscal year ended June 30, 2022, the State calculation of the legal maximum general fund budget was \$3,395,202 and the legal maximum supplemental general fund was \$1,118,766. In accordance with Kansas statutes, a district is penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The District was within its maximum legal general and supplemental general fund budget authority for the fiscal year ended June 30, 2022.

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 capital project funds, trust funds, and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2. Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONT)

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law, rather are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The ESSER II fund carried a negative balance at June 30, 2022. However, this is a grant paid on a reimbursement basis and therefore, no violation occurred.

Management is not aware of any regulatory violations for the period covered by this audit.

State and Federal Aid Compliance

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the governmental agency. Any disallowed claim resulting from such audit could become a liability of the General Fund or other applicable fund. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the District at June 30, 2022.

NOTE 3 - DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that may be used by the District. The statute requires banks eligible to hold the Government'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 or 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 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 District has no investment policy that would further limit its investment choices.

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%. All deposits were legally secured at June 30, 2022.

At June 30, 2022, the carrying amount of the District's deposits was \$3,687,731 and the bank balance was \$3,907,504. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$608,447 was covered by FDIC insurance and the remaining \$3,299,057 was collateralized by pledged securities held under joint custody receipts issued by banks within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka in the District's name.

NOTE 4 – IN SUBSTANCE RECEIPT IN TRANSIT

The District received \$123,468 in the general fund subsequent to June 30, 2022 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, 2022.



UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description – The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://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 contributions 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 on or after Jan 1, 2015. Effective January 1, 2015, Kansas law establishes member-employee contribution rate at 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 (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory rate was 14.83% and 13.33% for the year ended June 30, 2022.

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

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

The State of Kansas is required to contribute the statutory required employer 's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$397,599 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$3,251,161. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 7 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

Full-time twelve-month employees annually earn vacation as follows: One through five years of employment: ten days; six through fifteen years: fifteen days; and sixteen or more years: twenty days. Vacation time is non-accumulative and must be used by December 31<sup>st</sup> of the following year.

Full-time twelve-month employees are granted twelve days of sick leave and all other employees are granted ten days of sick leave on the first day of his/her contract. Up to 60 days may be accumulated. No compensation is provided if the sixty-day accumulation is not used. One-half of the accumulated time over sixty days is bought back by the District at the substitute teacher rate for certified staff and at the daily salary rate for classified employees. The balance over sixty days is forfeited.

A sick leave bank was established in 1989 to provide temporary relief from loss of pay due to severe illness, accident or major surgery. Employees may contribute one day of sick leave to the bank per year for use by an employee who qualifies, has used all of his or her sick leave and is selected by a committee. The maximum number of sick leave days which can be held in the sick leave bank is 350 days.

Employees are granted two days of personal leave per school year for the first seven years of employment with a maximum five days accumulation. Employees who have worked for the District eight years or longer receive three days per year with a maximum six days accumulation. The district recognizes these benefits as paid. No provision has been made for accumulated paid leave in this financial statement.

Death & Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2022.

Other Post-Employment Benefits

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

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

NOTE 8 - TRANSFERS

Interfund transfers during the fiscal year ended June 30, 2022 consisted of the following:

Transfer From	Transfer To	Amount	Statute
General	Food Service	38,171	72-5167
General	Professional Dev	12,000	72-5167
General	Special Ed	697,363	72-5167
General	Vocational Ed	195,000	72-5167
General	Contingency Res	51,347	72-5167
General	Virtual	7,500	72-5167
General	Textbook	17,000	72-5167
General	At Risk	313,506	72-5167
Supplemental General	Driver's Ed	22,000	72-5143
Supplemental General	At Risk	111,495	72-5143

UNIFIED SCHOOL DISTRICT NO. 251  
North Lyon County

NOTES TO THE FINANCIAL STATEMENT  
June 30, 2022

NOTE 9 – COVID-19

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

NOTE 10 - ESSER

The CARES Act included Elementary and Secondary School Emergency Relief (ESSER) Funds for K-12 schools. The ESSER grants will provide school districts with emergency relief funds to address the impact COVID19 has had on elementary and secondary schools. It is being allocated to the Districts in three phases, ESSER I, II, and III. The ESSER I under the Cares Act began in March 2020, the ESSER II under the CRRSA Act began in December 2020, and the ESSER III under the ARP Act began in March 2021. The District was allocated \$45,821 for ESSER I, \$223,319 for ESSER II, and \$501,896 for ESSER III. As of June 30, 2022 the District spent \$45,821 of ESSER I and \$214,037 of ESSER II funds.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date that the financial statement was available to be issued.

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

Unified School District No. 251  
North Lyon County

Schedule 1

Schedule of Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds						
General	\$ 3,490,498	\$ (95,296)	\$ 61,697	\$ 3,456,899	\$ 3,456,899	\$ 0
Supplemental General	1,143,660	(24,894)	0	1,118,766	1,118,766	0
Special Purpose Funds						
At Risk	566,659			566,659	440,551	(126,108)
Virtual	22,535			22,535	4,200	(18,335)
Capital Outlay	3,182,861			3,182,861	778,642	(2,404,219)
Driver Training	46,637			46,637	26,806	(19,831)
Food Service	419,523			419,523	270,544	(148,979)
Professional Development	49,138			49,138	12,217	(36,921)
Special Education	1,135,867			1,135,867	720,995	(414,872)
Vocational Education	229,663			229,663	209,674	(19,989)
KPERs Retirement	494,216			494,216	413,725	(80,491)

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-A

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

GENERAL FUND

	Actual	Budget	Variance Over (Under)
Receipts:			
Lyon, Osage & Wabaunsee County	\$ 205	\$ 0	\$ 205
State Aid	2,912,634	2,932,698	(20,064)
Special Ed Pass Through	482,363	557,800	(75,437)
Reimbursed & misc income	61,697	0	61,697
Total Receipts	3,456,899	3,490,498	(33,599)
Expenditures			
Instruction	1,161,710	1,193,973	(32,263)
Student Support	170,060	180,400	(10,340)
Instructional Support	8,258	66,600	(58,342)
General Administration	321,168	272,000	49,168
School Administration	335,381	372,230	(36,849)
Central Services	79,732	119,200	(39,468)
Operations & Maintenance	35,159	2,500	32,659
Other Supplemental Serv/Community Serv	13,544	0	13,544
Operating Transfers	1,331,887	1,283,595	48,292
Adjustment to Comply with Legal Max		(95,296)	95,296
Total legal general fund budget	3,456,899	3,395,202	61,697
Adjustment for qualifying budget credits	0	61,697	(61,697)
Total Expenditures	3,456,899	\$ 3,456,899	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-B

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
Receipts:			
Lyon, Osage & Wabaunsee County	\$ 1,140,032	\$ 1,066,387	\$ 73,645
State Aid	0	0	0
Transfer from Contingency Reserve	0	0	0
Total Receipts	1,140,032	1,066,387	73,645
Expenditures			
Instruction	344,301	442,346	(98,045)
General Administration	128,572	75,519	53,053
Operations & Maintenance	172,821	190,520	(17,699)
Student Transportation	339,577	354,800	(15,223)
Operating Transfers	133,495	80,475	53,020
Adjustment to Comply with Legal Max	0	(24,894)	24,894
Total legal supplemental general fund budget	1,118,766	1,118,766	0
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	1,118,766	\$ 1,118,766	\$ 0
Receipts Over (Under) Expenditures	21,266		
Unencumbered Cash, July 1	77,273		
Unencumbered Cash, June 30	\$ 98,539		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-C

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

AT RISK

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	\$ 14,749	\$ 0	\$ 14,749
Operating Transfers	425,001	330,475	94,526
	<hr/>	<hr/>	<hr/>
Total Receipts	439,750	330,475	109,275
Expenditures			
Instruction	440,551	566,659	(126,108)
Other	0	0	0
Total Expenditures	<hr/> 440,551 <hr/>	<hr/> \$ 566,659 <hr/>	<hr/> \$ (126,108) <hr/>
Receipts Over (Under) Expenditures	(801)		
Unencumbered Cash, July 1	<hr/> 236,184		
Unencumbered Cash, June 30	<hr/> \$ 235,383 <hr/>		

See accompanying auditor's report.



Unified School District No. 251  
North Lyon County

Schedule 2-D

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

VIRTUAL

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	7,500	21,000	(13,500)
Total Receipts	7,500	21,000	(13,500)
Expenditures			
Instruction	4,200	22,535	(18,335)
Other	0	0	0
Total Expenditures	4,200	\$ 22,535	\$ (18,335)
Receipts Over (Under) Expenditures	3,300		
Unencumbered Cash, July 1	1,535		
Unencumbered Cash, June 30	\$ 4,835		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-E

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

CAPITAL OUTLAY

	Actual	Budget	Variance Over (Under)
Receipts:			
Lyon, Osage & Wabaunsee County	\$ 875,028	\$ 912,962	\$ (37,934)
Other Receipts	15,591	0	15,591
Operating Transfers	0	0	0
Total Receipts	890,619	912,962	(22,343)
Expenditures			
Capital Outlay	778,642	3,182,861	(2,404,219)
Other	0	0	0
Total Expenditures	<u>778,642</u>	<u>\$ 3,182,861</u>	<u>\$ (2,404,219)</u>
Receipts Over (Under) Expenditures	111,977		
Unencumbered Cash, July 1	<u>2,106,227</u>		
Unencumbered Cash, June 30	<u>\$ 2,218,204</u>		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2022

Schedule 2-F

CONTINGENCY RESERVE

	Current Year Actual
Receipts:	
Operating Transfers	\$ 51,347
Other Receipts	0
Total Receipts	51,347
Expenditures	
Wages & benefits	62,061
Other	0
Total Expenditures	62,061
Receipts Over (Under) Expenditures	(10,714)
Unencumbered Cash, July 1	321,327
Unencumbered Cash, June 30	\$ 310,613

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-G

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

DRIVER TRAINING

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	\$ 2,562	\$ 4,080	\$ (1,518)
Other Receipts	2,195	2,890	(695)
Operating Transfers	22,000	15,000	7,000
Total Receipts	26,757	21,970	4,787
Expenditures			
Instruction	26,149	44,637	(18,488)
Vehicle Operation	657	2,000	(1,343)
Total Expenditures	26,806	\$ 46,637	\$ (19,831)
Receipts Over (Under) Expenditures	(49)		
Unencumbered Cash, July 1	24,667		
Unencumbered Cash, June 30	\$ 24,618		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-H

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

FOOD SERVICE

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	\$ 1,601	\$ 2,108	\$ (507)
Federal Aid	233,657	338,968	(105,311)
Meal Receipts	6,863	14,480	(7,617)
Other Receipts	42	0	42
Operating Transfers	38,171	3,000	35,171
Total Receipts	280,334	358,556	(78,222)
Expenditures			
Food Service	270,544	419,523	(148,979)
Other	0	0	0
Total Expenditures	270,544	\$ 419,523	\$ (148,979)
Receipts Over (Under) Expenditures	9,790		
Unencumbered Cash, July 1	60,967		
Unencumbered Cash, June 30	\$ 70,757		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-I

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

PROFESSIONAL DEVELOPMENT

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	\$ 154	\$ 0	\$ 154
Operating Transfers	12,000	10,000	2,000
Total Receipts	12,154	10,000	2,154
Expenditures			
Professional Development	12,217	49,138	(36,921)
Other	0	0	0
Total Expenditures	12,217	\$ 49,138	\$ (36,921)
Receipts Over (Under) Expenditures	(63)		
Unencumbered Cash, July 1	39,138		
Unencumbered Cash, June 30	\$ 39,075		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County  
Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

Schedule 2-J

SPECIAL EDUCATION

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Other Receipts	\$ 23,028	\$ 11,800	\$ 11,228
Operating Transfers	<u>697,363</u>	<u>850,000</u>	<u>(152,637)</u>
Total Receipts	720,391	861,800	(141,409)
Expenditures			
Instruction	686,352	1,106,267	(419,915)
Transportation	<u>34,643</u>	<u>29,600</u>	<u>5,043</u>
Total Expenditures	<u>720,995</u>	<u>\$ 1,135,867</u>	<u>\$ (414,872)</u>
Receipts Over (Under) Expenditures	(604)		
Unencumbered Cash, July 1	<u>274,067</u>		
Unencumbered Cash, June 30	<u>\$ 273,463</u>		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-K

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

VOCATIONAL EDUCATION

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	\$ 14,396	\$ 0	\$ 14,396
Operating Transfers	195,000	134,595	60,405
Total Receipts	209,396	134,595	74,801
Expenditures			
Instruction	185,191	218,063	(32,872)
Transportation	24,483	11,600	12,883
Total Expenditures	209,674	\$ 229,663	\$ (19,989)
Receipts Over (Under) Expenditures	(278)		
Unencumbered Cash, July 1	95,068		
Unencumbered Cash, June 30	\$ 94,790		

See accompanying auditor's report.



Unified School District No. 251  
North Lyon County

Schedule 2-L

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2022

KPERS RETIREMENT

	Actual	Budget	Variance Over (Under)
Receipts:			
KPERS Employer Contributions	\$ 413,725	\$ 494,216	\$ (80,491)
Transfer from General	0	0	0
Total Receipts	413,725	494,216	(80,491)
Expenditures			
KPERS Employee Benefits	413,725	494,216	(80,491)
Other	0	0	0
Total Expenditures	413,725	\$ 494,216	\$ (80,491)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-M

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2022

	TITLE I	TITLE IIA	ESSER II	OTHER
Receipts:				
Federal Aid	\$ 65,423	\$ 28,847	\$ 195,572	
Other Receipts	0	0	0	0
Total Receipts	65,423	28,847	195,572	0
Expenditures				
Program expenditures	65,423	28,847	214,037	
Other	0	0	0	0
Total Expenditures	65,423	28,847	214,037	0
Receipts Over (Under) Expenditures	0	0	(18,465)	0
Unencumbered Cash, July 1	0	0	0	0
Unencumbered Cash, June 30	\$ 0	\$ 0	\$ (18,465)	\$ 0

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2022

Schedule 2-N

GIFTS AND GRANTS

	Current Year Actual
Receipts:	
Federal Aid	\$ 0
Other Receipts	360,267
Total Receipts	360,267
Expenditures	
Student support	390,084
Other	0
Total Expenditures	390,084
Receipts Over (Under) Expenditures	(29,817)
Unencumbered Cash, July 1	52,358
Unencumbered Cash, June 30	\$ 22,541

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-O

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2022

	<u>RURAL &amp; SMALL SCHOOLS</u>	<u>CHARACTER EDUCATION</u>	<u>AFTERSCHOOL PROGRAM</u>	<u>TEXTBOOK RENTAL</u>
Receipts:				
Federal Aid	\$ 20,675	\$ 0	\$ 0	\$ 0
Fees & Donations	0	0	6,320	22,196
Transfers from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,000</u>
Total Receipts	20,675	0	6,320	39,196
Expenditures				
Salaries, supplies & services	<u>20,675</u>	<u>0</u>	<u>6,070</u>	<u>49,052</u>
Total Expenditures	<u>20,675</u>	<u>0</u>	<u>6,070</u>	<u>49,052</u>
Receipts Over (Under) Expenditures	0	0	250	(9,856)
Unencumbered Cash, July 1	<u>0</u>	<u>102</u>	<u>1,345</u>	<u>51,444</u>
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 102</u>	<u>\$ 1,595</u>	<u>\$ 41,588</u>

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 2-P

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2022

TRUST FUNDS

	<u>Men's Club</u>	<u>NHHS Sheeley</u>	<u>NHHS Pruitt</u>	<u>NHHS Mundy</u>	<u>TOTAL</u>
Receipts:					
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Receipts	18	0	0	0	18
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	18	0	0	0	18
Expenditures					
Scholarships	0	100	0	0	100
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>100</u>	<u>0</u>	<u>0</u>	<u>100</u>
Receipts Over (Under) Expendit	18	(100)	0	0	(82)
Unencumbered Cash, July 1	<u>5,928</u>	<u>101</u>	<u>917</u>	<u>730</u>	<u>7,676</u>
Unencumbered Cash, June 30	<u>\$ 5,946</u>	<u>\$ 1</u>	<u>\$ 917</u>	<u>\$ 730</u>	<u>\$ 7,594</u>

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 3

Schedule of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2022

AGENCY FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
NHHS:				
Classes	\$ 12,227	\$ 8,230	\$ 4,168	\$ 16,289
Art Club	176	0	0	176
FBLA	2,631	204	450	2,385
FCCLA	2,711	11,157	12,055	1,813
FFA	1,637	10,014	9,135	2,516
Shooting Sports	750	6,072	1,076	5,746
Key Club	0	573	0	573
National Honor Society	4,358	552	56	4,854
Quiz Bowl	207	242	0	449
HOSA	2,014	1,583	1,147	2,450
Student Council	451	268	475	244
Weight Lifting Club	176	0	0	176
	<u>27,338</u>	<u>38,895</u>	<u>28,562</u>	<u>37,671</u>
NLC:				
8th Grade	503	3,829	4,332	0
FBLA	13	0	0	13
Stuco	549	186	100	635
	<u>1,065</u>	<u>4,015</u>	<u>4,432</u>	<u>648</u>
Flex plan	<u>22,574</u>	<u>14,370</u>	<u>15,875</u>	<u>21,069</u>
Total Agency Funds	<u>\$ 50,977</u>	<u>\$ 57,280</u>	<u>\$ 48,869</u>	<u>\$ 59,388</u>

See accompanying auditor's report.

Unified School District No. 251  
North Lyon County

Schedule 4

Schedule of Receipts and Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2022

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts/Athletics						
Northern Heights HS	\$ 5,492	\$ 33,190	\$ 31,757	\$ 6,925	\$ 0	\$ 6,925
NLC	1,189	9,272	8,982	1,479	0	1,479
	<u>6,681</u>	<u>42,462</u>	<u>40,739</u>	<u>8,404</u>	<u>0</u>	<u>8,404</u>
School Projects						
NHHS						
Yearbook	15,332	1,188	7	16,513	0	16,513
Concessions	4,966	6,991	10,280	1,677	0	1,677
Other Projects	2,561	10,079	8,961	3,679	0	3,679
Drama/Forensics	786	433	334	885	0	885
Library	0	29	10	19	0	19
Music	1,380	210	220	1,370	0	1,370
NLC						
Yearbook	574	0	0	574	0	574
Concessions	3,108	0	0	3,108	0	3,108
Music	585	3	104	484	0	484
Other Projects	897	4,025	3,619	1,303	0	1,303
	<u>30,189</u>	<u>22,958</u>	<u>23,535</u>	<u>29,612</u>	<u>0</u>	<u>29,612</u>
Total Activity Funds	<u>\$ 36,870</u>	<u>\$ 65,420</u>	<u>\$ 64,274</u>	<u>\$ 38,016</u>	<u>\$ 0</u>	<u>\$ 38,016</u>

See accompanying auditor's report.