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Certified Public Accountants

VALLEY HEIGHTS
UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENT
FOR FISCAL YEAR ENDED JUNE 30, 2021

Prepared By
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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 498
Blue Rapids, Kansas 66411

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Valley Heights Unified School District No. 498, Blue Rapids, Kansas, as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 C; 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.

Auditors' Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 C. of the financial statement, the financial statement is prepared by Valley Heights Unified School District No. 498, Blue Rapids, 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 C. and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Valley Heights Unified School District No. 498, Blue Rapids, Kansas, as of June 30, 2021, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Valley Heights Unified School District No. 498, Blue Rapids, Kansas, 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 C.

Other Matters
Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures–actual and budget, schedule of regulatory basis receipts and disbursements - agency funds, and schedule of regulatory basis receipts, expenditures and unencumbered cash – district 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 C.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement of Unified School District No. 498, Blue Rapids, Kansas. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement.

The schedule of expenditures of federal awards 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. Such 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 basic financial statement or 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole, on the basis of accounting described in Note 1 C.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 10, 2022, on our consideration of the Valley Heights Unified School District No. 498, Blue Rapids, Kansas' 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 solely 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 effectiveness of the District's 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 Valley Heights Unified School District No. 498, Blue Rapids, Kansas' internal control over financial reporting and compliance.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
January 10, 2022

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

FINANCIAL INFORMATION

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GENERAL FUNDS:							
GENERAL FUND	$ 0.00	$ 0.00	$ 3,819,208.98	$ 3,819,208.98	$ 0.00	$ 0.00	$ 0.00
SUPPLEMENTAL GENERAL	27,126.09	0.00	1,326,793.30	1,293,772.99	60,146.40	0.00	60,146.40
SPECIAL PURPOSE FUNDS:							
PRESCHOOL-AGED AT-RISK	0.00	0.00	25,130.00	25,130.00	0.00	0.00	0.00
AT RISK K-12	0.00	0.00	373,993.00	372,830.00	1,163.00	0.00	1,163.00
BILINGUAL EDUCATION	0.00	0.00	3,198.00	3,198.00	0.00	0.00	0.00
CAPITAL OUTLAY	766,743.30	0.00	448,629.17	439,009.97	776,362.50	280,299.00	1,056,661.50
DRIVER TRAINING	29,710.26	0.00	7,583.00	6,426.77	30,866.49	0.00	30,866.49
FOOD SERVICE	30,330.43	0.00	393,172.85	375,850.98	47,652.30	0.00	47,652.30
PROFESSIONAL DEVELOPMENT	45,422.18	0.00	17,689.52	22,089.02	41,022.68	0.00	41,022.68
PARENTS AS TEACHERS	0.00	0.00	100,485.00	100,485.00	0.00	0.00	0.00
SPECIAL EDUCATION	194,669.80	0.00	946,097.07	863,089.75	277,677.12	0.00	277,677.12
CAREER & POSTSECONDARY EDUCATION	61,715.32	0.00	160,603.85	116,745.55	105,573.62	0.00	105,573.62
KPERS SPECIAL RETIREMENT CONTR. FUND	0.00	0.00	413,297.42	413,297.42	0.00	0.00	0.00
CONTINGENCY RESERVE	196,671.00	0.00	0.00	0.00	196,671.00	0.00	196,671.00
TEXTBOOK RENTAL	44,136.96	0.00	9,038.31	1,737.93	51,437.34	0.00	51,437.34
COMMUNITY EDUCATION	10,511.61	0.00	118,951.12	119,004.67	10,458.06	0.00	10,458.06
GIFTS & GRANTS	4,179.00	0.00	9,050.00	3,863.73	9,365.27	0.00	9,365.27
KANSAS READING ROADMAP GRANT	(16,400.97)	0.00	30,077.98	13,677.01	0.00	0.00	0.00
KS AFTERSCHOOL ENHANCEMENT GRANT	4,500.62	0.00	10,327.00	14,827.62	0.00	0.00	0.00
HRSA GRANT	0.00	0.00	185,738.15	190,553.49	(4,815.34)	0.00	(4,815.34)
TITLE I	(17,314.75)	0.00	127,382.00	110,067.25	0.00	0.00	0.00
TITLE IIA	0.00	0.00	11,980.00	11,980.00	0.00	0.00	0.00
TITLE IVA	0.00	0.00	13,093.00	13,093.00	0.00	0.00	0.00
21st CENTURY COMMUNITY LEARNING CENTER	(19,021.18)	0.00	88,478.00	98,065.23	(28,608.41)	0.00	(28,608.41)
CARES-ESSER	(56,072.00)	0.00	56,072.00	0.00	0.00	0.00	0.00
CARES-ESSER II	0.00	0.00	0.00	25,332.14	(25,332.14)	0.00	(25,332.14)
SPARKS	0.00	0.00	38,361.42	38,361.42	0.00	0.00	0.00
GATE RECEIPTS FUND	3,187.25	0.00	31,140.57	30,633.58	3,694.24	0.00	3,694.24
SCHOOL PROJECT FUNDS	60,035.65	0.00	48,639.75	54,618.41	54,056.99	0.00	54,056.99
BOND AND INTEREST FUNDS:							
BOND AND INTEREST	545,060.53	0.00	360,501.79	312,700.00	592,862.32	0.00	592,862.32
QZAB SINKING FUND	299,999.97	0.00	71,541.66	38,208.33	333,333.30	0.00	333,333.30
TRUST FUNDS:							
L.E. WILLSON TRUST	386,433.76	0.00	235,184.79	109,455.65	512,162.90	0.00	512,162.90
VALLEY HEIGHTS ACTIVITY SCHOLARSHIPS	8,591.12	0.00	23,441.00	18,135.00	13,897.12	0.00	13,897.12
TOTAL REPORTING ENTITY (Excluding Agency Funds)	$ 2,610,215.95	$ 0.00	$ 9,504,879.70	$ 9,055,448.89	$ 3,059,646.76	$ 280,299.00	$ 3,339,945.76

(cont.)

The Notes to the Financial Statement are an integral part of this Statement.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ENDING CASH BALANCE
COMPOSITION OF CASH:	
CASH IN BANK, CITIZENS STATE BANK, WATERVILLE, KANSAS	
- DISTRICT ACCOUNTS	$ 675,997.18
- WILLSON ACCOUNTS	512,162.90
- SINKING FUND	333,333.30
SUBTOTAL CITIZENS STATE BANK	1,521,493.38
CASH IN BANK, FIRST COMMERCE, BLUE RAPIDS, KANSAS	
- DISTRICT ACCOUNTS	1,854,758.55
SUBTOTAL FIRST COMMERCE, BLUE RAPIDS, KANSAS	1,854,758.55
TOTAL CASH	3,376,251.93
LESS AGENCY FUNDS per SCHEDULE 3	(36,306.17)
TOTAL REPORTING ENTITY CASH (Excluding Agency Funds)	$ 3,339,945.76

The Notes to the Financial Statement are an integral part of this Statement.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

Vallely Heights Unified School District No. 498 is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Valley Heights Unified School District No. 498 (the District) and does not include any related municipal entities.

B. Regulatory Basis Fund Types

General Fund—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund—used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

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

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

C. Basis of Accounting

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

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

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Reimbursements

Valley Heights Unified School District No. 498 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis accounting.

E. Budgetary Information

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

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

The District published the budget July 30th and the hearing and adoption of the budget was August 10th. The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one such budget amendment for Preschool-Aged At-Risk this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for 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: Contingency Reserve, Textbook Rental, and all federal programs and grant funds.

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgetary Information (cont.)

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.

F. Property Tax

The county clerk calculates the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the county treasurer, who prepares tax statements and receives payment.

Taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 21st and May 11th. Delinquent taxes were assessed interest at 11% and 9% per annum for calendar years 2020 and 2021 respectively. This interest is retained by the county. Taxes levied to finance the budget are made available to the district after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

2. DEPOSITS AND INVESTMENTS

As of June 30, 2021, Unified School District #498 had the following investments and maturities.

Investment Type	Cost	Fair Value	Rating
Cavanal Hill US Treasury Fund	0.00	0.00	AAA by S & P
Money Market Mutual Fund which doesn't have a maturity date. Funds may be drawn down at any time.			

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 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. The District's allocation of investments as of June 30, 2021, is as follows:

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

2. DEPOSITS AND INVESTMENTS (cont.)

Investments	Percentage of Investments
Cavanal Hill US Treasury	100%

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

At June 30, 2021, the carrying amount of the District's deposits, including certificates of deposit, was $3,376,251.93 and the bank balance was $3,498,783.08. The bank balance was held by three banks resulting in a concentration of credit risk. Of the total bank balance, $752,900.43 was covered by FDIC insurance and the remaining $2,745,882.65 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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 statues require investments to be adequately secured. At June 30, 2021, the District had invested $0.00 in the Money Market Funds of the Bond Trustee, Bank of Kansas City, which is secured by U.S. Government Securities.

3. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $270,047.00 subsequent to June 30, 2021 and as required by K.S.A. 72-5135 and 72-5145 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

4. LONG-TERM DEBT

a) Lease Purchase
Unified School District #498 entered into a lease purchase agreement with the Bank of Kansas City, Kansas City, Missouri for energy improvements 12/29/10. Qualified Zone Academy Bonds were purchased by the two local banks. The Series 2010A QZAB Bonds have a tax credit of 5.85% and the Series 2010B QZAB Bonds have an interest rate of 5.85%. The lease purchase agreement is set up for basic rent payments and to be limited to payment from available revenues and will constitute a current expense of the district and not debt of the district. The U.S. Treasury was supposed to pay for the entire interest due for the Series 2010B but due to sequestration, the District had to pay 7.2% of the $9,750.00 interest due in December, 2013. Due to late submission of paperwork the District paid the entire interest amount of $8,775.00 in June of 2014 but U.S. Treasury did pay their portion

4. LONG-TERM DEBT (cont.)

in July, 2014. The District had to pay 7.3% of the $16,575.00 interest due in FYE15, 6.8% of the $14,625.00 interest in FYE16, and 6.9% of the $12,675.00 interest due in FYE17. In FYE18 the rate was 6.6% and IRS didn't make the December payment so the District paid $6,171.75 of the $10,725.00 interest due. Interest rate for FYE19 was 6.2% and the 2nd payment wasn't made until 7/1/19. In FYE20 the rate was 5.9% and the District paid the June payment and was reimbursed by IRS in July, 2020. The rate in FYE21 was 5.7%. The rate the U.S. Treasury will pay has varied over the years. Interest payments projected below are calculated using the latest rate available which is what the district will have to pay 5.7% of the interest amount due. The schedule of basic rent payments for the Series 2010A and Series 2010B Certificates are shown below for informational purposes.

b) Changes in long-term liabilities and the basic rent payments for the school 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 PRINCIPAL OUTSTANDING	ADDITIONS TO PRINCIPAL	REDUCTIONS OF PRINCIPAL	NET CHANGE IN PRINCIPAL	ENDING PRINCIPAL OUTSTANDING	INTEREST PAID
GENERAL OBLIGATION BONDS										
REFUNDING SERIES 2016	2 - 3%	11/01/16	1,645,000.00	09/01/23	1,230,000.00	0.00	280,000.00	(280,000.00)	950,000.00	32,700.00
LEASE PURCHASE AGREEMENT WITH BANK OF KANSAS CITY										
QUALIFIED ZONE ACADEMY BONDS										
CERTIFICATE OF PARTICIPATION										
SERIES 2010B	5.85%	12/29/10	400,000.00	12/29/22	100,000.03	0.00	33,333.33	(33,333.33)	66,666.70	(2,489.63)
SERIES 2010A	5.85% TAX CREDIT	12/29/10	400,000.00	12/29/22	400,000.00	0.00	0.00	0.00	400,000.00	0.00
					$ 1,730,000.03	$ 0.00	$ 313,333.33	$ (313,333.33)	$ 1,416,666.70	$ 30,210.37

Current maturities of long-term debt and the basic rent payment schedule showing principle and interest for the next five years and in five year increments through maturity are as follows:

	YEAR						
	2022	2023	2024	2025	2026	2027-2031	TOTAL
PRINCIPAL							
GEN. OBLIGATION REFUNDING BONDS-SERIES 2016	$ 300,000.00	$ 315,000.00	$ 335,000.00	$ 0.00	$ 0.00	$ 0.00	$ 950,000.00
ENERGY IMPROVEMENT LEASE							
QZAB SERIES 2010B	33,333.33	33,333.37	0.00	0.00	0.00	0.00	66,666.70
QZAB SERIES 2010A	0.00	400,000.00	0.00	0.00	0.00	0.00	400,000.00
TOTAL PRINCIPAL	333,333.33	748,333.37	335,000.00	0.00	0.00	0.00	1,416,666.70
INTEREST							
GEN. OBLIGATION REFUNDING BONDS-SERIES 2016	24,000.00	14,775.00	5,025.00	0.00	0.00	0.00	43,800.00
ENERGY IMPROVEMENT LEASE							
QZAB SERIES 2010B	166.73	55.58	0.00	0.00	0.00	0.00	222.31
QZAB SERIES 2010A	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST	24,166.73	14,830.58	5,025.00	0.00	0.00	0.00	44,022.31
TOTAL PRINCIPAL AND INTEREST	$ 357,500.06	$ 763,163.95	$ 340,025.00	$ 0.00	$ 0.00	$ 0.00	$ 1,460,689.01

5. INTERFUND TRANSFERS

From	To	Regulatory Authority	Amount
General Fund	Preschool-Aged At-Risk Fund	K.S.A. 72-5167	25,130.00
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	272,999.00
General Fund	Special Education Fund	K.S.A. 72-5167	662,903.18

Supplemental General	Food Service Fund	K.S.A. 72-5143	20,000.00
Supplemental General	At Risk K-12 Fund	K.S.A. 72-5143	100,994.00
Supplemental General	Bilingual Education Fund	K.S.A. 72-5143	3,198.00
Supplemental General	Parents As Teachers Fund	K.S.A. 72-5143	6,388.00
Supplemental General	Special Education Fund	K.S.A. 72-5143	262,594.78
Supplemental General	Professional Development Fund	K.S.A. 72-5143	10,000.00
Supplemental General	Career & Postsecondary Fund	K.S.A. 72-5143	158,649.29
Capital Outlay	Debt Service Fund	K.S.A. 72-53,116	66,944.25

6. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefits 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 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.

6. DEFINED BENEFIT PENSION PLAN (cont.)

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 and 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 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 $413,297.42 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 $4,827,690. 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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 the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (cont.)

benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Fringe Benefits. The District provides a single membership health insurance for all certified staff. Certified staff who have the board-provided single health insurance may opt to pick another option if the teacher provides the District with written permission to take the additional cost of the selected option from their salary. The junior-senior high school principal, elementary principal, superintendent, and the technology coordinator are offered a single membership health insurance.

All non-certified full-time employees are required to be a member of the District's group health insurance plan unless they prove satisfactory group health insurance coverage elsewhere. Twelve-month and nine-month employees participating in the District's health plan will have 100% of the District low option single membership paid by the District. The District also established a salary reduction program in conformity with Section 125 of the Internal Revenue Code. Any employee may reduce their salary by an amount up to the statutory limit on non-taxable benefits as set forth in the program. Items by which the employee may reduce his/her contract are as follows:

(A) Health insurance
(B) Cancer insurance
(C) Salary protection insurance
(D) Dental and vision insurance
(E) Unreimbursed medical expenses not covered by insurance
(F) Dependent care assistance

Compensated Absences. The District's policies regarding vacation and sick leave are: Teachers are allowed 8 days sick leave accumulative to 60 days and four days of discretionary leave per year; at year end the teachers can either transfer unused discretionary leave days to sick leave or elect to receive reimbursement; the superintendent is allowed 10 days sick leave accumulative to 60 days and 20 days annual vacation accumulative to 30; the principals are allowed 10 days sick leave accumulative to 60 days; the U.S.D. clerk, custodians, tech coordinator, community education coordinator, and secretaries on a 12-month contract are allowed 12 days sick leave accumulative to 56 days; non-certified employees on less than 12 month contract allowed 1 sick day per month of service accumulative to 42 days; and non-certified employees on a 12-month contract shall accrue vacation at a rate of 8 hours per month. Two days of the non-certified employees' sick days can be utilized as personal leave days.

Liability for compensated absences is not reflected in the financial statement.

8. COMMITMENTS AND CONTINGENCIES

Litigation. As of the audit date, there is no pending or threatened litigation which involves the Valley Heights Unified School District No. 498.

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

8. COMMITMENTS AND CONTINGENCIES (cont.)

Grant program involvement. The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this audit, grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the governmental funds or the overall financial position of the District.

9. RELATED PARTY TRANSACTIONS

The related parties in a governmental entity include board members, administrative officials, and immediate families of board members and administrative officials. Required disclosures on related party transactions do not include compensation arrangements, expense allowance and similar items incurred in the ordinary course of operations. The following is required for disclosure:

	Amount
First Commerce, Blue Rapids (cash book balance as of June 30, 2021)	$1,854,759
Theresa Minihan, board member, is Vice President	
Citizens State Bank, Waterville (cash book balance as of June 30, 2021)	1,521,493
Bryce Porter, board member, is Branch President	

10. SUBSEQUENT EVENTS

Over the last couple years, the coronavirus (Covid-19) outbreak in the United States has resulted in the temporary closure of schools. There is unprecedented uncertainly surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the District as of the date of this report, management believes that a material impact on the District's financial position and results of future operations is reasonably possible. The District was awarded $56,072 for ESSER I, $285,058 for ESSER II, and $640,651 for ESSER III. The District has spent all of ESSER I and $25,332.14 of ESSER II as of June 30, 2021. The funding is in the form of a grant which spans 3 fiscal school years to spend it.

The District's management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2021

11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance With Finance-Related Legal and Contractual Provisions

The District has several reimbursable federal programs. Exemption from the Kansas cash basis law K.S.A. 10-1113 is allowed for Federal programs under K.S.A. 12-1664. Reimbursements to cover the negative balances were received in FYE21 for HRSA, 21st Century Learning, and CARES-ESSER II Grants.

12. CAPITAL PROJECTS

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

	Project Authorization	Expenditures To Date
Track Renovation	$ 99,635.00	$ 0.00
HVAC -High School gym	157,697.00	0.00

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL 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)
GENERAL FUNDS:						
GENERAL FUND	$ 3,899,185.00	$ (134,329.00)	$ 54,352.98	$ 3,819,208.98	$ 3,819,208.98	$ 0.00
SUPPLEMENTAL GENERAL	1,324,620.00	(31,478.00)	630.99	1,293,772.99	1,293,772.99	0.00
SPECIAL PURPOSE FUNDS:						
PRESCHOOL-AGED AT-RISK	25,130.00	0.00	0.00	25,130.00	25,130.00	0.00
AT RISK K-12	372,830.00	0.00	0.00	372,830.00	372,830.00	0.00
BILINGUAL EDUCATION	5,940.00	0.00	0.00	5,940.00	3,198.00	(2,742.00)
CAPITAL OUTLAY	926,667.00	0.00	14,729.50	941,396.50	439,009.97	(502,386.53)
DRIVER TRAINING	21,810.00	0.00	0.00	21,810.00	6,426.77	(15,383.23)
FOOD SERVICE	472,605.00	0.00	1,245.00	473,850.00	375,850.98	(97,999.02)
PROFESSIONAL DEVELOPMENT	60,271.00	0.00	3,589.52	63,860.52	22,089.02	(41,771.50)
PARENT EDUCATION PROGRAM	111,873.00	0.00	0.00	111,873.00	100,485.00	(11,388.00)
SPECIAL EDUCATION	944,475.00	0.00	13,728.11	958,203.11	863,089.75	(95,113.36)
CAREER & POSTSECONDARY EDUCATION	211,715.00	0.00	0.00	211,715.00	116,745.55	(94,969.45)
KPERS SPECIAL CONTR. FUND	460,595.00	0.00	0.00	460,595.00	413,297.42	(47,297.58)
BOND AND INTEREST FUNDS:						
BOND AND INTEREST	312,800.00	0.00	0.00	312,800.00	312,700.00	(100.00)

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE SOURCES--			
GENERAL STATE AID	$ 3,380,794.00	$ 3,475,185.00	$ (94,391.00)
SPECIAL EDUCATION AID	384,062.00	424,000.00	(39,938.00)
TOTAL STATE SOURCES	3,764,856.00	3,899,185.00	(134,329.00)
REIMBURSEMENTS	54,352.98	0.00	54,352.98
TOTAL CASH RECEIPTS	3,819,208.98	$ 3,899,185.00	$ (79,976.02)
EXPENDITURES			
INSTRUCTION	1,787,518.05	$ 1,810,563.00	$ (23,044.95)
SUPPORT SERVICES:			
STUDENT SUPPORT	104,584.53	189,253.00	(84,668.47)
INSTRUCTIONAL SUPPORT	40,379.30	72,940.00	(32,560.70)
GENERAL ADMINISTRATION	233,400.54	270,200.00	(36,799.46)
SCHOOL ADMINISTRATION	341,549.16	388,380.00	(46,830.84)
CENTRAL SERVICES	38,929.04	44,634.00	(5,704.96)
STUDENT TRANSPORTATION	18,957.73	138,300.00	(119,342.27)
VEHICLE OPERATING SERVICE	292,858.45	174,200.00	118,658.45
VEHICLE SERVICES & MAINTENANCE	0.00	112,040.00	(112,040.00)
OPERATING TRANSFERS:			
SPECIAL EDUCATION	662,903.18	424,000.00	238,903.18
PRESCHOOL-AGED AT RISK	25,130.00	22,845.00	2,285.00
AT RISK K-12	272,999.00	251,830.00	21,169.00
LEGAL GENERAL FUND BUDGET	3,819,208.98	3,899,185.00	(79,976.02)
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(134,329.00)	134,329.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	54,352.98	(54,352.98)
TOTAL EXPENDITURES	3,819,208.98	$ 3,819,208.98	$ 0.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2020	0.00		
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2019	$ 12,376.76	$ 24,406.00	$ (12,029.24)
-2020	586,652.92	551,839.00	34,813.92
DELINQUENT TAX	11,228.77	2,866.00	8,362.77
MOTOR VEHICLE TAX	48,992.26	36,035.00	12,957.26
RECREATIONAL VEHICLE TAX	1,202.74	671.00	531.74
COMMERCIAL VEHICLE TAX	1,550.86	1,352.00	198.86
TOTAL TAXES AND SHARED REVENUE	662,004.31	617,169.00	44,835.31
SUPPLEMENTAL STATE AID	664,158.00	680,325.00	(16,167.00)
REIMBURSEMENTS	630.99	0.00	630.99
TOTAL CASH RECEIPTS	1,326,793.30	$ 1,297,494.00	$ 29,299.30
EXPENDITURES			
INSTRUCTION	46,150.53	$ 0.00	$ 46,150.53
SUPPORT SERVICES:			
INSTRUCTIONAL SUPPORT	83,787.49	0.00	83,787.49
CENTRAL SERVICES	0.00	89,890.00	(89,890.00)
OPERATIONS AND MAINTENANCE	602,010.90	616,597.00	(14,586.10)
OPERATING TRANSFERS:			
SPECIAL EDUCATION	262,594.78	325,805.00	(63,210.22)
BILINGUAL EDUCATION	3,198.00	5,940.00	(2,742.00)
FOOD SERVICE	20,000.00	0.00	20,000.00
PROFESSTIONAL DEVELOPMENT	10,000.00	9,000.00	1,000.00
PARENT EDUCATION PROGRAM	6,388.00	6,388.00	0.00
K-12 AT RISK	100,994.00	121,000.00	(20,006.00)
CAREER AND POSTSECONDARY EDUCATION	158,649.29	150,000.00	8,649.29
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(31,478.00)	31,478.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	630.99	(630.99)
TOTAL EXPENDITURES	1,293,772.99	$ 1,293,772.99	$ 0.00
RECEIPTS OVER (UNDER) EXPENDITURES	33,020.31		
UNENCUMBERED CASH, JULY 1, 2020	27,126.09		
UNENCUMBERED CASH, JUNE 30, 2021	$ 60,146.40		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
OTHER MISCELLANEOUS	$ 0.00	$ 2,285.00	$ (2,285.00)
TRANSFER FROM GENERAL	25,130.00	22,845.00	2,285.00
TOTAL RECEIPTS	25,130.00	25,130.00	0.00
EXPENDITURES			
INSTRUCTION	25,130.00	$ 25,130.00	$ 0.00
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2020	0.00		
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00		

AT RISK K-12

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM GENERAL	$ 272,999.00	$ 251,830.00	$ 21,169.00
TRANSFER FROM SUPPLEMENTAL GENERAL	100,994.00	121,000.00	(20,006.00)
TOTAL CASH RECEIPTS	373,993.00	$ 372,830.00	$ 1,163.00
EXPENDITURES			
INSTRUCTION	352,897.38	$ 352,910.00	$ (12.62)
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	19,932.62	19,920.00	12.62
TOTAL EXPENDITURES	372,830.00	372,830.00	0.00
RECEIPTS OVER (UNDER) EXPENDITURES	1,163.00		
UNENCUMBERED CASH, JULY 1, 2020	0.00		
UNENCUMBERED CASH, JUNE 30, 2021	$ 1,163.00		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2019	$ 5,023.54	$ 9,504.00	$ (4,480.46)
-2020	233,145.14	221,368.00	11,777.14
DELINQUENT TAX	4,372.68	1,161.00	3,211.68
MOTOR VEHICLE TAX	19,084.23	14,481.00	4,603.23
RECREATIONAL VEHICLE TAX	469.95	270.00	199.95
COMMERCIAL VEHICLE TAX	628.41	543.00	85.41
TOTAL TAXES AND SHARED REVENUE	262,723.95	247,327.00	15,396.95
CAPITAL OUTLAY STATE AID	93,571.00	93,841.00	(270.00)
OTHER MISCELLANEOUS	74,816.30	20,000.00	54,816.30
INTEREST	2,788.42	7,000.00	(4,211.58)
REIMBURSEMENTS	14,729.50	0.00	14,729.50
TOTAL CASH RECEIPTS	448,629.17	$ 368,168.00	$ 80,461.17
EXPENDITURES			
INSTRUCTION	0.00	$ 150,000.00	$ (150,000.00)
STUDENT SUPPORT SERVICES	9,299.72	40,000.00	(30,700.28)
INSTRUCTIONAL SUPPORT	0.00	50,000.00	(50,000.00)
GENERAL ADMINISTRATION	0.00	40,000.00	(40,000.00)
SCHOOL ADMINISTRATION	0.00	20,000.00	(20,000.00)
OPERATIONS AND MAINTENANCE	282,799.00	255,000.00	27,799.00
TRANSPORTATION - (EQUIPMENT & BUSES)	79,967.00	300,000.00	(220,033.00)
TRANSFER TO DEBT SERVICE	66,944.25	71,667.00	(4,722.75)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	14,729.50	(14,729.50)
TOTAL EXPENDITURES	439,009.97	$ 941,396.50	$ (502,386.53)
RECEIPTS OVER (UNDER) EXPENDITURES	9,619.20		
UNENCUMBERED CASH, JULY 1, 2020	766,743.30		
UNENCUMBERED CASH, JUNE 30, 2021	$ 776,362.50		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS - STATE AID	$ 3,162.00	$ 1,800.00	$ 1,362.00
OTHER REVENUE FROM LOCAL SOURCE	4,421.00	0.00	4,421.00
TOTAL CASH RECEIPTS	7,583.00	$ 1,800.00	$ 5,783.00
EXPENDITURES			
INSTRUCTION	6,091.47	$ 21,810.00	$ (15,718.53)
OPERATIONS & MAINTENANCE	335.30	0.00	335.30
TOTAL EXPENDITURES	6,426.77	$ 21,810.00	$ (15,383.23)
RECEIPTS OVER (UNDER) EXPENDITURES	1,156.23		
UNENCUMBERED CASH, JULY 1, 2020	29,710.26		
UNENCUMBERED CASH, JUNE 30, 2021	$ 30,866.49		

FOOD SERVICE FUND

FOOD SERVICE FUND	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS - STATE AID	$ 3,278.90	$ 2,280.00	$ 998.90
- FEDERAL AID	354,222.43	317,445.00	36,777.43
MEALS	14,353.12	116,050.00	(101,696.88)
INTEREST ON IDLE FUNDS	73.40	0.00	73.40
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	20,000.00	0.00	20,000.00
REIMBURSEMENTS	1,245.00	6,500.00	(5,255.00)
TOTAL CASH RECEIPTS	393,172.85	$ 442,275.00	$ (49,102.15)
EXPENDITURES			
OPERATIONS & MAINTENANCE	658.62	$ 5,000.00	$ (4,341.38)
FOOD SERVICE OPERATION	375,192.36	467,605.00	(92,412.64)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	1,245.00	(1,245.00)
TOTAL EXPENDITURES	375,850.98	$ 473,850.00	$ (97,999.02)
RECEIPTS OVER (UNDER) EXPENDITURES	17,321.87		
UNENCUMBERED CASH, JULY 1, 2020	30,330.43		
UNENCUMBERED CASH, JUNE 30, 2021	$ 47,652.30		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS	$ 4,100.00	$ 5,849.00	$ (1,749.00)
REIMBURSEMENTS	3,589.52	0.00	3,589.52
TRANSFER FROM SUPPLEMENTAL GENERAL	10,000.00	9,000.00	1,000.00
TOTAL CASH RECEIPTS	17,689.52	$ 14,849.00	$ 2,840.52
EXPENDITURES			
INSTRUCTION	8,551.81	$ 57,557.00	$ (49,005.19)
STUDENT SUPPORT SERVICES	3,953.03	0.00	3,953.03
INSTR. SUPPORT	8,537.20	0.00	8,537.20
CENTRAL SERVICES	1,046.98	2,714.00	(1,667.02)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	3,589.52	(3,589.52)
TOTAL EXPENDITURES	22,089.02	$ 63,860.52	$ (41,771.50)
RECEIPTS OVER (UNDER) EXPENDITURES	(4,399.50)		
UNENCUMBERED CASH, JULY 1, 2020	45,422.18		
UNENCUMBERED CASH, JUNE 30, 2021	$ 41,022.68		

PARENTS AS TEACHERS

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
PAYMENT FROM OTHER SCHOOL DISTRICTS	$ 22,107.00	$ 33,495.00	$ (11,388.00)
OTHER LOCAL REVENUE	5,000.00	5,000.00	0.00
STATE OF KANSAS - STATE AID	66,990.00	66,990.00	0.00
TRANSFER FROM SUPPLEMENTAL GENERAL	6,388.00	6,388.00	0.00
TOTAL CASH RECEIPTS	100,485.00	$ 111,873.00	$ (11,388.00)
EXPENDITURES			
STUDENT SUPPORT	99,085.00	$ 111,873.00	$ (12,788.00)
INSTRUCTIONAL SUPPORT	1,400.00	0.00	1,400.00
TOTAL EXPENDITURES	100,485.00	$ 111,873.00	$ (11,388.00)
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2020	0.00		
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
FEDERAL AID - ESSER I	$ 6,871.00	$ 0.00	$ 6,871.00
REIMBURSEMENTS	13,728.11	0.00	13,728.11
TRANSFER FROM GENERAL FUND	662,903.18	424,000.00	238,903.18
TRANSFER FROM SUPPLEMENTAL GENERAL	262,594.78	325,805.00	(63,210.22)
TOTAL CASH RECEIPTS	946,097.07	$ 749,805.00	$ 196,292.07
EXPENDITURES			
INSTRUCTION	858,653.75	$ 910,810.00	$ (52,156.25)
VEHICLE OPERATING SERVICES	4,436.00	33,665.00	(29,229.00)
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	13,728.11	(13,728.11)
TOTAL EXPENDITURES	863,089.75	$ 958,203.11	$ (95,113.36)
RECEIPTS OVER (UNDER) EXPENDITURES	83,007.32		
UNENCUMBERED CASH, JULY 1, 2020	194,669.80		
UNENCUMBERED CASH, JUNE 30, 2021	$ 277,677.12		

CAREER AND POSTSECONDARY EDUCATION FUND

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM SUPPLEMENTAL GENERAL	$ 158,649.29	$ 150,000.00	$ 8,649.29
CARL PERKINS	1,954.56	0.00	1,954.56
TOTAL CASH RECEIPTS	160,603.85	$ 150,000.00	$ 10,603.85
EXPENDITURES			
INSTRUCTION	116,745.55	$ 211,715.00	$ (94,969.45)
RECEIPTS OVER (UNDER) EXPENDITURES	43,858.30		
UNENCUMBERED CASH, JULY 1, 2020	61,715.32		
UNENCUMBERED CASH, JUNE 30, 2021	$ 105,573.62		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS				
STATE OF KANSAS		$ 413,297.42	$ 460,595.00	$ (47,297.58)
EXPENDITURES				
INSTRUCTION	- EMPLOYEE BENEFITS	260,377.38	$ 262,600.00	$ (2,222.62)
STUDENT SUPPORT	- EMPLOYEE BENEFITS	28,930.82	36,900.00	(7,969.18)
INSTRUCTIONAL SUPPORT	- EMPLOYEE BENEFITS	4,132.97	9,200.00	(5,067.03)
GENERAL ADMINISTRATION	- EMPLOYEE BENEFITS	16,531.90	27,700.00	(11,168.10)
SCHOOL ADMINISTRATION	- EMPLOYEE BENEFITS	33,063.79	41,500.00	(8,436.21)
CENTRAL SERVICES	- EMPLOYEE BENEFITS	12,398.92	13,815.00	(1,416.08)
OPER. & MAINTENANCE	- EMPLOYEE BENEFITS	20,664.87	23,030.00	(2,365.13)
STUDENT TRANS. SERVICES	- EMPLOYEE BENEFITS	24,797.85	36,850.00	(12,052.15)
FOOD SERVICE	- EMPLOYEE BENEFITS	12,398.92	9,000.00	3,398.92
TOTAL EXPENDITURES		413,297.42	$ 460,595.00	$ (47,297.58)
RECEIPTS OVER (UNDER) EXPENDITURES		0.00		
UNENCUMBERED CASH, JULY 1, 2020		0.00		
UNENCUMBERED CASH, JUNE 30, 2021		$ 0.00		

BILINGUAL EDUCATION

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM SUPPLEMENTAL GENERAL	$ 3,198.00	$ 5,940.00	$ (2,742.00)
EXPENDITURES			
INSTRUCTION	3,198.00	$ 5,940.00	$ (2,742.00)
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2020	0.00		
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

BOND AND INTEREST FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	20-21 ACTUAL	20-21 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TAXES AND SHARED REVENUE--			
AD VALOREM PROPERTY TAXES -2019	$ 2,979.80	$ 5,460.00	$ (2,480.20)
-2020	123,155.52	117,004.00	6,151.52
DELINQUENT PROPERTY TAX	2,841.27	688.00	2,153.27
MOTOR VEHICLE TAX	13,136.21	11,574.00	1,562.21
RECREATIONAL VEHICLE TAX	305.01	216.00	89.01
COMMERCIAL VEHICLE TAX	379.47	434.00	(54.53)
OTHER REVENUE FROM LOCAL SOURCE	95,751.51	85,000.00	10,751.51
STATE AID	121,953.00	121,953.00	0.00
TOTAL RECEIPTS	360,501.79	$ 342,329.00	$ 18,172.79
EXPENDITURES			
INTEREST	32,700.00	$ 32,700.00	$ 0.00
COMMISSIONS	0.00	100.00	(100.00)
PRINCIPAL	280,000.00	280,000.00	0.00
TOTAL EXPENDITURES	312,700.00	$ 312,800.00	$ (100.00)
RECEIPTS OVER (UNDER) EXPENDITURES	47,801.79		
UNENCUMBERED CASH, JULY 1, 2020	545,060.53		
UNENCUMBERED CASH, JUNE 30, 2021	$ 592,862.32		

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	COMMUNITY EDUCATION	GIFTS & GRANTS	SPARKS
CASH RECEIPTS			
MEMORIAL DONATIONS	$ 0.00	$ 1,715.00	$ 0.00
WILLSON FUND REQUESTS	99,369.65	0.00	0.00
PRE-SCHOOL ENROLLMENT FEES	7,454.00	0.00	0.00
RECREATION ASSESSMENTS	5,000.00	0.00	0.00
RECREATION INCOME	3,680.00	0.00	0.00
COMMUNITY EDUCATION ACTIVITY	3,447.47	0.00	0.00
KANSAS DEPARTMENT OF EDUCATION	0.00	110.00	0.00
DONATIONS	0.00	7,225.00	0.00
MARSHALL COUNTY TREASURER - SPARKS	0.00	0.00	38,361.42
TOTAL RECEIPTS	118,951.12	9,050.00	38,361.42
EXPENDITURES			
COMMUNITY EDUCATION:			
STUDENT SUPPORT SERVICES	34,357.10	0.00	0.00
SUMMER RECREATION	9,615.55	0.00	0.00
PRE-SCHOOL:			
INSTRUCTION	62,002.17	0.00	0.00
OPERATIONS & MAINTENANCE	13,029.85	0.00	0.00
MEMORIAL EXPENSES	0.00	267.77	0.00
FOOD SERVICE EQUIPMENT	0.00	1,918.24	0.00
GIFTS EXPENDITURES	0.00	1,655.72	0.00
BRICKS	0.00	22.00	0.00
SPARKS:			
INSTRUCTION	0.00	0.00	13,826.79
STUDENT SUPPORT SERVICES	0.00	0.00	4,359.45
OPERATIONS & MAINTENANCE	0.00	0.00	18,380.54
VEHICLE OPERATIONS, MAINTENANCE SERVICES	0.00	0.00	1,794.64
TOTAL EXPENDITURES	119,004.67	3,863.73	38,361.42
RECEIPTS OVER (UNDER) EXPENDITURES	(53.55)	5,186.27	0.00
UNENCUMBERED CASH, JULY 1, 2020	10,511.61	4,179.00	0.00
UNENCUMBERED CASH, JUNE 30, 2021	$ 10,458.06	$ 9,365.27	$ 0.00

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES-ESSER I	KANSAS READING ROADMAP	L.E. WILLSON TRUST FUND
CASH RECEIPTS			
FEDERAL AID - ESSER I	$ 56,072.00	$ 0.00	$ 0.00
KANSAS READING ROADMAP GRANT	0.00	30,077.98	0.00
INVESTMENT INCOME FROM TRUST	0.00	0.00	234,350.76
INTEREST ON IDLE FUNDS	0.00	0.00	834.03
TOTAL CASH RECEIPTS	56,072.00	30,077.98	235,184.79
EXPENDITURES			
INSTRUCTION	0.00	13,115.82	0.00
STUDENT SUPPORT SERVICES	0.00	0.00	0.00
STUDENT TRANSPORTATION SERVICES	0.00	561.19	0.00
WILLSON FUND:			
REQUESTS FOR FUNDS - GOLF COURSE	0.00	0.00	2,500.00
REQUESTS FOR FUNDS -CITY	0.00	0.00	7,586.00
REQUESTS FOR FUNDS - COMMUNITY EDUCATION	0.00	0.00	99,369.65
TOTAL EXPENDITURES	0.00	13,677.01	109,455.65
RECEIPTS OVER (UNDER) EXPENDITURES	56,072.00	16,400.97	125,729.14
UNENCUMBERED CASH, JULY 1, 2020	(56,072.00)	(16,400.97)	386,433.76
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00	$ 0.00	$ 512,162.90

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES-ESSER II	KANSAS AFTER SCHOOL GRANT	HRSA GRANT
CASH RECEIPTS			
STATE OF KANSAS	$ 0.00	$ 10,327.00	$ 0.00
HRSA GRANT AWARD	0.00	0.00	185,738.15
TOTAL CASH RECEIPTS	0.00	10,327.00	185,738.15
EXPENDITURES			
INSTRUCTION	0.00	14,827.62	190,553.49
OPERATIONS AND MAINTENANCE	25,332.14	0.00	0.00
TOTAL EXPENDITURES	25,332.14	14,827.62	190,553.49
RECEIPTS OVER (UNDER) EXPENDITURES	(25,332.14)	(4,500.62)	(4,815.34)
UNENCUMBERED CASH, JULY 1, 2020	0.00	4,500.62	0.00
UNENCUMBERED CASH, JUNE 30, 2021	$ (25,332.14)	$ 0.00	$ (4,815.34)

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CONTINGENCY RESERVE	TEXTBOOK RENTAL	DEBT SERVICE FUND
CASH RECEIPTS			
RENTAL FEES	$ 0.00	$ 9,038.31	$ 0.00
TRANSFER FROM CAPITAL OUTLAY	0.00	0.00	66,944.25
INTEREST FROM U.S. TREASURY	0.00	0.00	4,597.12
INTEREST FROM BOK FINANCIAL	0.00	0.00	0.29
TOTAL CASH RECEIPTS	0.00	9,038.31	71,541.66
EXPENDITURES			
TEXTBOOKS	0.00	1,737.93	0.00
PAYMENT OF PRINCIPAL TO SBBR	0.00	0.00	33,333.33
PAYMENT OF INTEREST TO SBBR	0.00	0.00	4,875.00
TOTAL EXPENDITURES	0.00	1,737.93	38,208.33
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	7,300.38	33,333.33
UNENCUMBERED CASH, JULY 1, 2020	196,671.00	44,136.96	299,999.97
UNENCUMBERED CASH, JUNE 30, 2021	$ 196,671.00	$ 51,437.34	$ 333,333.30

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	TITLE I	TITLE IIA	TITLE IVA
CASH RECEIPTS			
STATE OF KANSAS	$ 89,739.00	$ 11,980.00	$ 13,093.00
STATE OF KANSAS-TITLE IVA FYE20	12,570.00	0.00	0.00
TOTAL CASH RECEIPTS	102,309.00	11,980.00	13,093.00
EXPENDITURES			
INSTRUCTION	31,655.55	11,980.00	13,093.00
STUDENT SUPPORT SERVICES	53,338.70	0.00	0.00
TOTAL EXPENDITURES	84,994.25	11,980.00	13,093.00
RECEIPTS OVER (UNDER) EXPENDITURES	17,314.75	0.00	0.00
UNENCUMBERED CASH, JULY 1, 2020	(17,314.75)	0.00	0.00
UNENCUMBERED CASH, JUNE 30, 2021	$ 0.00	$ 0.00	$ 0.00

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	21st CENTURY COMMUNITY LEARNING CENTER	VALLEY HEIGHTS ACTIVITY SCHOLARSHIP
CASH RECEIPTS		
STATE OF KS - FEDERAL AID	$ 88,478.00	$ 0.00
CONTRIBUTIONS FROM DONORS	0.00	23,441.00
TOTAL CASH RECEIPTS	88,478.00	23,441.00
EXPENDITURES		
INSTRUCTION	60,070.59	0.00
GENERAL ADMINISTRATION	37,399.15	0.00
STUDENT TRANSPORTATION SERVICES	595.49	0.00
GRANTS TO SCHOLARSHIP RECIPIENTS	0.00	18,135.00
TOTAL EXPENDITURES	98,065.23	18,135.00
RECEIPTS OVER (UNDER) EXPENDITURES	(9,587.23)	5,306.00
UNENCUMBERED CASH, JULY 1, 2020	(19,021.18)	8,591.12
UNENCUMBERED CASH, JUNE 30, 2021	$ (28,608.41)	$ 13,897.12

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STUDENT ORGANIZATION FUNDS	BEGINNING CASH BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	ENDING CASH BALANCE
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:				
CLASS OF 2020	$ 1,056.26	$ 0.00	$ 0.00	$ 1,056.26
CLASS OF 2021	3,774.85	43.06	527.20	3,290.71
CLASS OF 2022	2,512.64	2,471.43	3,322.35	1,661.72
CLASS OF 2023	1,519.22	569.87	0.00	2,089.09
CLASS OF 2024	1,331.35	403.27	0.00	1,734.62
CLASS OF 2025	295.14	635.23	226.00	704.37
CLASS OF 2026	0.00	635.25	71.00	564.25
FFA	4,573.77	19,392.23	13,411.26	10,554.74
FFA FARM ACCOUNT	2,405.31	2,092.00	0.00	4,497.31
FCCLA	4,578.23	1,302.70	1,171.96	4,708.97
KAYS	2,916.39	329.38	600.57	2,645.20
NATIONAL HONOR SOCIETY	795.71	1,785.00	649.74	1,930.97
STUDENT COUNCIL	1,526.13	978.00	1,636.17	867.96
SUBTOTAL STUDENT ORGANIZATION FUNDS	27,285.00	30,637.42	21,616.25	36,306.17
TOTAL AGENCY FUNDS	$ 27,285.00	$ 30,637.42	$ 21,616.25	$ 36,306.17

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE 4

DISTRICT ACTIVITY FUNDS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FUND	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	CASH RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GATE RECEIPTS							
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:							
ATHLETICS	$ 3,187.25	$ 0.00	$ 31,140.57	$ 30,633.58	$ 3,694.24	$ 0.00	$ 3,694.24
SCHOOL PROJECTS							
VALLEY HEIGHTS JR. - SR. HIGH SCHOOL:							
STUDENT ACTIVITY PROJECTS	0.00	0.00	5,219.05	5,219.05	0.00	0.00	0.00
LIBRARY	0.00	0.00	51.14	51.14	0.00	0.00	0.00
YEARBOOK	0.00	0.00	7,188.00	7,188.00	0.00	0.00	0.00
ALL SCHOOL PLAY	7,454.24	0.00	18.00	2,851.45	4,620.79	0.00	4,620.79
VENDING COMMISSIONS	265.26	0.00	1,124.65	574.75	815.16	0.00	815.16
ART	2,395.59	0.00	1,552.94	1,106.72	2,841.81	0.00	2,841.81
CHEERLEADERS	4,450.92	0.00	6,120.00	8,346.73	2,224.19	0.00	2,224.19
DANCE TEAM	291.17	0.00	920.00	0.00	1,211.17	0.00	1,211.17
FFA BUILDING	33,132.61	0.00	0.00	0.00	33,132.61	0.00	33,132.61
SUMMER BASKETBALL	110.00	0.00	0.00	0.00	110.00	0.00	110.00
IN HOUSE TRAINING	0.00	0.00	1,039.67	1,039.67	0.00	0.00	0.00
DONATIONS	346.34	0.00	145.00	300.00	191.34	0.00	191.34
FORENSICS	395.21	0.00	0.00	186.00	209.21	0.00	209.21
ROBOTICS	321.78	0.00	0.00	0.00	321.78	0.00	321.78
SCHOLARS BOWL	597.25	0.00	0.00	0.00	597.25	0.00	597.25
JH SCHOLARS BOWL	63.75	0.00	0.00	18.00	45.75	0.00	45.75
JOURNALISM	396.14	0.00	0.00	124.05	272.09	0.00	272.09
CONCESSIONS	2,004.50	0.00	20,213.14	21,936.06	281.58	0.00	281.58
STUDENT GLASSFRONT	215.74	0.00	614.23	633.38	196.59	0.00	196.59
VH STAFF	2,843.36	0.00	0.00	0.00	2,843.36	0.00	2,843.36
SALES TAX	23.36	0.00	3,136.78	3,145.58	14.56	0.00	14.56
SUBTOTAL JR.-SR. HIGH SCHOOL	55,307.22	0.00	47,342.60	52,720.58	49,929.24	0.00	49,929.24
BLUE RAPIDS GRADE SCHOOL:							
LIBRARY DONATIONS	2,766.46	0.00	1,297.15	1,163.18	2,900.43	0.00	2,900.43
WATERVILLE ELEMENTARY:							
DONATIONS	1,961.97	0.00	0.00	734.65	1,227.32	0.00	1,227.32
SUBTOTAL SCHOOL PROJECT FUNDS	60,035.65	0.00	48,639.75	54,618.41	54,056.99	0.00	54,056.99
TOTAL DISTRICT ACTIVITY FUNDS	$ 63,222.90	$ 0.00	$ 79,780.32	$ 85,251.99	$ 57,751.23	$ 0.00	$ 57,751.23

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VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

OTHER SUPPLEMENTAL INFORMATION
SINGLE AUDIT SECTION

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Kickhaefer & Buessing, P.A.
Certified Public Accountants

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P.O. Box 191
508 Main Street
Seneca, KS 66538
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Valley Heights Unified School District No. 498
Blue Rapids, Kansas 66411

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Valley Heights Unified School District No. 498, Blue Rapids, Kansas, (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 of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and

material effect on the financial statement. 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.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
January 10, 2022

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

Board of Education
Valley Heights Unified School District No. 498
Blue Rapids, Kansas 66411

Report on Compliance for Each Major Federal Program

We have audited Valley Heights Unified School District No. 498's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the *Kansas Municipal Auditing and Accounting Guide*; auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Unified School District No. 498 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
January 10, 2022

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Provided To Sub-Recipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Kansas Department of Education -				
Child Nutrition Cluster				
National School Lunch Program	10.555	D0498	$ -	$ 48,741.10
Summer Food Service Program for Children	10.559	D0498	-	300,601.89
Total Child Nutrition Cluster				349,342.99
Child and Adult Care Food Program	10.558	D0498	-	4,879.44
Total U.S. Department of Agriculture				354,222.43
U.S. DEPARTMENT OF EDUCATION				
Passed through Kansas Department of Education -				
Title I	84.010A	D0498	-	84,993.00
Title IVA	84.424A	D0498	-	13,094.25
Title II - A	84.367A	D0498	-	11,980.00
21st Century - After School Learning	84.287C	D0498	-	98,065.23
Covid 19 - Elementary and Secondary School Emergency Relief Fund	84.425D	D0498	6,871.00	32,203.14
Passed Through Nemaha Central USD #115 -				
Secondary Program Improvement Funds	84.048	D0498	-	1,954.56
Total U.S Department of Education				242,290.18
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
HEALTH RESOURCES AND SERVICES ADMINISTRATION:				
Rural Healthcare Services Outreach and Grant Program	93.912		36,344.09	190,553.49
Total Direct Programs				190,553.49
Passed Through Hysell & Wagner LLC -				
Temporary Assistance for Needy Families - KRR	93.558		-	13,677.01
Total U.S Department of Health and Human Services				204,230.50
U.S. DEPARTMENT OF THE TREASURY				
Passed Through Kansas Office of Recovery:				
Passed Through Marshall County:				
Covid 19 - Coronavirus Relief Fund (SPARKS)	21.019		-	45,639.91
Total U.S Department of the Treasury				45,639.91
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 43,215.09	$ 846,383.02

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Valley Heights Unified School District No. 498, Blue Rapids, Kansas (the District), under programs of the federal government for the fiscal year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note 1C to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
(2) The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – FUNDS EXPENDED

Funds in Schedule 2 where federal expenditures were expended:

Food Service Fund	354,222.43
Title I Fund	84,994.25
Title II-A Fund	11,980.00
Title IV Fund	13,093.00
Kansas Reading Roadmap Fund	13,677.01
HRSA Grant Fund	190,553.49
Special Education Fund	6,871.00
21st Century Comm. Learning Fund	98,065.23
CARES – ESSER Fund	25,332.14
Career & Postsecondary Fund-Carl Perkins	1,954.56
General Fund – SPARKS	7,278.49
SPARKS Fund	38,361.42
	$846,383.02

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' opinion issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None Reported
3. Noncompliance material to the financial statement noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None reported
2. Type of auditors' report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.518(a)?	No
4. Identification of major programs:	

Name of Federal Program or Cluster	CFDA Number
Child Nutrition Cluster:	
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

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

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION 2 - FINDINGS – FINANCIAL STATEMENT AUDIT

There were no reportable findings.

SECTION 3 - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

There were no reportable findings.

VALLEY HEIGHTS UNIFIED SCHOOL DISTRICT NO. 498
BLUE RAPIDS - WATERVILLE, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001

Condition: The District overstated the number of free and reduced snacks on the monthly reports for reimbursement under the Child and Adult Care Food Program (CACFP).

Recommendation: The District needs to pick up the correct number for snack reimbursement.

Current Status: The District paid back the $1,010.32 to Kansas Department of Education for the excess reimbursement. The District discontinued using the Child and Adult Care Food Program. The District reported the correct number for snacks in FYE21 under the Summer Food Service Program (SFSP).

PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

There were no reportable findings.