UNIFIED SCHOOL DISTRICT NO. 336

Holton, Kansas

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
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May 25, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 336
Holton, Kansas

Independent Auditor's Report

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash - regulatory basis of Unified School District No. 336 (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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

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

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in 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 a report dated _____, on our consideration of the District's internal control over financial reporting and 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 reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS						
General Funds						
General Fund	$ -	$ 8,180,680	$ 8,180,680	$ -	$ 1,311	$ 1,311
Supplemental General Fund	88,278	2,499,629	2,477,819	110,088	18,979	129,067
Special Purpose Funds						
Career and Postsecondary Education	14,231	369,251	383,482	-	-	-
Special Education Fund	81,774	1,302,043	1,336,684	47,133	-	47,133
Driver Education	48,792	13,632	11,152	51,272	-	51,272
Food Service Fund	48,720	896,458	604,591	340,587	30,856	371,443
Capital Outlay Fund	909,961	1,420,870	1,770,484	560,347	725,462	1,285,809
Gifts and Grants Fund	2,536	14,491	1,495	15,532	-	15,532
Parent Education Fund	9,200	10,300	18,000	1,500	-	1,500
Professional Development Fund	7,058	66,137	73,095	100	150	250
Summer School Fund	37	23,222	21,128	2,131	-	2,131
Special Education Cooperative Fund	1,379,673	5,420,013	5,186,063	1,613,623	1,451	1,615,074
KPERS Special Contribution Fund	-	1,600,676	1,600,676	-	-	-
At-Risk (K-12)	2,169	820,000	822,169	-	-	-
Preschool-Aged At-Risk Fund	41,330	256,820	298,108	42	-	42
Bilingual Education Fund	-	65,000	65,000	-	-	-
Virtual Education Fund	-	107,292	107,292	-	-	-
District Activity Funds	209,477	310,745	313,578	206,644	-	206,644
Textbook Rental Fund	240,313	40,887	21,025	260,175	7,141	267,316
Contingency Reserve Fund	882,000	-	-	882,000	-	882,000
Title I Fund	-	183,096	183,096	-	-	-
Migrant Fund	-	16,559	16,559	-	-	-

(Continued)

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

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS (CONTINUED)						
Special Purpose Funds (Continued)						
Title VIB Fund	$ -	$ 28,419	$ 29,292	$ (873)	$ 1,365	$ 492
Mini-Grants	81	-	-	81	-	81
ACE Program Fund	-	325	90	235	-	235
Title ILA Fund	-	34,722	34,722	-	-	-
JCCTCC Fund	310	1,000	193	1,117	-	1,117
Carl Perkins Grant	5,492	6,426	11,918	-	-	-
ESSER - CARES	-	349,629	422,128	(72,499)	4,799	(67,700)
Bond and Interest Fund						
Bond and Interest Fund - #1	1,835,421	1,785,392	1,515,775	2,105,038	-	2,105,038
Capital Projects - Elementary Bond	181,593	125,224	113,532	193,285	-	193,285
Total Reporting Entity (Excluding Agency Funds)	$ 5,988,446	$ 25,948,938	$ 25,619,826	$ 6,317,558	$ 791,514	$ 7,109,072

Composition of Cash	
Checking Accounts	$ 1,059,588
Savings Accounts	6,144,693
Construction Account	1,956
Total Cash	$ 7,206,237
Less: Agency Funds per Schedule 3	(97,165)
Total Reporting Entity (Excluding Agency Funds)	$ 7,109,072

STATEMENT 1 (CONTINUED)

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

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2021

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

The Unified School District No. 336 (the District) is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting District's financial statement to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

Governmental Funds

General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds are used to account for the proceeds of specific revenue sources (other than major capital projects and tax levies for long-term debt) that are restricted by law or administrative action to expenditure for specified purposes.

Capital Project Funds are used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest Fund is used to account for the accumulation of resources for and the payment of interest and principal on general long-term debt.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Those include expendable trust funds and agency funds. The activity funds are considered an agency fund and the balance on hand is payable to student organizations.

Basis of Presentation

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 balances 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 revenues 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 municipality to use the statutory basis of accounting.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Descriptions (Continued)

Reimbursed Expenses

Expenditures in the amount of $9,437 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 statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 funds had a deficit balance of unencumbered cash as of June 30, 2021: ESSER - CARES. This fund is financed by Federal and State governmental agencies and the District is expecting reimbursement of qualifying grant expenditures.

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

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

Note 2: Budgetary Information (Continued)

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 budgeted expenditure authority lapses at year-end.

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

Title IIA Fund	ACE Grant Program Fund
Textbook Rental Fund	Contingency Reserve Fund
JCCTCC Grant Fund	Title I Fund
Carl Perkins Grant Fund	Mini-Grants Fund
ESSER - Cares Fund	Title VI B
Title I VA	

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

Note 3: Deposits and Investments

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

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

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

Custodial credit risk-deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not utilize peak periods. All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was $7,206,237 and the bank balance was $7,367,202. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $500,640 was covered by the federal depository insurance, and the remaining $6,866,562 was collateralized with bank pledged securities whose fair value on June 30, 2021 was $9,612,472. The pledged securities are held by a third party bank.

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

Note 4: In-Substance Receipt in Transit

The District received $603,853 subsequent to June 30, 2021 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note 5: 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 the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,600,676 for the year ended June 30, 2021.

Note 5: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $17,017,849. 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 of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district 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: Compensated Absences

The District does not reimburse employees for unused vacation time. Employees working less than twelve months per year earn ten days sick leave per year. Full year employees earn twelve days sick leave annually. Classified sick leave is accrued in hours equal to each individual's working day and cannot exceed the equivalent of seventy five of an individual's work days. Each year, the District reimburses employees for accumulated unused sick leave in excess of seventy five days. The District has not accrued compensated absences at June 30, 2021.

Note 9: Other Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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 10: Interfund Transfers

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	$ 1,239,512
General Fund	Capital Outlay Fund	K.S.A. 72-6428	119,562
General Fund	Career and Postsecondary Fund	K.S.A. 72-6428	369,251
General Fund	Preschool-Aged At-Risk Fund	K.S.A. 72-6428	254,651
General Fund	Bilingual Fund	K.S.A. 72-6428	8,109
General Fund	Virtual Education Fund	K.S.A. 72-6428	107,292
General Fund	Professional Development Fund	K.S.A. 72-6428	6,149
General Fund	Parent Education Fund	K.S.A. 72-6428	10,300
General Fund	Summer School Fund	K.S.A. 72-6428	23,222
Supplemental General Fund	Bilingual Fund	K.S.A. 72-6428	56,891
Supplemental General Fund	Food Service Fund	K.S.A. 72-6425	1,420
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6425	47,357
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6426	820,000
			$ 3,063,716

Note 11: Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statement.

Note 12: Subsequent Events

Management has evaluated subsequent events through May 25, 2022, which is the date the financial statement was available to be released.

Note 13: Indebtedness

K.S.A. 72-5457 restricts the level of authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District without obtaining approval from the State Board of Education. The assessed valuation as of June 30, 2021 is $54,578,417 which creates a general legal debt limit of $7,640,978. The District has received approval from the Kansas State Board of Education to exceed the general bond debt limitation.

Note 14: COVID-19

On January 30, 2021, 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 15: 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 $250,760 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 16: Long-Term Debt

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

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Changes	Balance End of Year	Interest Paid
General Obligation Bonds										
2014 Issue	2-6.07%	8/27/14	$ 3,485,000	9/1/22	$ 1,825,000	$ -	$ 585,000	$ (585,000)	$ 1,240,000	$ 70,775.00
2017 Issue	3-4%	6/1/17	9,230,000	9/1/36	8,990,000	-	125,000	(125,000)	8,865,000	302,325
2017-8 Issue	3-4%	6/1/17	8,570,000	9/1/36	8,300,000	-	125,000	(125,000)	8,175,000	307,675
Capital Leases										
High School Addition #1	2-3.5%	4/1/12	1,720,000	4/1/22	385,000	-	190,000	(190,000)	195,000	13,476
High School Addition #2	.95-2.88	5/1/13	560,000	4/1/23	180,000	-	60,000	(60,000)	120,000	8,183
Total Long-Term Debt					$ 19,680,000	$ -	$ 1,085,000	$ (1,085,000)	$ 18,595,000	$ 702,434

Note 16: Long-Term Debt (Continued)

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

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	Total
Principal									
General Obligation Bonds	$ 865,000	$ 905,000	$ 940,000	$ 975,000	$ 1,010,000	$ 5,585,000	$ 6,585,000	$ 1,415,000	$ 18,280,000
Capital Leases	255,000	60,000	-	-	-	-	-	-	315,000
Total Principal	$ 1,120,000	$ 965,000	$ 940,000	$ 975,000	$ 1,010,000	$ 5,585,000	$ 6,585,000	$ 1,415,000	$ 18,595,000
Interest									
General Obligation Bonds	$ 649,225	$ 610,275	$ 573,350	$ 539,650	$ 505,525	$ 1,982,157	$ 948,919	$ 28,300	$ 5,837,401
Capital Leases	10,202	1,726	-	-	-	-	-	-	11,928
Total Interest	$ 659,427	$ 612,001	$ 573,350	$ 539,650	$ 505,525	$ 1,982,157	$ 948,919	$ 28,300	$ 5,849,329
TOTAL PRINCIPAL AND INTEREST	$ 1,779,427	$ 1,577,001	$ 1,513,350	$ 1,514,650	$ 1,515,525	$ 7,567,157	$ 7,533,919	$ 1,443,300	$ 24,444,329

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:						
General Fund	$ 8,409,370	$ (238,127)	$ 9,437	$ 8,180,680	$ 8,180,680	$ -
Supplemental General Fund	2,503,532	(25,713)	-	2,477,819	2,477,819	-
Special Revenue Funds						
Career and Postsecondary Education Fund	383,603	-	-	383,603	383,482	(121)
Special Education Fund	1,369,010	-	-	1,369,010	1,336,684	(32,326)
Driver Training Fund	60,374	-	-	60,374	11,152	(49,222)
Food Service Fund	604,591	-	-	604,591	604,591	-
Capital Outlay Fund	1,973,871	-	-	1,973,871	1,770,484	(203,387)
Gifts and Grants Fund	27,422	-	-	27,422	1,495	(25,927)
Parent Education Fund	18,000	-	-	18,000	18,000	-
Professional Development Fund	79,554	-	-	79,554	73,095	(6,459)
Summer School Fund	27,543	-	-	27,543	21,128	(6,415)
Special Education Cooperative Fund	6,823,183	-	-	6,823,183	5,186,063	(1,637,120)
KPERS Special Contribution Fund	1,807,012	-	-	1,807,012	1,600,676	(206,336)
At-Risk Fund (K-12)	822,169	-	-	822,169	822,169	-
Preschool-Aged At-Risk Fund	311,330	-	-	311,330	298,108	(13,222)
Bilingual Education Fund	65,000	-	-	65,000	65,000	-
Virtual Education Fund	107,292	-	-	107,292	107,292	-
Bond & Interest Fund						
Bond and Interest Fund	1,515,775	-	-	1,515,775	1,515,775	-
Total Funds	$ 26,908,631	$ (263,840)	$ 9,437	$ 26,654,228	$ 24,473,693	$ (2,180,535)

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 aid/grants	$ 8,171,243	$ 8,409,370	$ (238,127)
Reimbursements	9,437	-	9,437
Total Receipts	$ 8,180,680	$ 8,409,370	$ (228,690)
EXPENDITURES			
Instruction	$ 3,097,629	$ 3,436,908	$ (339,279)
Student support services	375,757	356,550	19,207
Instructional support staff	286,032	392,937	(106,905)
General administration	136,874	133,202	3,672
School administration	599,065	638,761	(39,696)
Operations and maintenance	1,083,478	688,773	394,705
Student transportation services	393,357	413,580	(20,223)
Central support services	144,976	109,287	35,689
Operating transfers	2,063,512	2,239,372	(175,860)
Adjustment to comply with legal max	-	(238,127)	238,127
Adjustment for qualifying budget credits	-	9,437	(9,437)
Total Expenditures	$ 8,180,680	$ 8,180,680	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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			
Taxes and Shared Revenue			
Ad valorem property tax	$ 737,789	$ 749,221	$ (11,432)
Delinquent tax	10,748	11,406	(658)
Motor vehicle tax	100,721	88,142	12,579
RV tax	1,878	1,397	481
CV tax	-	3,414	(3,414)
State aid/grants	1,648,493	1,665,600	(17,107)
Total Receipts	$ 2,499,629	$ 2,519,180	$ (19,551)
EXPENDITURES			
Instruction	$ 1,080,617	$ 829,746	$ 250,871
Student support services	7,474	5,999	1,475
Instructional support staff	39,002	30,978	8,024
General administration	15,352	12,816	2,536
School administration	75,268	73,950	1,318
Operations and maintenance	189,918	557,988	(368,070)
Student transportation services	33,977	33,373	604
Operating transfers	1,036,211	958,682	77,529
Adjustment to comply with legal max	-	(25,713)	25,713
Total Expenditures	$ 2,477,819	$ 2,477,819	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 21,810		
UNENCUMBERED CASH - BEGINNING	88,278		
UNENCUMBERED CASH - ENDING	$ 110,088		

UNIFIED SCHOOL DISTRICT NO. 336
Abilene, 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	$ 369,251	$ 369,372	$ (121)
EXPENDITURES			
Instruction	$ 383,482	$ 383,603	$ (121)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (14,231)		
UNENCUMBERED CASH - BEGINNING	14,231		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 - Other	$ 47,396	$ 14,742	$ 32,654
Federal grants	15,135	40,446	(25,311)
Operating transfers	1,239,512	1,232,048	7,464
Total Receipts	$ 1,302,043	$ 1,287,236	$ 14,807
EXPENDITURES			
Instruction	$ 1,302,321	$ 1,330,164	$ (27,843)
Student transportation services	34,363	38,846	(4,483)
Total Expenditures	$ 1,336,684	$ 1,369,010	$ (32,326)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (34,641)		
UNENCUMBERED CASH - BEGINNING	81,774		
UNENCUMBERED CASH - ENDING	$ 47,133		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 - Other	$ 8,736	$ 7,832	$ 904
State aid/grants	4,896	3,750	1,146
Total Receipts	$ 13,632	$ 11,582	$ 2,050
EXPENDITURES			
Instruction	$ 10,320	$ 12,383	$ (2,063)
Operations and maintenance	832	47,991	(47,159)
Total Expenditures	$ 11,152	$ 60,374	$ (49,222)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,480		
UNENCUMBERED CASH - BEGINNING	48,792		
UNENCUMBERED CASH - ENDING	$ 51,272		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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			
Federal grants	$ 847,536	$ 359,668	$ 487,868
State aid/grants	7,691	4,250	3,441
Charges for services	31,354	185,678	(154,324)
Local sources - food service	8,457	-	8,457
Miscellaneous revenues	-	1,275	(1,275)
Operating transfers	1,420	5,000	(3,580)
Total Receipts	$ 896,458	$ 555,871	$ 340,587
EXPENDITURES			
Food service operations	$ 604,591	$ 604,591	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 291,867		
UNENCUMBERED CASH - BEGINNING	48,720		
UNENCUMBERED CASH - ENDING	$ 340,587		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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			
Taxes and Shared Revenue			
Ad valorem property tax	$ 432,514	$ 394,683	$ 37,831
Delinquent tax	5,346	6,291	(945)
Motor vehicle tax	53,462	48,352	5,110
RV tax	-	766	(766)
Mineral production tax	-	1,872	(1,872)
Local - Other	482,521	28,437	454,084
Reimbursements	12,159	-	12,159
State aid/grants	266,008	266,342	(334)
Interest income	13,291	17,167	(3,876)
Operating transfers	155,569	300,000	(144,431)
Total Receipts	$ 1,420,870	$ 1,063,910	$ 356,960
EXPENDITURES			
Instruction	$ 5,376	$ -	$ 5,376
Operations and maintenance	19,462	37,038	(17,576)
Student transportation services	231,000	200,000	31,000
Facility acquisition and construction services	1,514,646	1,736,833	(222,187)
Total Expenditures	$ 1,770,484	$ 1,973,871	$ (203,387)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (349,614)		
UNENCUMBERED CASH - BEGINNING	909,961		
UNENCUMBERED CASH - ENDING	$ 560,347		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 - Other	$ 14,491	$ 24,805	$ (10,314)
EXPENDITURES			
Instruction	$ 1,495	$ 27,422	$ (25,927)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 12,996		
UNENCUMBERED CASH - BEGINNING	2,536		
UNENCUMBERED CASH - ENDING	$ 15,532		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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			
Operating transfers	$ 10,300	$ 8,800	$ 1,500
EXPENDITURES			
Student support services	$ 18,000	$ 18,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (7,700)		
UNENCUMBERED CASH - BEGINNING	9,200		
UNENCUMBERED CASH - ENDING	$ 1,500		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 aid/grants	$ 12,631	$ 12,614	$ 17
Operating transfers	53,506	100,328	(46,822)
Total Receipts	$ 66,137	$ 112,942	$ (46,805)
EXPENDITURES			
Instruction	$ 73,095	$ 79,554	$ (6,459)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (6,958)		
UNENCUMBERED CASH - BEGINNING	7,058		
UNENCUMBERED CASH - ENDING	$ 100		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SUMMER SCHOOL 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	$ 23,222	$ 27,506	$ (4,284)
EXPENDITURES			
Instruction	$ 20,872	$ 27,379	$ (6,507)
Operations and maintenance	256	164	92
Total Expenditures	$ 21,128	$ 27,543	$ (6,415)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,094		
UNENCUMBERED CASH - BEGINNING	37		
UNENCUMBERED CASH - ENDING	$ 2,131		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SPECIAL EDUCATION COOPERATIVE 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 - Coop	$ 4,183,206	$ 4,361,960	$ (178,754)
Local - Other	50,789	20,278	30,511
Federal grants	1,186,018	1,061,272	124,746
Total Receipts	$ 5,420,013	$ 5,443,510	$ (23,497)
EXPENDITURES			
Instruction	$ 4,487,019	$ 4,979,334	$ (492,315)
Student support services	255,045	247,563	7,482
General administration	328,164	328,700	(536)
Operations and maintenance	30,760	23,511	7,249
Student transportation services	18,726	14,894	3,832
Central support services	66,349	1,229,181	(1,162,832)
Total Expenditures	$ 5,186,063	$ 6,823,183	$ (1,637,120)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 233,950		
UNENCUMBERED CASH - BEGINNING	1,379,673		
UNENCUMBERED CASH - ENDING	$ 1,613,623		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, 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 aid/grants	$ 1,600,676	$ 1,807,012	$ (206,336)
EXPENDITURES			
Instruction	$ 1,312,554	$ 1,481,752	$ (169,198)
Student support services	32,014	36,140	(4,126)
Instructional support staff	32,014	36,140	(4,126)
General administration	48,020	54,210	(6,190)
School administration	64,026	72,280	(8,254)
Operations and maintenance	32,014	54,210	(22,196)
Student transportation services	48,020	36,140	11,880
Central support services	16,007	18,070	(2,063)
Other support services	16,007	18,070	(2,063)
Total Expenditures	$ 1,600,676	$ 1,807,012	$ (206,336)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
AT-RISK (K-12) 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	$ 820,000	$ 820,000	$ -
EXPENDITURES			
Instruction	$ 820,705	$ 816,461	$ 4,244
Student transportation services	1,464	5,708	(4,244)
Total Expenditures	$ 822,169	$ 822,169	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,169)		
UNENCUMBERED CASH - BEGINNING	2,169		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
PRESCHOOL-AGED AT-RISK 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	$ 2,169	$ -	$ 2,169
Operating transfers	254,651	270,000	(15,349)
Total Receipts	$ 256,820	$ 270,000	$ (13,180)
EXPENDITURES			
Instruction	$ 274,972	$ 285,531	$ (10,559)
Student transportation services	23,136	25,799	(2,663)
Total Expenditures	$ 298,108	$ 311,330	$ (13,222)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (41,288)		
UNENCUMBERED CASH - BEGINNING	41,330		
UNENCUMBERED CASH - ENDING	$ 42		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
BILINGUAL 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	$ 65,000	$ 65,000	$ -
EXPENDITURES			
Instruction	$ 65,000	$ 65,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
VIRTUAL 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	$ 107,292	$ 107,292	$ -
EXPENDITURES			
Instruction	$ 9,422	$ 14,905	$ (5,483)
School administration	89,850	84,732	5,118
Operations and maintenance	8,020	7,655	365
Total Expenditures	$ 107,292	$ 107,292	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021

	Textbook Rental	Contingency Reserve	Title I	Title IVA Drug Free	Title VIB	Min-Grants	ACE Grant Program
CASH RECEIPTS							
Federal grants	$ -	$ -	$ 183,096	$ 16,559	$ 28,419	$ -	$ -
Local sources - other	40,887	-	-	-	-	-	325
Total Receipts	$ 40,887	$ -	$ 183,096	$ 16,559	$ 28,419	$ -	$ 325
EXPENDITURES							
Instruction	$ 14,113	$ -	$ 183,096	$ 16,559	$ 23,422	$ -	$ 90
Student support services	-	-	-	-	-	-	-
Instructional support staff	6,912	-	-	-	-	-	-
General administration	-	-	-	-	5,870	-	-
Food service operations	-	-	-	-	-	-	-
Total Expenditures	$ 21,025	$ -	$ 183,096	$ 16,559	$ 29,292	$ -	$ 90
RECEIPTS OVER (UNDER) EXPENDITURES	$ 19,862	$ -	$ -	$ -	$ (873)	$ -	$ 235
UNENCUMBERED CASH - BEGINNING	240,313	882,000	-	-	-	81	-
UNENCUMBERED CASH - ENDING	$ 260,175	$ 882,000	$ -	$ -	$ (873)	$ 81	$ 235

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021

	Title IIA	JCCTCC Grant	Carl Perkins Grant	ESSER - CARES
CASH RECEIPTS				
Federal grants	$ 34,722	$ -	$ 6,426	$ 349,629
Local sources - other	-	1,000	-	-
Total Receipts	$ 34,722	$ 1,000	$ 6,426	$ 349,629
EXPENDITURES				
Instruction	$ 34,722	$ 193	$ 11,918	$ 405,617
Student support services	-	-	-	179
Instructional support staff	-	-	-	-
General administration	-	-	-	-
Food service operations	-	-	-	16,332
Total Expenditures	$ 34,722	$ 193	$ 11,918	$ 422,128
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 807	$ (5,492)	$ (72,499)
UNENCUMBERED CASH - BEGINNING	-	310	5,492	-
UNENCUMBERED CASH - ENDING	$ -	$ 1,117	$ -	$ (72,499)

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
BOND AND INTEREST 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			
Taxes and Shared Revenue			
Ad valorem property tax	$ 753,129	$ 691,890	$ 61,239
Delinquent tax	8,966	11,030	(2,064)
Motor vehicle tax	98,674	84,762	13,912
RV tax	-	1,343	(1,343)
CV tax	-	3,282	(3,282)
State aid/grants	924,623	924,623	-
Total Receipts	$ 1,785,392	$ 1,716,930	$ 68,462
EXPENDITURES			
Debt service	$ 1,515,775	$ 1,515,775	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 269,617		
UNENCUMBERED CASH - BEGINNING	1,835,421		
UNENCUMBERED CASH - ENDING	$ 2,105,038		

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
CAPITAL PROJECTS FUND - ELEMENTARY BOND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021

CASH RECEIPTS		
Local sources - other	$	125,000
Miscellaneous		224
Total Receipts	$	125,224
EXPENDITURES		
Instruction	$	15,858
Facility acquisition and construction		97,674
Total Expenditures	$	113,532
RECEIPTS OVER (UNDER) EXPENDITURES	$	11,692
UNENCUMBERED CASH - BEGINNING		181,593
UNENCUMBERED CASH - ENDING	$	193,285

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Liabilities	$ 266,254	$ -	$ 266,254	$ -
High School				
Art	1,898	1,348	1,633	1,613
Band	3,858	13,345	14,589	2,614
Constitution Club	27	-	-	27
Drama	5,460	-	557	4,903
FFA	6,149	10,569	11,929	4,789
FFA Grants	1,200	-	-	1,200
FCCLA Club	4,007	5,181	5,982	3,206
FACS Fees	3,960	1,740	290	5,410
Kay Club	572	18	119	471
KLASS	853	-	89	764
National Honor Society	317	-	-	317
Spirit Club	6,452	9,199	7,764	7,887
Petty Cash	400	2,000	2,400	-
Textbooks	-	11,560	11,560	-
Student Council	24,050	4,833	26,020	2,863
Vocal Music	6,138	3,673	4,075	5,736
Vocational Agriculture	378	875	459	794
FCA Club	801	-	801	-
Summer Weights	-	2,360	2,360	-
Class of 2010	96	-	-	96
Class of 2011	682	-	-	682
Class of 2015	120	-	-	120
Class of 2016	113	-	-	113
Class of 2018	1,728	-	-	1,728
Class of 2020	1,286	60	300	1,046
Class of 2021	3,058	395	3,065	388
Class of 2022	3,155	920	3,177	898
Class of 2023	1,778	2,282	-	4,060
Class of 2024	-	1,775	25	1,750
Lettercats	3,017	-	3,017	-
FBLA Club	1,823	226	139	1,910
Spanish Club	407	-	-	407
Middle School				
Student Council	284	595	305	574
Technology	3,405	2,510	2,160	3,755
Kays	21,241	16,997	8,797	29,441
Music	990	360	210	1,140
Cookie Dough	10,463	1,541	8,720	3,284
S.A.F.E.	427	790	661	556
Art	1,353	1,650	380	2,623
Total	$ 388,200	$ 96,802	$ 387,837	$ 97,165

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts					
Middle School					
Athletics	$ 2,329	$ 16,212	$ 18,292	$ 249	$ 249
Volleyball	150	-	-	150	150
Concessions	3,160	701	1,416	2,445	2,445
High School					
Athletics	8,840	72,583	80,586	837	837
Boys Basketball	62	5,197	5,259	-	-
Girls Basketball	388	-	-	388	388
Track Club	37	530	-	567	567
Volleyball	272	-	-	272	272
Wrestling	59	-	-	59	59
Cross Country	2,061	-	119	1,942	1,942
Softball	1	11,603	11,188	416	$ 416
Subtotal Gate Receipts	$ 17,359	$ 106,826	$ 116,860	$ 7,325	$ 7,325
School Projects					
Holton Elementary					
General	$ 4,895	$ 8,163	$ 10,660	$ 2,398	$ 2,398
Petty Cash	-	55	55	-	-
PBIS	1,599	130	-	1,729	1,729
Owls Garden Fund	1,051	520	206	1,365	1,365
Optimist Donation	550	-	550	-	-
Book Fair	1,063	10,029	9,818	1,274	1,274
Preschool	2,040	150	2,190	-	-
ACE After School	-	385	385	-	-
Textbook	-	14,847	14,847	-	-
Food Service	45	13,198	13,243	-	-
Grants	-	1,921	720	1,201	1,201
Yearbook	-	1,730	4	1,726	1,726
Fieldtrips	-	811	809	2	2
Middle School					
Faculty	419	1,000	1,423	(4)	(4)
Library	1,110	8	-	1,118	1,118
School Fund	3,656	400	1,527	2,529	2,529
Petty Cash and Sales Tax	-	400	400	-	-
Yearbooks	(2,817)	4,274	1,507	(50)	(50)
Pictures	523	-	523	-	-
Awards	(479)	5,291	4,392	420	420
Textbook	-	7,605	7,605	-	-
Food Service	-	12,090	12,090	-	-

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
School Projects (Continued)					
High School					
Concessions	28,897	11,515	16,767	23,645	23,645
Program Ads	39,967	27,705	33,091	34,581	34,581
Drivers Ed Fees	-	9,182	9,182	-	-
Holtonian	870	3,310	1,765	2,415	2,415
JCYC	699	5,217	4,778	1,138	1,138
Football Stadium	34,603	5,950	-	40,553	40,553
Touchdown Club	3,791	350	3,909	232	232
Laptop Insurance	5,646	15,129	3,938	16,837	16,837
Lift A Thon	4,521	2,796	810	6,507	6,507
PE Grant	1,876	-	31	1,845	1,845
School Fund	32,986	14,137	15,363	31,760	31,760
Wall Picture	2,424	-	-	2,424	2,424
Yearbook	3,200	18,538	17,483	4,255	4,255
Orders/Testing	5,262	3,015	2,587	5,690	5,690
IHT	902	-	-	902	902
Staff Grants	265	-	-	265	265
Character Program	5,320	-	-	5,320	5,320
Patio Pavers	1,791	-	-	1,791	1,791
AG Metal	1,516	1,694	1,608	1,602	1,602
Band Rental Fee	287	2,179	2,452	14	14
Band Classroom	2,540	60	-	2,600	2,600
Harold Kennedy	1,100	-	-	1,100	1,100
Greenhouse	-	135	-	135	135
Subtotal School Projects	$ 192,118	$ 203,919	$ 196,718	$ 199,319	$ 199,319
Total District Activity Funds	$ 209,477	$ 310,745	$ 313,578	$ 206,644	$ 206,644

VARNEY
& ASSOCIATES, CPAs, LLC

May 25, 2022

Board of Education
Unified School District No. 336
Holton, 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 Unified School District No. 336 (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 May 25, 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.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

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 Public Accountants
Manhattan, Kansas

May 25, 2022

Board of Education
Unified School District No. 336
Holton, 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 Unified School District No. 336 (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.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

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 Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Note 1: Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 336 Holton, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

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: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: 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 5: Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2021.

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

	Federal AL Number	Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Department of Agriculture				
Passed through Kansas Department of Education				
Child Nutrition Cluster				
COVID-19 - National School Lunch Program	10.555	D0336	$ 194,852	$ -
Summer Food Service Program for Children	10.559	D0336	409,739	-
Total			$ 604,591	$ -
U.S. Department of Education				
Passed through Kansas Department of Education				
Special Education (IDEA) Cluster				
Special Education Grants to States	84.027	D0336	$ 805,701	$ -
Special Education Preschool Grants	84.173	D0336	34,027	-
Total Special Education (IDEA) Cluster			$ 839,728	$ -
Passed through Kansas Department of Education				
Title I Low Income	84.010	D0336	$ 166,538	$ -
EHC Flo-Thru	84.048	D0336	1,380	-
Reserve Fund	84.287	D0336	-	-
Early Childhood Aid	84.367	D0336	34,772	-
Supporting Effective Instruction	84.424	D0336	16,559	-
COVID-19 - Emergency and Secondary School		D0336	-	-
Emergency Relief	84.425D	D0336	114,004	
Total U.S. Department of Education			$ 333,253	$ -
TOTAL FEDERAL ASSISTANCE			$ 1,777,572	$ -

UNIFIED SCHOOL DISTRICT NO. 336
Holton, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

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 statements 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