USD 337 - ROYAL VALLEY

Mayetta, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 337 - ROYAL VALLEY
Mayetta, Kansas
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January 10, 2022

Board of Education
USD 337 - Royal Valley
Mayetta, Kansas

Independent Auditor's Report

We have audited the accompanying fund summary statement of regulatory receipts, expenditures, and unencumbered cash - regulatory basis of the USD 337 - Royal Valley (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statement which collectively comprise the District's basic financial statement as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 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 previous paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or changes in financial position or cash flows thereof for the year then ended.

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

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 7,188,646	$ 7,188,646	$ -	$ 30,570	$ 30,570
Supplemental General	57,662	-	2,267,641	2,215,070	110,233	1,032	111,265
Special Purpose Funds							
Career and Postsecondary Education	91,847	-	208,850	209,527	91,170	-	91,170
Special Education	427,333	-	1,281,510	1,263,347	445,496	-	445,496
Driver Education	18,933	-	10,770	9,152	20,551	-	20,551
Food Service	76,688	-	549,611	495,335	130,964	-	130,964
Capital Outlay	1,013,404	-	1,252,317	1,247,803	1,017,918	-	1,017,918
Gifts and Grants	14,438	-	48,070	47,535	14,973	99	15,072
Parent Education	47,350	-	49,460	49,156	47,654	-	47,654
Professional Development	60,000	-	20,105	20,105	60,000	-	60,000
Extraordinary School Program	99,475	-	6,208	12,458	93,225	-	93,225
KPERS Special Contribution	-	-	824,597	824,597	-	-	-
At-Risk (K-12)	69,598	-	946,350	943,996	71,952	-	71,952
Preschool-Aged At-Risk	10,000	-	76,300	74,740	11,560	-	11,560
District Activity Funds	125,869	-	124,566	152,269	98,166	-	98,166
Textbook and Student Materials	137,584	-	85,197	47,801	174,980	-	174,980
Contingency Reserve Fund	450,000	-	88,000	70,000	468,000	-	468,000
Title I	-	-	133,168	133,168	-	-	-
Impact Aid	149,126	-	133,423	93,138	189,411	-	189,411
Title VI	-	-	57,727	57,727	-	-	-
Title IIA - Teacher Quality	-	-	22,239	22,239	-	-	-
JCCTCC Grant	16,960	-	15,000	11,088	20,872	-	20,872
Grow Your Own Teacher	479	-	1	-	480	-	480
ESSER	-	-	281,779	344,294	(62,515)	-	(62,515)
Title IVA	-	-	14,808	14,808	-	-	-
Total Reporting Entity (Excluding Agency Funds)	$ 2,866,746	$ -	$ 15,686,343	$ 15,547,999	$ 3,005,090	$ 31,701	$ 3,036,791

Composition of Cash	
Checking Accounts	$ 204,831
Savings Accounts	2,348,033
Certificates of Deposit	551,287
Total Cash	$ 3,104,151
Less: Agency funds per Schedule 4	(67,360)
Total Reporting Entity (Excluding Agency Funds)	$ 3,036,791

STATEMENT 1

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

USD 337 - ROYAL VALLEY
Mayetta, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2021

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 337 (the District) is a municipal corporation governed by an elected seven member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

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

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

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

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District could have the following types of funds:

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.

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

Reimbursed Expenses

Expenditures in the amount of $2,980 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement 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.

Note 2: Budgetary Information

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

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

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

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

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

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

Textbook and Student Materials Fund	Title II-A - Teacher Quality
Contingency Reserve Fund	JCCTCC Grant Fund
Title I Fund	Grow Your Own Teacher Grant Fund
Impact Aid Fund	ESSER Fund
Title VI Fund	Title IV-A Fund

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

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 3: Deposits and Investments

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

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

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

Custodial credit risk -- deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2021.

At June 30, 2021, the carrying amount of the District's cash and certificates was $3,104,151. The bank balance was $3,352,822. The bank balance was held by one bank resulting in a concentration of deposit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $250,000 was secured by FDIC insurance and the remaining $3,102,822 was collateralized by bank pledged securities with a fair market value of $6,023,297.

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

Note 4: In-Substance Payments

The District received $85,969 for general fund and $117,747 for supplemental general fund subsequent to June 30, 2021 and as required by K.S.A. 72-5135(d), the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note 5: Pension Plans

Defined Benefit Pension Plan

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

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

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

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million 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 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 $824,597 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 $8,774,290. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 6: Risk Management

The District is exposed to various risks ofloss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

Note 7: Stewardship, Compliance and Accountability

We noted no violations of Kansas Statutes during the period under examination.

Note 8: Deficit Cash/Unencumbered cash for Individual Funds

Funds with a Deficit Unencumbered Cash Balance- Generally, school districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A 12-1663, however, provides an exception for those funds which are to be financed by Federal government sources and other grants and gifts. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following fund had a deficit balance of unencumbered cash as of June 30, 2021: Elementary and Secondary School Emergency Relief. This fund is financed by Federal and State governmental agencies and the District is expecting reimbursement of qualifying grant expenditures.

Note 9: Compensated Absences

Classified employees and administrators receive one day of sick leave for each full month of contracted employment. They may accumulate an amount of days equal to annual contracted full months multiplied by five. Once a classified employee or administrator has accumulated the maximum number of sick leave days, the employee will be paid at a rate of 70% of his hourly pay for the unused days in October of each contract year. Teachers have the option of receiving payment for unused sick leave (maximum of ten days) or transferring one or more days to a special sick leave account. The district has not computed or recorded the liability at year end.

Note 10: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays 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 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.

Note 11: Interfund Transfers

Operating transfers were as follows:

Fund From	Fund To	Statutory Authority	Amount
General fund	Career & Postsecondary Fund	K.S.A. 72-6428	$ 88,850
General fund	Special Education Fund	K.S.A. 72-6428	939,352
General fund	Drivers Education Fund	K.S.A. 72-6428	4,000
General fund	Capital Outlay Fund	K.S.A. 72-6428	500,925
General fund	At-Risk Fund (K-12)	K.S.A. 72-6428	646,350
General fund	Preschool-Aged At-Risk Fund	K.S.A. 72-6428	75,000
General fund	Contingency Fund	K.S.A. 72-6428	88,000
Supplemental	Career & Postsecondary Fund	K.S.A. 72-6425	120,000
Supplemental	Special Education Fund	K.S.A. 72-6425	238,952
Supplemental	Parent Education Fund	K.S.A. 72-6425	17,496
Supplemental	Professional Development Fund	K.S.A. 72-6425	15,553
Supplemental	Textbook Rental Fund	K.S.A. 72-6425	47,422
Supplemental	At-Risk Fund (K-12)	K.S.A. 72-6425	300,000
		Total Transfers	$ 3,081,900

Note 12: Subsequent Events

Subsequent events for management's review have been evaluated through the date of the Auditor's Report.

Note 13: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

Note 14: CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $194,863 during fiscal year 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

Note 15: Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
Capital Leases									
School Addition - Refinance	2.90%	09/01/2013	$ 3,565,000	04/01/2023	$ 1,230,000	$ -	$ 395,000	$ 835,000	$ 46,200

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

	2022	2023	2024	Total
Principal				
Capital Leases	$ 410,000	$ 425,000	$ -	$ 835,000
Interest				
Capital Leases	32,375	17,000	-	49,375
	$ 442,375	$ 442,000	$ -	$ 884,375

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 7,675,920	$ (490,254)	$ 2,980	$ 7,188,646	$ 7,188,646	$ -
Supplemental General	2,319,926	(104,856)	-	2,215,070	2,215,070	-
Special Purpose Funds						
Career and Postsecondary Education	272,500	-	-	272,500	209,527	(62,973)
Special Education	1,569,800	-	-	1,569,800	1,263,347	(306,453)
Driver Training	16,500	-	-	16,500	9,152	(7,348)
Food Service	512,200	-	-	512,200	495,335	(16,865)
Capital Outlay	1,600,500	-	-	1,600,500	1,247,803	(352,697)
Gifts and Grants	61,000	-	-	61,000	21,369	(39,631)
Parent Education	71,200	-	-	71,200	49,156	(22,044)
Professional Development	57,000	-	-	57,000	20,105	(36,895)
Extraordinary School Program	87,000	-	-	87,000	12,458	(74,542)
KPERS Special Retirement Contribution	967,812	-	-	967,812	824,597	(143,215)
At-Risk (K-12) Fund	1,054,000	-	-	1,054,000	943,996	(110,004)
Preschool-Aged At-Risk	91,000	-	-	91,000	74,740	(16,260)
Total of all Funds	$ 16,356,358	$ (595,110)	$ 2,980	$ 15,764,228	$ 14,575,301	$ (1,188,927)

USD 337 - ROYAL VALLEY
Mayetta, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
General state aid	$ 5,999,695	$ 6,414,936	$ (415,241)
Special education aid	800,344	980,984	(180,640)
Federal Sources			
PL 382	385,627	280,000	105,627
Other Sources			
Reimbursements	2,980	-	2,980
Total Cash Receipts	$ 7,188,646	$ 7,675,920	$ (487,274)
EXPENDITURES			
Instruction	$ 3,292,261	$ 3,496,730	$ (204,469)
Student support services	35,629	53,600	(17,971)
Instructional support staff	309,700	366,000	(56,300)
General administration	192,405	158,700	33,705
School administration	530,965	529,400	1,565
Central services	47,331	48,000	(669)
Operations and maintenance	437,878	478,000	(40,122)
Operating transfers	2,342,477	2,545,490	(203,013)
Adjustment to comply with legal maximum	-	(490,254)	490,254
Legal general fund budget and expenditures	$ 7,188,646	$ 7,185,666	$ 2,980
Adjustment for qualifying budget credits	-	2,980	(2,980)
Total Expenditures	$ 7,188,646	$ 7,188,646	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 621,738	$ 640,239	$ (18,501)
Delinquent tax	16,831	5,935	10,896
County Sources			
Motor vehicle tax	79,929	75,838	4,091
RV tax	2,159	1,422	737
Commercial vehicle tax	2,447	1,355	1,092
16/20 truck tax	4,809	-	4,809
Watercraft tax	696	-	696
State Sources			
Supplemental state aid	1,539,032	1,611,885	(72,853)
Total Cash Receipts	$ 2,267,641	$ 2,336,674	$ (69,033)
EXPENDITURES			
Instruction	$ 211,063	$ 237,700	$ (26,637)
Student support services	23,029	40,700	(17,671)
Instructional support staff	83,694	98,026	(14,332)
General administration	67,083	88,250	(21,167)
School administration	150,228	187,940	(37,712)
Operations and maintenance	524,594	531,000	(6,406)
Student transportation services	415,956	464,700	(48,744)
Operating transfers	739,423	671,610	67,813
Adjustment to comply with legal maximum	-	(104,856)	104,856
Total Expenditures	$ 2,215,070	$ 2,215,070	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 52,571		
UNENCUMBERED CASH - BEGINNING	57,662		
UNENCUMBERED CASH - ENDING	$ 110,233		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 208,850	$ 230,000	$ (21,150)
EXPENDITURES			
Instruction	$ 193,451	$ 251,500	$ (58,049)
Student support services	540	2,000	(1,460)
Student transportation services	15,536	19,000	(3,464)
Total Expenditures	$ 209,527	$ 272,500	$ (62,973)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (677)		
UNENCUMBERED CASH - BEGINNING	91,847		
UNENCUMBERED CASH - ENDING	$ 91,170		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 3,520	$ 10,000	$ (6,480)
Federal Sources			
Federal aid	99,686	146,000	(46,314)
Other Sources			
Operating transfers	1,178,304	1,200,490	(22,186)
Total Cash Receipts	$ 1,281,510	$ 1,356,490	$ (74,980)
EXPENDITURES			
Instruction	$ 1,150,212	$ 1,429,300	$ (279,088)
Student support services	12,230	7,500	4,730
Svhool administration	322	-	322
Student transportation services	100,583	133,000	(32,417)
Total Expenditures	$ 1,263,347	$ 1,569,800	$ (306,453)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 18,163		
UNENCUMBERED CASH - BEGINNING	427,333		
UNENCUMBERED CASH - ENDING	$ 445,496		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ -	$ 4,500	$ (4,500)
State Sources			
State safety aid	-	1,500	(1,500)
Other Sources			
Charges for services	6,770	-	6,770
Operating transfers	4,000	4,000	-
Total Cash Receipts	$ 10,770	$ 10,000	$ 770
EXPENDITURES			
Instruction	$ 8,957	$ 15,500	$ (6,543)
Operations and maintenance	195	1,000	(805)
Total Expenditures	$ 9,152	$ 16,500	$ (7,348)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,618		
UNENCUMBERED CASH - BEGINNING	18,933		
UNENCUMBERED CASH - ENDING	$ 20,551		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 5,164	$ 3,784	$ 1,380
Federal Sources			
Federal aid	511,479	269,063	242,416
Other Sources			
Charges for services	32,968	169,675	(136,707)
Operating transfers	-	20,000	(20,000)
Total Cash Receipts	$ 549,611	$ 462,522	$ 87,089
EXPENDITURES			
Food service operations	$ 495,335	$ 512,200	$ (16,865)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 54,276		
UNENCUMBERED CASH - BEGINNING	76,688		
UNENCUMBERED CASH - ENDING	$ 130,964		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 287,693	$ 265,158	$ 22,535
Delinquent tax	7,688	2,798	4,890
Interest	8,840	-	8,840
County Sources			
Motor vehicle tax	39,285	36,162	3,123
RV tax	1,030	678	352
Commercial vehicle tax	-	645	(645)
16/20 truck tax	4	-	4
Watercraft tax	329	-	329
State Sources			
State aid	194,442	194,527	(85)
Other Sources			
Miscellaneous	212,081	-	212,081
Operating transfers	500,925	500,000	925
Total Cash Receipts	$ 1,252,317	$ 999,968	$ 252,349
EXPENDITURES			
Instruction	$ 152,126	$ 255,000	$ (102,874)
Instructional support staff	11,001	-	11,001
Operations and maintenance	28,073	40,000	(11,927)
Student transportation services	127,350	200,000	(72,650)
Facility acquisition and construction services	929,253	1,105,500	(176,247)
Total Expenditures	$ 1,247,803	$ 1,600,500	$ (352,697)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,514		
UNENCUMBERED CASH - BEGINNING	1,013,404		
UNENCUMBERED CASH - ENDING	$ 1,017,918		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 22,030	$ 50,000	$ (27,970)
State Sources			
State aid	26,040	-	26,040
Total Cash Receipts	$ 48,070	$ 50,000	$ (1,930)
EXPENDITURES			
Instruction	$ 21,369	$ 61,000	$ (39,631)
Student support services	26,040	-	26,040
Food service	126	-	126
Total Expenditures	$ 47,535	$ 61,000	$ (13,465)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 535		
UNENCUMBERED CASH - BEGINNING	14,438		
UNENCUMBERED CASH - ENDING	$ 14,973		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 31,964	$ 41,580	$ (9,616)
Other Sources			
Operating transfers	17,496	21,000	(3,504)
Total Cash Receipts	$ 49,460	$ 62,580	$ (13,120)
EXPENDITURES			
Student support services	$ 49,156	$ 71,200	$ (22,044)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 304		
UNENCUMBERED CASH - BEGINNING	47,350		
UNENCUMBERED CASH - ENDING	$ 47,654		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 2,968	$ 6,750	$ (3,782)
Other Sources			
Miscellaneous	1,584	-	1,584
Operating transfers	15,553	25,000	(9,447)
Total Cash Receipts	$ 20,105	$ 31,750	$ (11,645)
EXPENDITURES			
Instructional support staff	$ 20,105	$ 57,000	$ (36,895)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	60,000		
UNENCUMBERED CASH - ENDING	$ 60,000		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
EXTRAORDINARY SCHOOL PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 6,208	$ 40,000	$ (33,792)
EXPENDITURES			
Instruction	$ 11,372	$ 51,300	$ (39,928)
Student support services	132	34,500	(34,368)
Instructional support staff	786	1,000	(214)
School administration	168	-	168
Operations and maintenance	-	200	(200)
Total Expenditures	$ 12,458	$ 87,000	$ (74,542)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (6,250)		
UNENCUMBERED CASH - BEGINNING	99,475		
UNENCUMBERED CASH - ENDING	$ 93,225		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 824,597	$ 967,812	$ (143,215)
EXPENDITURES			
Instruction	$ 539,925	$ 600,000	$ (60,075)
Student support services	31,401	45,000	(13,599)
Instructional support staff	39,129	55,000	(15,871)
General administration	20,158	25,000	(4,842)
School administration	67,461	80,000	(12,539)
Central services	6,602	9,000	(2,398)
Operations and maintenance	53,733	70,000	(16,267)
Student transportation services	40,273	50,000	(9,727)
Food service operations	25,915	33,812	(7,897)
Total Expenditures	$ 824,597	$ 967,812	$ (143,215)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
AT RISK FUND (K-12)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Operating transfers	$ 946,350	$ 1,106,610	$ (160,260)
EXPENDITURES			
Instruction	$ 793,780	$ 909,000	$ (115,220)
Student support services	150,216	145,000	5,216
Total Expenditures	$ 943,996	$ 1,054,000	$ (110,004)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,354		
UNENCUMBERED CASH - BEGINNING	69,598		
UNENCUMBERED CASH - ENDING	$ 71,952		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Charges for services	$ 1,300	$ 2,000	$ (700)
Operating transfers	75,000	90,000	(15,000)
Total Cash Receipts	$ 76,300	$ 92,000	$ (15,700)
EXPENDITURES			
Instruction	$ 74,740	$ 91,000	$ (16,260)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,560		
UNENCUMBERED CASH - BEGINNING	10,000		
UNENCUMBERED CASH - ENDING	$ 11,560		

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2021

	Textbook and Student Materials	Contingency Reserve	Title I	Impact Aid	Title VI	Title II-A Teacher Quality	JCCTCC Grant	Grow Your Own Teacher	ESSER	Title IV-A
RECEIPTS										
Local Sources										
Reimbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 194,863	$ -
State Sources										
State aid	-	-	-	-	-	-	-	-	86,916	-
Federal Sources										
Federal aid	-	-	133,168	133,423	57,727	22,239	-	-	-	14,808
Other Sources										
Charges for services	37,775	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	1	-	-
Miscellaneous	-	-	-	-	-	-	15,000	-	-	-
Operating transfers	47,422	88,000	-	-	-	-	-	-	-	-
Total Receipts	$ 85,197	$ 88,000	$ 133,168	$ 133,423	$ 57,727	$ 22,239	$ 15,000	$ 1	$ 281,779	$ 14,808
EXPENDITURES										
Instruction	$ 47,801	$ 70,000	$ 133,168	$ 55,638	$ 57,727	$ 22,239	$ 284	$ -	$ -	$ -
Student support services	-	-	-	8,000	-	-	-	-	-	14,808
Instructional support staff	-	-	-	-	-	-	-	-	344,294	-
General administration	-	-	-	-	-	-	10,804	-	-	-
Operations and maintenance	-	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	29,500	-	-	-	-	-	-
Total Expenditures	$ 47,801	$ 70,000	$ 133,168	$ 93,138	$ 57,727	$ 22,239	$ 11,088	$ -	$ 344,294	$ 14,808
RECEIPTS OVER (UNDER) EXPENDITURES	$ 37,396	$ 18,000	$ -	$ 40,285	$ -	$ -	$ 3,912	$ 1	$ (62,515)	$ -
UNENCUMBERED CASH - BEGINNING	137,584	450,000	-	149,126	-	-	16,960	479	-	-
UNENCUMBERED CASH - ENDING	$ 174,980	$ 468,000	$ -	$ 189,411	$ -	$ -	$ 20,872	$ 480	$ (62,515)	$ -

USD 337 - ROYAL VALLEY
Mayetta, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Balance June 30, 2021
High School	$ 49,447	$ 86,508	$ 79,889	$ 56,066
Middle School	11,866	9,078	9,650	11,294
RV Foundation	-	595	595	-
Total Agency Funds	$ 61,313	$ 96,181	$ 90,134	$ 67,360

USD 337 - ROYAL VALLEY
Mayetta, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2021
Gate Receipts						
High School	$ 37,765	$ 60,839	$ 69,119	$ 29,485	$ -	$ 29,485
Middle School	5,500	4,999	7,153	3,346	-	3,346
Subtotal Gate Receipts	$ 43,265	$ 65,838	$ 76,272	$ 32,831	$ -	$ 32,831
School Projects						
High School	$ 42,592	$ 37,635	$ 55,091	$ 25,136	$ -	$ 25,136
Middle School	25,671	3,521	4,227	24,965	-	24,965
Elementary	14,341	17,572	16,679	15,234	-	15,234
Subtotal School Projects	$ 82,604	$ 58,728	$ 75,997	$ 65,335	$ -	$ 65,335
Total District Activity Funds	$ 125,869	$ 124,566	$ 152,269	$ 98,166	$ -	$ 98,166

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Fedearl CFDA Number	Pass-Thru Entity Identifying Number	Federal Award Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
COVID-19 - National School Lunch Program	10.555	DO337	$ 5,613
Summer Food Service Program for Children	10.559	DO337	481,125
Subtotal Child Nutrition Cluster			$ 486,738
Farm to School Grant	10.575	DO337	8,596
Total U.S. Dept. of Agriculture			$ 495,334
U.S. Department of the Treasury			
Passed through Kansas Department of Education			
COVID-19 - Coronavirus Relief Fund	21.019	DO337	$ 6,363
U.S. Department of Education			
Direct Aid			
Impact Aid	84.041		$ 165,269
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Title VI-B Special Education	84.027A	DO337	$ 15,556
Early Childhood Education	84.173A	DO337	10,126
Subtotal Special Education (IDEA) Cluster			$ 25,682
Title I Grants to Local Educational Agencies	84.010	DO337	$ 133,168
Supporting Effective Instruction	84.367	DO337	22,239
ESSA Student Support Academic Enrichment	84.424A	DO337	14,808
COVID-19 - Emergency and Secondary			
Emergency Relief	84.425D	DO337	149,431
Total U.S. Department of Education			$ 510,597
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
Youth Risk Behavior Survey - Special Project	93.079	DO337	$ 200
TOTAL FEDERAL ASSISTANCE			$ 1,012,494

Note:
There were no federal awards passed through to subrecipients.

USD 337 - ROYAL VALLEY
Mayetta, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Note 1: Organization

Unified School District No. 337 Royal Valley (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 3: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2021.

Note 4: Non-Cash Assistance, Insurance, and Loans

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2021.

USD 337 - ROYAL VALLEY
Mayetta, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statement

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)	___ Yes	X No

Identification of major programs:

Name of Federal Program	CFDA Number
Child Nutrition Cluster	10.555 and 10.559

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	___ Yes	X No

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

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported

January 10, 2022

Board of Education
USD 337 - Royal Valley
Mayetta, Kansas

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the USD 337 - Royal Valley (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 10, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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 or other matters 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas

January 10, 2022

Board of Education
USD 337 - Royal Valley
Mayetta, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance In Accordance With The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the compliance of USD 377 - Royal Valley (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 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.

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

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas