UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Fiscal Year Ended June 30, 2021

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Financial Statement and Regulatory-Required
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For the Fiscal Year Ended June 30, 2021

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Mapes & Miller LLP
Certified Public Accountants

418 E. Holme, Norton, KS 67654-1412
Phone: 785-877-5833 Email: mmcpas@ruraltel.net

Members of the American Institute of Certified Public Accountants
and the Kansas Society of Certified Public Accountants

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD
DENIS W. MILLER, CPA, PA
THOMAS B. CARPENTER, CPA, PA
DON E. TILTON, CPA, PA
BRIAN S. THOMPSON, CPA, PA
REBECCA A. LIX, CPA, PA
STEPHANIE M. HEIER, CPA, PA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 269
Palco, Kansas 67657

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 269, Palco, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 269, Palco, Kansas, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 269, Palco, Kansas, as of June 30, 2021, or 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 balances of Unified School District No. 269, Palco, 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.

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, summary of receipts and disbursements-agency funds, and schedule of 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.

Mapes & Miller LLP
Certified Public Accountants

Norton, Kansas
April 11, 2022

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General	$ 0	0	1,126,389	1,126,389	0	0	0
Supplemental General	17,190	0	402,782	405,618	14,354	0	14,354
Special Purpose Funds						0	
Preschool-Aged At-Risk	0	0	40,000	40,000	0	0	0
At Risk (K-12)	0	0	80,000	80,000	0	0	0
Capital Outlay	163,073	0	308,167	290,808	180,432	0	180,432
Food Service	27,541	0	92,326	86,845	33,022	0	33,022
Professional Development	1,389	0	5,205	5,984	610	0	610
Special Education	97,307	0	231,605	229,544	99,368	0	99,368
Career and Postsecondary Education	32,826	0	50,390	38,216	45,000	0	45,000
KPERS Special Retirement Contribution Fund	0	0	105,722	105,722	0	0	0
Recreation Commission	0	0	17,967	17,967	0	0	0
Gifts and Grants	7,317	0	13,762	14,528	6,551	0	6,551
Federal Funds	0	0	102,646	102,646	0	0	0
Textbook and Student Material Revolving	17,475	0	1,700	3,549	15,626	0	15,626
Contingency Reserve	11,417	0	0	0	11,417	0	11,417
District Activity	7,135	0	14,257	17,997	3,395	0	3,395
Total Reporting Entity (Excluding Agency Funds)	$ **382,670**	**0**	**2,592,918**	**2,565,813**	**409,775**	**0**	**409,775**

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

UNIFIED SCHOOL DISTRICT NO. 26
Palco, Kansas
Composition of Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Astra Bank, Palco, Kansas		
NOW Account	$	406,380
Checking Accounts		34,768
Total Cash		441,148
Agency Funds per Schedule 3		(31,373)
Total Reporting Entity (Excluding Agency Funds)	$	**409,775**

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

1. **Summary of Significant Accounting Policies**

Municipal Financial Reporting Entity

Unified School District No. 269, Palco, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is operated by an elected board of education and provides the following services: education, culture and recreation. The regulatory financial statement presents Unified School District No. 269 (the municipality). The following related municipal entity is not included in the financial statement:

Palco-Damar-Zurich Recreation Commission. The Palco-Damar-Zurich Recreation Commission oversees recreational activities. A five-member board is appointed to oversee the operation. The District annually levies taxes for the operation of the Commission. The recreation commission has only the powers granted by statute K.S.A. 12-1928. Unaudited financial reports for the Palco-Damar-Zurich Recreation Commission are available from the Recreation Commission Director, P.O. Box 53, Palco, Kansas, 67657.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the fiscal year ended June 30, 2021:

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 taxes levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

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

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 District to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), 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 calendar 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 statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended in this manner for the fiscal year ended June 30, 2021.

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 for each fund are presented showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for trust funds and the following special purpose funds: Contingency Reserve Fund, Textbook and Student Material Revolving Fund, Federal Funds, District Activity Funds, and Gifts and Grants Fund.

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.

Reimbursed Expenditures

The District 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 of accounting.

2. Stewardship, Compliance and Accountability

Other Compliance. K.S.A. 75-3317 through 75-3322 requires the District to make mandatory purchases of products and services offered by Kansas industries for the blind and severely disabled. The District did not make such purchases.

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, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on the 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.

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%. The District has not designated any "peak periods" with eligible depositories. All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was $441,148 and the bank balance was $488,468. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $285,266 was covered by federal depository insurance and $203,202 was collateralized with securities held by the pledging financial institutions' agents in the Districts 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 statutes require investments to be adequately secured. The District had no investments at June 30, 2021.

4. **In-Substance Receipt in Transit**

The District received $60,372 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.

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 $105,723 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 $1,262,383. 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 nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

6. Other Long-Term Obligations

Compensated Absences

Sick Leave. All full-time employees of Unified School District No. 269 are allowed twelve days a year sick leave, cumulative to fifty-five days, except for bus drivers who are allowed twelve days of sick leave per year non-accumulative. No payment for unused sick leave is made to an employee terminating employment withthe District except for retiring certified employees. When a certified employee retires from the District, unused sick leave days shall be purchased at $50 per day.

Vacation Pay. The superintendent is allowed ten days of vacation a year. Other twelve-month employees are allowed two weeks of vacation a year after the first year of service.

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 premium regardless of age. However, the cost of this subsidy has not been quantified for this financial statement.

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

Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2021.

7. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable.

For this reason, the District joined together with other school districts in the State to participate in the Kansas Association of School Boards Workers Compensation Fund, Inc., a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to Kansas Association of School Boards Workers Compensation Fund, Inc., for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers Compensation Fund., Inc., will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Association of School Boards Workers Compensation Fund, Inc.'s, management.

The District continues to carry commercial insurance for all other risks of loss, including property, automobile, liability, inland marine, linebacker, health, and surety. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Interfund Transfers

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes. Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-5167	132,277
General	At Risk (K-12)	K.S.A. 72-5167	40,000
General	Professional Development	K.S.A. 72-5167	2,500
General	Food Service	K.S.A. 72-5167	30,000
General	Capital Outlay	K.S.A. 72-5167	79,112
General	Career and Postsecondary Education	K.S.A. 72-5167	15,000
Supplemental General	Professional Development	K.S.A. 72-5143	2,500
Supplemental General	Food Service	K.S.A. 72-5143	4,500
Supplemental General	Special Education	K.S.A. 72-5143	70,000
Supplemental General	Pre-School Aged At-Risk	K.S.A. 72-5143	40,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	40,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	35,000

9. **Qualified Zone Academy Bonds (QZAB)**

The District entered into a lease purchase agreement on March 24, 2011, with Security Bank of Kansas City to finance the acquisition, construction, and equipping of school building improvements. The District will pay Security Bank of Kansas City $175,000 a year for a period of 12 years. The lease payments are to be placed in an interest bearing custodial account. The expected total of all payments to be made by the District plus interest earned on the account is $2,100,000, which is the amount of the Lease Purchase Agreement, amortized with zero percent interest. At the end of 12 years, the custodian will release the funds in the account to Security Bank of Kansas City, and the lease will be terminated. See Note 10 – Long-term Debt for additional information.

10. **Long-term Debt**

Changes in long-term liabilities for Unified School District No. 269, Palco, Kansas for the year ended June 30, 2021 were as follows:

Issue	Interest Rates	Date Issued	Amount of Original Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid ***
Lease Purchase Agreements:									
Qualified Zone Academy Bonds (QZAB) (Note 10)	0.00%	03/24/11	$ 2,100,000	03/24/23	$ 525,000	0	175,000	350,000	6,089
Total Long-term Debt					**$ 525,000**	**0**	**175,000**	**350,000**	**6,089**

***Due to changes in Federal law and budget allocations, the reimbursement by the Federal government to the District for interest paid has been reduced from 100% to 94.6%

Current maturities for long-term debt for Unified School District No. 269, Palco, Kansas for the next five years and in five-year increments after that are as follows:

	2022	2023	2024	2025	2026	Total
PRINCIPAL						
Lease Purchase Agreements:						
Qualified Zone Academy Bonds (QZAB)						
Estimated Lease Payments (Note 9)	127,473	122,720	0	0	0	250,193
Estimated Interest Earnings (Note 9)	47,527	52,280	0	0	0	99,807
Total Principal	175,000	175,000	0	0	0	350,000
INTEREST						
Lease Purchase Agreements:						
Qualified Zone Academy Bonds (QZAB)	6,089	6,089	0	0	0	12,178
Total Principal and Interest	**$ 181,089**	**181,089**	**0**	**0**	**0**	**362,178**

11. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Mana-gement 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.

12. 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 $38,282 during 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

13. Subsequent Events

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

UNIFIED SCHOOL DISTRICT NO. 269
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

UNIFIED SCHOOL DISTRICT NO. 269 SCHEDULE 1

Palco, Kansas

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2021

Description	Certified Budget	Adjustments to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General	$ 1,113,008	(8,754)	22,135	1,126,389	1,126,389	0
Supplemental General	405,618	0	0	405,618	405,618	0
Special Purpose Funds						
Preschool-Aged At-Risk	40,000	0	0	40,000	40,000	0
At Risk (K-12)	80,000	0	0	80,000	80,000	0
Capital Outlay	257,474	0	53,764	311,238	290,808	(20,430)
Food Service	107,284	0	0	107,284	86,845	(20,439)
Professional Development	7,070	0	0	7,070	5,984	(1,086)
Special Education	205,112	0	27,407	232,519	229,544	(2,975)
Career and Postsecondary Education	38,003	0	390	38,393	38,216	(177)
KPERS Special Retirement Contribution Fund	114,348	0	0	114,348	105,722	(8,626)
Recreation Commission	24,120	0	0	24,120	17,967	(6,153)
Gift and Grants	18,935	0	0	18,935	14,528	*
Federal Funds	70,938	0	0	70,938	102,646	*

* Exempt from Budget Law

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
General Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
General State Aid	$ 986,719	1,001,951	(15,232)
Special Education Aid	110,277	111,057	(780)
Mineral Tax	7,258	0	7,258
Reimbursed Expenses	22,135	0	22,135
Total Receipts	1,126,389	**1,113,008**	**13,381**
Expenditures:			
Instruction	470,810	533,000	(62,190)
Student Support Services	20,646	17,400	3,246
Instructional Support Staff	87	150	(63)
General Administration	158,625	125,100	33,525
School Administration	106,424	101,800	4,624
Operations and Maintenance	17,800	47,700	(29,900)
Student Transportation Services	53,108	56,200	(3,092)
Transfer to Special Education	132,277	111,057	21,220
Transfer to At Risk (K-12)	40,000	40,000	0
Transfer to Food Service	30,000	30,000	0
Transfer to Professional Development	2,500	2,500	0
Transfer to Capital Outlay	79,112	48,101	31,011
Transfer to Career and Postsecondary Education	15,000	0	15,000
Adjustment to Comply with Legal Max			
Legal General Fund Budget	0	(8,754)	8,754
Total Legal General Fund Budget	1,126,389	1,104,254	22,135
Adjustment for Qualifying Budget Credits:			
Reimbursed Expenses	0	22,135	(22,135)
Total Expenditures	1,126,389	**1,126,389**	**0**
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	$ **0**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Tax in Process	$ 8,415	3,994	4,421
Current Tax	363,585	345,397	18,188
Delinquent Tax	8,577	6,284	2,293
Motor Vehicle Tax	19,551	17,782	1,769
Recreational Vehicle Tax	495	364	131
Commercial Vehicle Tax	2,159	1,797	362
Total Receipts	402,782	**375,618**	**27,164**
Expenditures:			
Instruction	52,655	124,289	(71,634)
General Administration	0	500	(500)
Operations and Maintenance	153,696	188,829	(35,133)
Student Transportation Services	7,267	0	7,267
Transfer to Food Service	4,500	4,500	0
Transfer to Special Education	70,000	0	70,000
Transfer to Preschool-Aged At Risk	40,000	40,000	0
Transfer to At Risk Fund (K-12)	40,000	40,000	0
Transfer to Professional Development	2,500	2,500	0
Transfer to Career and Postsecondary Education	35,000	5,000	30,000
Total Expenditures	405,618	**405,618**	**0**
Receipts Over (Under) Expenditures	(2,836)		
Unencumbered Cash, Beginning	17,190		
Unencumbered Cash, Ending	$ **14,354**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Preschool-Aged At Risk Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Federal Aid	$ 0	0	0
Transfer from Supplemental General	40,000	40,000	0
Total Receipts	40,000	**40,000**	**0**
Expenditures:			
Instruction	40,000	40,000	0
Instructional Support Staff	0	0	0
Total Expenditures	40,000	**40,000**	**0**
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	$ **0**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
At Risk Fund (K-12)
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Transfer from General	$ 40,000	40,000	0
Transfer from Supplemental General	40,000	40,000	0
Total Receipts	80,000	**80,000**	**0**
Expenditures:			
Instruction	80,000	**80,000**	**0**
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	$ **0**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Tax in Process	$ 3,664	39	3,625
Current Tax	126,705	159,272	(32,567)
Delinquent Tax	3,671	2,703	968
Motor Vehicle Tax	8,593	7,732	861
Recreational Vehicle Tax	218	158	60
Commercial Vehicle Tax	947	782	165
Interest Earned on Idle Funds	31,493	0	31,493
Reimbursed Expenses	53,764	0	53,764
Transfer from General	79,112	48,101	31,011
Total Receipts	308,167	**218,787**	**89,380**
Expenditures:			
Instruction	15,017	55,433	(40,416)
General Administration	0	77,000	(77,000)
School Administration	626	0	626
Operations and Maintenance	43,969	3,045	40,924
Transportation	25,777	100,000	(74,223)
Central Services	14,481	5,000	9,481
Other Supplemental Services	2,304	1,996	308
Facilities Acquisition and Construction	7,545	15,000	(7,455)
QZAB Lease Payment	181,089	0	181,089
Adjustment for Qualifying Budget Credits:			
Reimbursed Expenses	0	53,764	(53,764)
Total Expenditures	290,808	**311,238**	**(20,430)**
Receipts Over (Under) Expenditures	17,359		
Unencumbered Cash, Beginning	163,073		
Unencumbered Cash, Ending	$ **180,432**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Food Service Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Federal Aid	$ 52,158	31,899	20,259
State Aid	1,250	504	746
Food Service	3,921	23,368	(19,447)
Interest on Idle Funds	125	0	125
Miscellaneous	372	0	372
Transfer from General	30,000	30,000	0
Transfer from Supplemental General	4,500	4,500	0
Total Receipts	92,326	**90,271**	**2,055**
Expenditures:			
Operations and Maintenance	0	0	0
Food Service Operation	86,845	107,284	(20,439)
Total Expenditures	86,845	**107,284**	**(20,439)**
Receipts Over (Under) Expenditures	5,481		
Unencumbered Cash, Beginning	27,541		
Unencumbered Cash, Ending	$ **33,022**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 205	750	(545)
Transfer from General	2,500	2,500	0
Transfer from Supplemental General	2,500	2,500	0
Total Receipts	5,205	**5,750**	**(545)**
Expenditures:			
Instructional Support Staff	5,984	5,500	484
Other Supplemental Services	0	1,570	(1,570)
Total Expenditures	5,984	**7,070**	**(1,086)**
Receipts Over (Under) Expenditures	(779)		
Unencumbered Cash, Beginning	1,389		
Unencumbered Cash, Ending	$ **610**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Special Education Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from General	$	132,277	111,057	21,220
Transfer from Supplemental General		70,000	0	70,000
Federal Aid		1,921	0	1,921
Reimbursements		27,407	0	27,407
Total Receipts		231,605	**111,057**	**120,548**
Expenditures:				
Instruction		227,623	205,112	22,511
Instructional Support Staff		1,921	0	1,921
Adjustment for Qualifying Budget Credits:				
Reimbursed Expenses		0	27,407	(27,407)
Total Expenditures		229,544	**232,519**	**(2,975)**
Receipts Over (Under) Expenditures		2,061		
Unencumbered Cash, Beginning		97,307		
Unencumbered Cash, Ending	$	**99,368**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from Supplemental General	$	35,000	5,000	30,000
Transfer from General		15,000	0	15,000
Reimbursed Expenses		390	0	390
Total Receipts		50,390	**5,000**	**45,390**
Expenditures:				
Instruction		38,216	21,600	16,616
Student Support Services		0	16,403	(16,403)
Adjustment for Qualifying Budget Credits:				
Reimbursed Expenses		0	390	(390)
Total Expenditures		38,216	**38,393**	**(177)**
Receipts Over (Under) Expenditures		12,174		
Unencumbered Cash, Beginning		32,826		
Unencumbered Cash, Ending	$	**45,000**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 105,722	**114,348**	**(8,626)**
Expenditures:			
Instruction	59,910	64,797	(4,887)
Student Support	3,524	3,812	(288)
Instructional Support	3,524	3,812	(288)
General Administration	3,524	3,812	(288)
School Administration	15,506	16,771	(1,265)
Other Supplemental Services	1,762	9,528	(7,766)
Operations & Maintenance	10,572	11,435	(863)
Student Transportation	352	381	(29)
Food Service	7,048	0	7,048
Total Expenditures	105,722	**114,348**	**(8,626)**
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	$ **0**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Recreation Commission Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Tax in Process	$	457	250	207
Current Tax		15,837	19,916	(4,079)
Delinquent Tax		455	339	116
Motor Vehicle Tax		1,073	973	100
Recreational Vehicle Tax		27	19	8
Commercial Motor Vehicle		118	98	20
Other Revenue From Local Source		0	0	0
Total Receipts		17,967	**21,595**	**(3,628)**
Expenditures:				
Community Service Operations		17,967	**24,120**	**(6,153)**
Receipts Over (Under) Expenditures		0		
Unencumbered Cash, Beginning		0		
Unencumbered Cash, Ending	$	**0**		

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Gifts and Grants Fund
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Donations and Grants	$ 13,762	**15,000**	**(1,238)**
Expenditures:			
Instruction	14,528	18,935	(4,407)
Operations and Maintenance	0	0	0
Total Expenditures	14,528	**18,935**	**(4,407)**
Receipts Over (Under) Expenditures	(766)		
Unencumbered Cash, Beginning	7,317		
Unencumbered Cash, Ending	$ **6,551**		

* Exempt from Budget Law per K.S.A. 79-2925 and K.S.A. 12-16,111.

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Federal Funds
Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Title I	Title II Part A	Title IV Part A	SPARK	Small Rural Schools	Totals	Budget*	Variance Over (Under)
Receipts:								
Federal Aid	$ 21,004	5,012	10,722	38,282	27,626	102,646	**36,892**	**65,754**
Expenditures:								
Instruction	21,004	5,012	10,722	12,040	27,626	76,404	70,938	5,466
School Administration	0	0	0	3,780	0	3,780	0	3,780
Operations and Maintenance	0	0	0	22,462	0	22,462	0	22,462
Total Expenditures	21,004	5,012	10,722	38,282	27,626	102,646	**70,938**	**31,708**
Receipts Over (Under) Expenditures	0	0	0	0	0	0		
Unencumbered Cash, Beginning	0	0	0	0	0	0		
Unencumbered Cash, Ending	$ **0**	**0**	**0**	**0**	**0**	**0**		

* Exempt from Budget Law per K.S.A. 12-1663

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Any Non-budgeted Fund
Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

		Textbook and Student Material Revolving Fund	Contigency Reserve Fund
Receipts:			
Rental Fees and Books	$	1,700	0
Contributions/Donations		0	0
Total Receipts		1,700	0
Expenditures:			
Instruction		3,549	0
Operations and Maintenance		0	0
Total Expenditures		3,549	0
Receipts Over (Under) Expenditures		(1,849)	0
Unencumbered Cash, Beginning		17,475	11,417
Unencumbered Cash, Ending	$	**15,626**	**11,417**

UNIFIED SCHOOL DISTRICT NO. 269 SCHEDULE 3

Palco, Kansas

Agency Funds

Schedule of Receipts and Disbursements - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2021

Fund	Beginning Cash Balance	Receipts	Disburse-ments	Ending Cash Balance
Student Organization Funds:				
High School:				
FFA	$ 4,216	9,419	5,533	8,102
Student Council	721	2,474	1,276	1,919
Class of 2018	277	0	0	277
Class of 2019	2,165	0	0	2,165
Class of 2020	2,643	0	1,127	1,516
Class of 2021	5,315	0	3,681	1,634
Class of 2022	3,285	1,412	2,440	2,257
Class of 2023	1,948	870	445	2,373
Class of 2024	0	2,194	873	1,321
Yearbook	808	3,101	3,582	327
Athletic Club	438	0	21	417
PHS Cheerleaders	2,056	1,542	2,169	1,429
PHS Football Club	961	0	0	961
PHS Basketball	333	0	0	333
PHS Boys Basketball	152	0	0	152
PHS Volleyball	317	0	0	317
PHS Science	21	0	0	21
PHS Gym	850	0	63	787
PHS Site Council	357	0	0	357
PHS Cross Country	462	0	0	462
Palco Dual Credit Scholarship Fund	0	5,820	5,520	300
Forensics	75	0	68	7
National Honor Society	1,608	0	770	838
Junior High:				
Athletic Club	2,972	0	2,381	591
Cheerleaders	57	0	0	57
Eighth Grade	781	0	536	245
Eighth Leadership	50	0	0	50
Elementary:				
Elementary Activities	2,094	1,440	1,846	1,688
Other Agency Funds:				
Teacher's Flower Fund	531	0	61	470
Sales Tax	0	971	971	0
Total Student Organization Funds	$ **35,493**	**29,243**	**33,363**	**31,373**

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Athletics:							
High School	$ 7,063	0	14,257	17,997	3,323	0	3,323
Junior High	72	0	0	0	72	0	72
Total District Activity Funds	$ **7,135**	**0**	**14,257**	**17,997**	**3,395**	**0**	**3,395**