UNIFIED SCHOOL DISTRICT #246

Arma, Kansas

Independent Auditors' Reports and
Financial Statement with
Supplementary Information

For the Fiscal Year Ended June 30, 2021

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

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Arma, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District #246
Arma, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District #246, Arma, Kansas, a municipality, 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.

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, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, 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 District'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 #246 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 Unified School District #246, 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 balance of the Unified School District #246 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, schedule of regulatory basis receipts and disbursements-agency funds, and summary 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. 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 (CFR) 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. 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Unified School District #246 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated November 23, 2020, which contained an unmodified opinion on the basic financial statement. The June 30, 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://admin.ks.gov/offices/oar/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such June 30, 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the June 30, 2020 basic financial statement. The June 30, 2020 comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2020 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 June 30, 2020 basic financial statement or to the June 30, 2020 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 June 30, 2020 comparative information is fairly stated in all material respects in relation to the June 30, 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the Unified School District #246's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Unified School District #246'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 Unified School District #246's internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

December 29, 2021
Chanute, Kansas

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2021
General	$ 0.33	$ -	$ 4,450,024.67	$ 4,450,024.67	$ 0.33	$ 506,873.50	$ 506,873.83
Supplemental General	47,762.57	-	1,356,548.34	1,334,621.00	69,689.91	98,449.54	168,139.45
Special Purpose Funds:							
4 Year Old At-Risk	-	-	51,396.76	51,396.76	-	4,470.84	4,470.84
K-12 At-Risk	53,000.00	-	704,343.05	702,343.05	55,000.00	-	55,000.00
Bilingual Education	-	-	1,850.00	1,850.00	-	-	-
Capital Outlay	976,415.50	22,620.00	567,240.31	457,362.79	1,108,913.02	210,257.47	1,319,170.49
Driver Training	38,004.95	-	5,604.00	14,773.38	28,835.57	-	28,835.57
Food Service	92,465.77	-	517,529.05	435,280.93	174,713.89	9,006.84	183,720.73
Professional Development	33,271.77	-	250.00	1,625.00	31,896.77	-	31,896.77
Special Education	460,618.68	-	828,952.00	801,547.82	488,022.86	165.20	488,188.06
Vocational Education	3,927.00	-	42,390.38	43,427.38	2,890.00	150.00	3,040.00
Virtual Education	-	-	25,000.00	25,000.00	-	-	-
Gifts and Grants	52,115.40	-	8,886.00	-	61,001.40	-	61,001.40
KPP Preschool	-	-	36,000.00	36,000.00	-	4,470.82	4,470.82
KPERS Special Retirement Contributions	-	-	502,381.70	502,381.70	-	-	-
Contingency Reserve	296,917.71	-	50,000.00	17,458.56	329,459.15	-	329,459.15
Textbook and Student Material	29,055.13	-	10,575.50	6,024.45	33,606.18	4,140.00	37,746.18
Rural and Small School Grant	-	-	3,361.00	3,361.00	-	3,361.00	3,361.00
Pritchett Trust Grant	2,627.49	-	-	334.84	2,292.65	-	2,292.65
Jump Start Grant	-	-	10,000.00	10,000.00	-	8,239.19	8,239.19
Title I	-	-	173,628.00	173,628.00	-	24,199.98	24,199.98
Title II - Improving Teacher Quality	-	-	33,521.00	33,521.00	-	4,470.82	4,470.82
Title IV	-	-	17,738.00	17,738.00	-	-	-
Elementary and Secondary School Emergency Relief	(13,460.09)	-	86,616.00	73,155.91	-	-	-
SPARKS	-	-	99,023.00	99,023.00	-	-	-

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

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2021
Project Care	$ 5,892.46	-	$ 8,190.00	$ 5,728.36	$ 8,354.10	$ -	$ 8,354.10
Gate Receipts	3,204.42	-	26,655.38	26,657.60	3,202.20	-	3,202.20
Bond and Interest Funds:							
Bond and Interest	856,758.11	-	685,537.17	996,061.64	546,233.64	-	546,233.64
Total Reporting Entity	$ 2,938,577.20	$ 22,620.00	$ 10,303,241.31	$ 10,320,326.84	$ 2,944,111.67	$ 878,255.20	$ 3,822,366.87

Composition of Cash	
General Checking Account	$ 2,631,164.67
District Petty Cash Checking Accounts	3,000.00
Certificate of Deposit	1,185,000.00
Activity Checking Accounts	70,934.22
Total Cash	3,890,098.89
Less Agency Funds per Schedule 3	(67,732.02)
Total Reporting Entity	$ 3,822,366.87

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

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of Unified School District #246, Arma, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity
The District is a municipal corporation governed by an elected seven-member board. This financial statement present Unified School District #246.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the District. Related municipal entities are not required to be included in the District's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related entity:

Northeast USD 246 Foundation - The economic resources received or held by the related municipal entity are held almost entirely for the direct benefit of the District. The Northeast USD 246 Foundation was formed to promote and foster the educational purposes of the District, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the District. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the District. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. Separate internal financial statements are available from the Foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the Unified School District #246, for the 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 tax levies and other specific revenue 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.

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 account, etc.).

Basis of Presentation – Regulatory 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 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.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. During the year, the District amended the Driver Training Fund and Bond and Interest Fund, and the General Fund and Supplemental General Fund budget was decreased to the legal maximum budget based upon final enrollment numbers being lower than originally budgeted.

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 cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and certain special purpose funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the District was in compliance with the cash basis and budget laws of Kansas.

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 branch 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 bank provides 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.

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. All deposits were legally secured at June 30, 2021.

At year-end, the District's carrying amount of deposits was $3,890,098.89 and the bank balance was $3,650,440.20. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $253,000.00 was covered by FDIC insurance and $3,397,440.20 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds									
Series 2011	3.00% to 4.00%	4/28/2011	$ 2,955,000.00	9/1/2022	$ 980,000.00	$ -	$ 980,000.00	$ -	$ 16,061.64
Total Contractual Indebtedness					$ 980,000.00	$ -	$ 980,000.00	$ -	$ 16,061.64

5. OPERATING LEASES

As of June 30, 2021 the District has entered into an operating lease for various copiers used as office equipment. Total payments for the year ended June 30, 2021 was $7,512.00. Under the current lease agreements, the future minimum lease rentals are as follows:

2022	$	7,512.00
2023		7,512.00
2024		7,512.00
2025		4,382.00

6. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $316,137.00 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.

7. 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 2050 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.

7. DEFINED BENEFIT PENSION PLAN (Continued)

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 $502,381.70 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 $5,158,921.00. 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 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.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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, 2020.

Vacation

Only twelve month employees are eligible for the vacation fringe benefit. Earned vacation days are awarded every July 1. Employees receive vacation on the following schedule:

After one year of service	2 weeks per year
After ten years of service	3 weeks per year
After fifteen years of service	4 weeks per year

Vacation may not accrue beyond 40 days if hired before July 1, 2008. Any employee hired after July 1, 2008 may not accrue beyond 15 days.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Sick Leave

Full time twelve month employees are entitled to sick leave at a rate of twelve days per year, with a maximum accumulation of sixty days. Part-time classified employees shall be entitled to sick leave of ten days per year with a maximum accumulation of fifty days. Sick leave above the maximum accumulation remaining at the end of a school year will be paid for at the rate of $30.00 per day. Sick leave is lost upon termination.

The District accrues a liability for compensated absences which meet the following criteria:

1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
2) The obligation relates to rights that vest or accumulate.
3) Payment of the compensation is probable.
4) The amount can be reasonably estimated.

In accordance with the above criteria, the District has estimated a liability for discretionary leave, which has been earned, but not taken by District employees of $26,570.27. The District has not estimated a liability for sick leave earned, but not taken, by District employees, as the amounts cannot be reasonably estimated at this time.

Other Post-Employment Benefits

Pursuant to the negotiated agreement, the District continued its early retirement plan. In general, the plan allows a person who has been employed by the District as a full time teacher for the ten most recent consecutive academic years, and who has reached or will reach the age of 53 prior to September 1, the option to retire on or before September 1 at age 53. Benefits which are provided are a follows: 1) paid sick leave up to restrictions as specified in the current negotiated agreement between the district and its employees, 2) a percentage of the last regular salary until the date he or she reaches the age of 65, and 3) $200.00 per month towards group health insurance until the month in which such person reaches the age of 65. These benefits are paid monthly to the employee that has elected retirement. Upon death of a retiree all provisions will terminate.

Early retirement incentive payments included in expenditures for the year ended, June 30, 2021, were $63,168.00. As of June 30, 2021 the future early retirement incentive payments are expected to be as follows:

Year Ending June 30	Amount	Number of Participants
2022	$ 46,900.00	8
2023	62,261.00	10
2024	54,694.00	10
2025	52,558.00	9
2026	54,446.00	9
2027-2034	263,135.00	various

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

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

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

10. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

11. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	K-12 At-Risk	K.S.A. 72-5167	$ 211,843.05
General	4 Year Old At-Risk	K.S.A. 72-5167	16,949.88
General	Capital Outlay	K.S.A. 72-5167	151,923.13
General	Special Education	K.S.A. 72-5167	582,309.70
General	Virtual Education	K.S.A. 72-5167	25,000.00
General	Vocational Education	K.S.A. 72-5167	28,836.50
General	Contingency Reserve	K.S.A. 72-5167	50,000.00
General	Food Service	K.S.A. 72-5167	500.00
Supplemental General	Special Education	K.S.A. 72-5143	237,990.30
Supplemental General	Vocational Education	K.S.A. 72-5143	10,000.00
Supplemental General	Bilingual Education	K.S.A. 72-5143	1,850.00
Supplemental General	4 Year Old At-Risk	K.S.A. 72-5143	34,446.88
Supplemental General	K-12 At-Risk	K.S.A. 72-5143	492,500.00

12. CONTINGENCIES

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 risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Our results of operations for full year 2022 may be materially adversely affected.

13. 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 Securities (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 $99,023.00 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/.

14. SUBSEQUENT EVENTS

The District evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. The District did approve a bid for repairs to be completed at the elementary and junior high school, board of education office, and the press box for $103,248.00 to be paid out of the funds held in reserve.

SUPPLEMENTARY INFORMATION

Schedule 1

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
(Budgeted Funds Only)
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 4,558,284.00	$ (120,492.00)	$ 12,232.67	$ 4,450,024.67	$ 4,450,024.67	$ -
Supplemental General	1,365,566.00	(30,945.00)	-	1,334,621.00	1,334,621.00	-
Special Purpose Funds:						
4 Yr. Old At-Risk	59,900.00	-	-	59,900.00	51,396.76	(8,503.24)
K-12 At-Risk	798,000.00	-	-	798,000.00	702,343.05	(95,656.95)
Bilinugual Education	4,500.00	-	-	4,500.00	1,850.00	(2,650.00)
Capital Outlay	1,000,000.00	-	-	1,000,000.00	457,362.79	(542,637.21)
Driver Training	20,000.00	-	-	20,000.00	14,773.38	(5,226.62)
Food Service	450,000.00	-	-	450,000.00	435,280.93	(14,719.07)
Professional Development	15,000.00	-	-	15,000.00	1,625.00	(13,375.00)
Special Education	926,386.00	-	-	926,386.00	801,547.82	(124,838.18)
Vocational Education	51,500.00	-	-	51,500.00	43,427.38	(8,072.62)
Virtual Education	65,000.00	-	-	65,000.00	25,000.00	(40,000.00)
KPERS Special Retirement Contributions	584,771.00	-	-	584,771.00	502,381.70	(82,389.30)
Bond and Interest Funds:						
Bond and Interest	996,062.00	-	-	996,062.00	996,061.64	(0.36)

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
General State Aid	$ 3,812,394.00	$ 3,892,492.00	$ 3,977,571.00	$ (85,079.00)
Special Education Aid	533,045.00	545,300.00	580,713.00	(35,413.00)
Other Receipts				
Reimbursed Expenses	8,705.84	12,232.67	-	12,232.67
Total Receipts	4,354,144.84	4,450,024.67	$ 4,558,284.00	$ (108,259.33)
Expenditures				
Instruction	1,900,359.16	1,885,901.94	$ 2,064,834.00	$ (178,932.06)
Support Services				
Student Support	147,364.90	152,170.10	156,550.00	(4,379.90)
Instructional Support	194,696.93	212,802.36	210,500.00	2,302.36
General Administration	319,604.76	344,994.30	337,600.00	7,394.30
School Administration	221,538.37	226,778.71	246,300.00	(19,521.29)
Operations and Maintenance	289,166.51	295,037.74	310,000.00	(14,962.26)
Vehicle Operating Services	336,443.96	264,977.26	307,300.00	(42,322.74)
Operating Transfers to:				
K-12 At-Risk Fund	251,576.25	211,843.05	225,000.00	(13,156.95)
4 Yr Old At-Risk Fund	14,098.17	16,949.88	34,200.00	(17,250.12)

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Food Service Fund	$ -	$ 500.00	$ -	$ 500.00
Special Education Fund	565,863.98	582,309.70	585,000.00	(2,690.30)
Virtual Education Fund	40,000.00	25,000.00	50,000.00	(25,000.00)
Vocational Education Fund	30,612.23	28,836.50	31,000.00	(2,163.50)
Contingency Reserve Fund	25,000.00	50,000.00	-	50,000.00
Capital Outlay Fund	17,819.62	151,923.13	-	151,923.13
Total Certified Budget			4,558,284.00	(108,259.33)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(120,492.00)	120,492.00
Adjustment for Qualifying Budget Credits			12,232.67	(12,232.67)
Total Expenditures	4,354,144.84	4,450,024.67	$ 4,450,024.67	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	0.33	0.33		
Unencumbered Cash, Ending	$ 0.33	$ 0.33		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
SUPPLEMENTAL GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem Tax	$ 351,472.84	$ 370,540.09	$ 414,933.00	$ (44,392.91)
Delinquent Tax	15,590.12	12,726.33	7,857.00	4,869.33
County Sources				
Motor Vehicle Tax	86,451.95	87,022.50	84,014.00	3,008.50
Commercial Vehicle Tax	731.85	1,033.99	1,264.00	(230.01)
Recreational Vehicle Tax	1,415.58	1,709.65	890.00	819.65
16 & 20 M Truck Tax	2,789.46	2,532.78	-	2,532.78
State Sources				
Supplemental State Aid	865,046.00	880,983.00	901,410.00	(20,427.00)
Total Receipts	1,323,497.80	1,356,548.34	$ 1,410,368.00	$ (53,819.66)
Expenditures				
Instruction	172,804.18	166,351.98	$ 201,366.00	$ (35,014.02)
Support Services				
Instructional Support	58,002.32	84,942.21	65,000.00	19,942.21
General Administration	121.80	-	-	-
School Administration	144,723.45	149,096.30	151,000.00	(1,903.70)
Operations and Maintenance	158,770.94	157,443.33	188,500.00	(31,056.67)
Operating Transfers to:				
Food Service Fund	25,000.00	-	26,000.00	(26,000.00)
Special Education Fund	242,181.02	237,990.30	200,000.00	37,990.30
Bilingual Education Fund	529.00	1,850.00	4,500.00	(2,650.00)
Vocational Education Fund	-	10,000.00	10,000.00	-
4 Year Old At-Risk Fund	14,775.92	34,446.88	19,200.00	15,246.88
K-12 At-Risk Fund	504,579.37	492,500.00	500,000.00	(7,500.00)
Total Certified Budget			1,365,566.00	(30,945.00)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(30,945.00)	30,945.00
Total Expenditures	1,321,488.00	1,334,621.00	$ 1,334,621.00	$ -
Receipts Over (Under) Expenditures	2,009.80	21,927.34		
Unencumbered Cash, Beginning	45,752.77	47,762.57		
Unencumbered Cash, Ending	$ 47,762.57	$ 69,689.91		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
4 YEAR OLD AT-RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Miscellaneous	$ -	$ -	$ 6,500.00	$ (6,500.00)
Operating Transfers from				
General Fund	14,098.17	16,949.88	34,200.00	(17,250.12)
Supplemental General Fund	14,775.92	34,446.88	19,200.00	15,246.88
Total Receipts	28,874.09	51,396.76	$ 59,900.00	$ (8,503.24)
Expenditures				
Instruction	23,874.09	51,396.76	$ 59,900.00	$ (8,503.24)
Support Services				
Land Improvements	5,000.00	-	-	-
Total Expenditures	28,874.09	51,396.76	$ 59,900.00	$ (8,503.24)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
K-12 AT-RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Other Receipts				
Miscellaneous	$ -	$ -	$ 20,000.00	$ (20,000.00)
Operating Transfers from				
General Fund	251,576.25	211,843.05	225,000.00	(13,156.95)
Supplemental General Fund	504,579.37	492,500.00	500,000.00	(7,500.00)
Total Receipts	756,155.62	704,343.05	$ 745,000.00	$ (40,656.95)
Expenditures				
Instruction	703,155.62	702,343.05	$ 798,000.00	$ (95,656.95)
Total Expenditures	703,155.62	702,343.05	$ 798,000.00	$ (95,656.95)
Receipts Over (Under) Expenditures	53,000.00	2,000.00		
Unencumbered Cash, Beginning	-	53,000.00		
Unencumbered Cash, Ending	$ 53,000.00	$ 55,000.00		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
BILINGUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers from Supplemental General Fund	$ 529.00	$ 1,850.00	$ 4,500.00	$ (2,650.00)
Total Receipts	529.00	1,850.00	$ 4,500.00	$ (2,650.00)
Expenditures				
Instruction	529.00	1,850.00	$ 4,500.00	$ (2,650.00)
Total Expenditures	529.00	1,850.00	$ 4,500.00	$ (2,650.00)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem Tax	$ 82,152.84	$ 163,947.24	$ 152,240.00	$ 11,707.24
Deliquent Tax	3,401.09	3,019.75	1,820.00	1,199.75
County Sources				
Motor Vehicle Tax	20,046.89	22,082.96	21,401.00	681.96
Recreational Vehicle Tax	329.52	436.96	322.00	114.96
16/20 M Tax	607.49	672.73	227.00	445.73
Commercial Vehicle Tax	193.12	242.21	-	242.21
Other	-	38,584.00	-	38,584.00
State Sources				
Capital Outlay State Aid	52,219.00	110,413.00	110,421.00	(8.00)
Other Receipts				
Interest on Idle Funds	28,897.26	17,262.70	-	17,262.70
Reimbursements	-	11,537.50	-	11,537.50
Miscellaneous Receipts	48,925.14	47,118.13	-	47,118.13
Operating Transfers from				
General Fund	17,819.62	151,923.13	-	151,923.13
Total Receipts	254,591.97	567,240.31	$ 286,431.00	$ 280,809.31
Expenditures				
Instruction	695.90	25,617.89	$ 100,000.00	$ (74,382.11)
Support Services				
General Administration	-	-	5,000.00	(5,000.00)
School Administration	-	-	25,000.00	(25,000.00)
Operations and Maintenance	839.20	525.33	75,000.00	(74,474.67)
Vehicle Operating Services	-	17,499.50	150,000.00	(132,500.50)
Facility Acquisition and Construction Services				
Building Improvements	131,087.05	413,720.07	645,000.00	(231,279.93)
Total Expenditures	132,622.15	457,362.79	$ 1,000,000.00	$ (542,637.21)
Receipts Over (Under) Expenditures	121,969.82	109,877.52		
Unencumbered Cash, Beginning	854,445.68	976,415.50		
Cancelled Encumbrances	-	22,620.00		
Unencumbered Cash, Ending	$ 976,415.50	$ 1,108,913.02		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
DRIVER TRAINING FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Miscellaneous	$ 4,350.00	$ 2,850.00	$ -	$ 2,850.00
State Sources				
State Aid	2,730.00	2,754.00	2,700.00	54.00
Total Receipts	7,080.00	5,604.00	$ 2,700.00	$ 2,904.00
Expenditures				
Instruction	3,526.61	4,588.21	$ -	$ 4,588.21
Support Services				
Operations and Maintenance	-	185.67	9,250.00	(9,064.33)
Vehicle Operating Services	262.48	9,999.50	750.00	9,249.50
Other Support Services	-	-	10,000.00	(10,000.00)
Total Expenditures	3,789.09	14,773.38	$ 20,000.00	$ (5,226.62)
Receipts Over (Under) Expenditures	3,290.91	(9,169.38)		
Unencumbered Cash, Beginning	34,714.04	38,004.95		
Unencumbered Cash, Ending	$ 38,004.95	$ 28,835.57		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
FOOD SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Food Service Sales	$ 41,435.90	$ 6,499.35	$ 55,124.00	$ (48,624.65)
Miscellaneous Receipts	4,529.70	4,505.82	10,000.00	(5,494.18)
State Sources				
Food Service Aid	2,779.47	4,147.39	2,274.00	1,873.39
Federal Sources				
Child Nutrition Aid	322,095.95	482,187.57	264,406.00	217,781.57
Fresh Fruits and Vegetables	12,050.90	19,688.92	-	19,688.92
Operating Transfers from:				
General Fund	-	500.00	-	500.00
Supplemental General Fund	25,000.00	-	26,000.00	(26,000.00)
Total Receipts	407,891.92	517,529.05	$ 357,804.00	$ 159,725.05
Expenditures				
Support Services				
Operations and Maintenance	-	-	$ 5,000.00	$ (5,000.00)
Operation of Non-Instructional Services				
Food Service Operations	408,978.07	435,280.93	445,000.00	(9,719.07)
Total Expenditures	408,978.07	435,280.93	$ 450,000.00	$ (14,719.07)
Receipts Over (Under) Expenditures	(1,086.15)	82,248.12		
Unencumbered Cash, Beginning	93,551.92	92,465.77		
Unencumbered Cash, Ending	$ 92,465.77	$ 174,713.89		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
State Aid	$ -	$ 250.00	$ 750.00	$ (500.00)
Total Receipts	-	250.00	$ 750.00	$ (500.00)
Expenditures				
Support Services				
Instructional Support	1,296.43	1,625.00	$ 15,000.00	$ (13,375.00)
Total Expenditures	1,296.43	1,625.00	$ 15,000.00	$ (13,375.00)
Receipts Over (Under) Expenditures	(1,296.43)	(1,375.00)		
Unencumbered Cash, Beginning	34,568.20	33,271.77		
Unencumbered Cash, Ending	$ 33,271.77	$ 31,896.77		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Miscellaneous Receipts	$ -	$ 875.00	$ -	$ 875.00
Federal Sources				
Federal Grants	-	7,777.00	7,777.00	-
Operating Transfers from:				
General Fund	565,863.98	582,309.70	585,000.00	(2,690.30)
Supplemental General Fund	242,181.02	237,990.30	200,000.00	37,990.30
Total Receipts	808,045.00	828,952.00	$ 792,777.00	$ 36,175.00
Expenditures				
Instruction	670,812.00	703,460.45	$ 792,886.00	$ (89,425.55)
Support Services				
Instructional Support	814.66	1,125.00	5,000.00	(3,875.00)
Vehicle Operating Services	109,800.46	96,962.37	128,500.00	(31,537.63)
Total Expenditures	781,427.12	801,547.82	$ 926,386.00	$ (124,838.18)
Receipts Over (Under) Expenditures	26,617.88	27,404.18		
Unencumbered Cash, Beginning	434,000.80	460,618.68		
Unencumbered Cash, Ending	$ 460,618.68	$ 488,022.86		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
VOCATIONAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Other Receipts				
Miscellaneous	$ -	$ 882.00	$ 6,500.00	$ (5,618.00)
State Sources				
CTE Transportation Aid	3,877.00	-	-	-
Federal Sources				
Federal Grants	1,212.00	2,671.88	-	2,671.88
Operating Transfers from				
General Fund	30,612.23	28,836.50	31,000.00	(2,163.50)
Supplemental Fund	-	10,000.00	10,000.00	-
Total Receipts	35,701.23	42,390.38	$ 47,500.00	$ (5,109.62)
Expenditures				
Instruction	33,875.23	43,427.38	$ 51,500.00	$ (8,072.62)
Total Expenditures	33,875.23	43,427.38	$ 51,500.00	$ (8,072.62)
Receipts Over (Under) Expenditures	1,826.00	(1,037.00)		
Unencumbered Cash, Beginning	2,101.00	3,927.00		
Unencumbered Cash, Ending	$ 3,927.00	$ 2,890.00		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
VIRTUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Other Receipts				
Miscellaneous	$ -	$ -	$ 15,000.00	$ (15,000.00)
Operating Transfers from General Fund	40,000.00	25,000.00	50,000.00	(25,000.00)
Total Receipts	40,000.00	25,000.00	$ 65,000.00	$ (40,000.00)
Expenditures				
Instruction	40,000.00	25,000.00	$ 65,000.00	$ (40,000.00)
Total Expenditures	40,000.00	25,000.00	$ 65,000.00	$ (40,000.00)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
GIFTS AND GRANTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
State Sources		
Safe and Secure Grant	$ -	$ -
Local Source		
Miscellaneous	7,527.40	8,886.00
Total Receipts	7,527.40	8,886.00
Expenditures		
Support Services		
Operations and Maintenance	6,749.73	-
Total Expenditures	6,749.73	-
Receipts Over (Under) Expenditures	777.67	8,886.00
Unencumbered Cash, Beginning	51,337.73	52,115.40
Unencumbered Cash, Ending	$ 52,115.40	$ 61,001.40

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
KPP PRESCHOOL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
State Sources		
State Grant	$ 28,068.00	$ 18,000.00
Federal Sources		
TANF	28,068.00	18,000.00
Total Receipts	56,136.00	36,000.00
Expenditures		
Instruction	-	36,000.00
Support Services		
Instructional Support	56,136.00	-
Total Expenditures	56,136.00	36,000.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
KPERS Aid	$ 530,597.35	$ 502,381.70	$ 584,771.00	$ (82,389.30)
Total Receipts	530,597.35	502,381.70	$ 584,771.00	$ (82,389.30)
Expenditures				
Instruction	331,495.12	311,981.11	$ 365,471.00	$ (53,489.89)
Support Services				
Student Support	20,357.45	18,912.56	23,500.00	(4,587.44)
Instructional Support	25,668.67	23,880.61	28,500.00	(4,619.39)
General Administration	26,235.02	24,676.01	28,800.00	(4,123.99)
School Administration	47,293.93	44,710.88	52,000.00	(7,289.12)
Operations and Maintenance	35,612.32	33,094.81	38,000.00	(4,905.19)
Student Transportation Services	26,822.85	26,678.92	28,500.00	(1,821.08)
Food Service	17,111.99	18,446.80	20,000.00	(1,553.20)
Total Expenditures	530,597.35	502,381.70	$ 584,771.00	$ (82,389.30)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from General Fund	$ 25,000.00	$ 50,000.00
Total Receipts	25,000.00	50,000.00
Expenditures		
Support Services		
Operations and Maintenance	-	17,458.56
Total Expenditures	-	17,458.56
Receipts Over (Under) Expenditures	25,000.00	32,541.44
Unencumbered Cash, Beginning	271,917.71	296,917.71
Unencumbered Cash, Ending	$ 296,917.71	$ 329,459.15

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
TEXTBOOK AND STUDENT MATERIAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Rental Fees	$ 9,672.00	$ 10,575.50
Total Receipts	9,672.00	10,575.50
Expenditures		
Instruction	8,828.73	6,024.45
Total Expenditures	8,828.73	6,024.45
Receipts Over (Under) Expenditures	843.27	4,551.05
Unencumbered Cash, Beginning	28,211.86	29,055.13
Unencumbered Cash, Ending	$ 29,055.13	$ 33,606.18

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
RURAL AND SMALL SCHOOL GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Grants	$ 16,800.00	$ 3,361.00
Total Receipts	16,800.00	3,361.00
Expenditures		
Instruction	16,800.00	3,361.00
Total Expenditures	16,800.00	3,361.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
PRITCHETT TRUST GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Local Grants	$ 22,500.00	$ -
Total Receipts	22,500.00	-
Expenditures		
Support Services		
General Administration	23,008.73	334.84
Total Expenditures	23,008.73	334.84
Receipts Over (Under) Expenditures	(508.73)	(334.84)
Unencumbered Cash, Beginning	3,136.22	2,627.49
Unencumbered Cash, Ending	$ 2,627.49	$ 2,292.65

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
JUMP START GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Local Grants	$ 10,000.00	$ 10,000.00
Total Receipts	10,000.00	10,000.00
Expenditures		
Instruction	10,000.00	10,000.00
Total Expenditures	10,000.00	10,000.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
TITLE I FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	$ 168,790.00	$ 173,628.00
Total Receipts	168,790.00	173,628.00
Expenditures		
Instruction	168,790.00	173,628.00
Total Expenditures	168,790.00	173,628.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
TITLE II - IMPROVING TEACHER QUALITY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	$ 33,777.00	$ 33,521.00
Total Receipts	33,777.00	33,521.00
Expenditures		
Instruction	33,777.00	33,521.00
Total Expenditures	33,777.00	33,521.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
TITLE IV
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	$ 16,418.00	$ 17,738.00
Total Receipts	16,418.00	17,738.00
Expenditures		
Instruction	13,192.49	8,952.72
Support Services		
Student Support	3,225.51	8,785.28
Total Expenditures	16,418.00	17,738.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	$ 53,650.00	$ 86,616.00
Total Receipts	53,650.00	86,616.00
Expenditures		
Instruction	67,110.09	(5,471.67)
Support Services		
Operations and Maintenance	-	78,627.58
Total Expenditures	67,110.09	73,155.91
Receipts Over (Under) Expenditures	(13,460.09)	13,460.09
Unencumbered Cash, Beginning	-	(13,460.09)
Unencumbered Cash, Ending	$ (13,460.09)	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
SPARKS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	$ -	$ 99,023.00
Total Receipts	-	99,023.00
Expenditures		
Instruction	-	86,523.00
Support Services		
Student Support	-	12,500.00
Total Expenditures	-	99,023.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
PROJECT CARE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Payments From Parents	$ 6,710.00	$ 8,190.00
Total Receipts	6,710.00	8,190.00
Expenditures		
Support Services		
Student Support	4,270.14	5,728.36
Total Expenditures	4,270.14	5,728.36
Receipts Over (Under) Expenditures	2,439.86	2,461.64
Unencumbered Cash, Beginning	3,452.60	5,892.46
Unencumbered Cash, Ending	$ 5,892.46	$ 8,354.10

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem Tax	$ 158,984.29	$ 8,628.17	$ 10,650.00	$ (2,021.83)
Delinquent Tax	6,555.91	5,880.76	3,450.00	2,430.76
County Sources				
Motor Vehicle Tax	40,129.61	50,333.22	49,128.00	1,205.22
Commercial Vehicle Tax	471.77	471.10	740.00	(268.90)
Recreational Vehicle Tax	664.33	1,008.20	520.00	488.20
16 & 20M Truck	1,073.13	1,657.72	-	1,657.72
State Sources				
State Aid	205,459.00	617,558.00	617,154.00	404.00
Total Receipts	413,338.04	685,537.17	$ 681,642.00	$ 3,895.17
Expenditures				
Debt Service				
Principal	300,000.00	980,000.00	$ 980,000.00	$ -
Bond Fee	-	-	653.00	(653.00)
Interest	36,817.50	16,061.64	15,409.00	652.64
Total Expenditures	336,817.50	996,061.64	$ 996,062.00	$ (0.36)
Receipts Over (Under) Expenditures	76,520.54	(310,524.47)		
Unencumbered Cash, Beginning	780,237.57	856,758.11		
Unencumbered Cash, Ending	$ 856,758.11	$ 546,233.64		

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
High School				
Art	$ 630.84	$ -	$ -	$ 630.84
Band	92.90	-	-	92.90
Business	200.54	-	-	200.54
Language Fund	960.13	-	-	960.13
LMC	12.57	-	-	12.57
Newspaper	22.61	-	-	22.61
Jeans Fund	483.87	72.00	-	555.87
Fees/Repairs	100.00	-	-	100.00
Vocal	634.26	-	-	634.26
Yearbook	789.74	6,236.10	4,086.08	2,939.76
Culinary Arts	156.05	-	-	156.05
Football	3,494.13	5,101.05	7,338.07	1,257.11
S.A.F.E	541.32	50.00	289.92	301.40
Baseball	2,486.07	360.00	1,655.89	1,190.18
Softball	428.33	1,160.00	1,141.24	447.09
Cheerleaders	487.00	712.75	664.15	535.60
Basketball - Boys	73.90	-	-	73.90
Basketball - Girls	325.99	2,315.82	2,544.64	97.17
Spanish Club	748.90	994.00	1,136.40	606.50
Volleyball	27.12	-	-	27.12
HOSA	-	802.00	784.18	17.82
Food Pantry	6,444.32	2,225.00	948.59	7,720.73
FCCLA	810.47	600.00	884.85	525.62
National Honor	624.02	-	463.00	161.02
Student Council	1,260.56	597.19	209.06	1,648.69
Chess Club	562.80	-	218.67	344.13
FACS Work & Family	66.00	-	-	66.00
Track	819.02	441.47	317.00	943.49
Kays	1,116.24	250.00	760.87	605.37
Beef Council	80.05	-	-	80.05
Intro to Business	412.22	2,007.00	1,854.85	564.37
Forensics	217.77	-	-	217.77
Viking Industry	310.06	12,231.60	10,262.41	2,279.25
Awards	135.16	-	-	135.16
Scholars Bowl	4.51	-	-	4.51
Class of 2021	463.90	15,273.40	15,168.59	568.71
Cube Account	104.29	-	-	104.29
Class of 2020	5,430.50	952.59	6,383.09	-

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
High School (Continued)				
Class of 2022	$ 18.80	$ 6,993.93	$ 4,283.46	$ 2,729.27
Class of 2023	552.19	-	-	552.19
Bedene Memorial	53.00	-	-	53.00
Grad Classes	20.98	-	-	20.98
Hutchison Memorial	104.73	-	-	104.73
Blazic Dual	0.12	3,622.00	2,263.66	1,358.46
Respect Committ	8.35	-	-	8.35
Revolving	1,057.23	206.39	186.90	1,076.72
Ales Scholarship	250.00	-	-	250.00
Simone Memorial	2,000.00	-	1,000.00	1,000.00
Wayneberg Arthur	7,500.00	-	250.00	7,250.00
Northeast Education	86.19	-	-	86.19
Falletti Memorial	1,504.44	2,000.00	1,000.00	2,504.44
Van Leeuwen Memorial	30.00	-	-	30.00
Nancy R. Brown	-	250.00	-	250.00
Mary Cleland Shcolarship	2,750.00	-	-	2,750.00
Bogina Memorial	2,405.00	-	-	2,405.00
Anselmi Acholarship	-	500.00	-	500.00
A Friend of Arma	1,250.00	-	600.00	650.00
Mary Barnyak TR	1,006.43	332.49	-	1,338.92
Elementary School				
Sales Tax	49.97	94.37	112.65	31.69
Yearbook	2,707.45	1,110.13	1,525.43	2,292.15
Cheerleaders	1,223.69	-	-	1,223.69
JH STUCO	586.12	15.05	182.03	419.14
Study Ambassador	67.55	-	-	67.55
Chrome Book Insurance	10.00	2,422.50	2,432.50	-
Library	675.58	101.00	339.58	437.00
Band	28.12	-	-	28.12
Box Tops for Ed	350.02	-	-	350.02
Northeast Education Foundation	1,621.30	-	-	1,621.30
Lois Loeffler Memorial	8.01	-	-	8.01
Revolving	2,216.33	6,059.72	1,836.21	6,439.84
Student Clothing	410.17	-	106.04	304.13
School Fees	-	2,115.00	2,115.00	-
Student Incentive	1,286.70	653.42	353.97	1,586.15
Life Skills	33.99	-	-	33.99
Elementary Students	975.78	166.63	-	1,142.41
Totals	$ 64,406.40	$ 79,024.60	$ 75,698.98	$ 67,732.02

Schedule 4

UNIFIED SCHOOL DISTRICT #246

Arma, Kansas

DISTRICT ACTIVITY FUNDS

Summary of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2021
Gate Receipts						
High School	$ 1,683.27	$ 22,555.38	$ 21,369.60	$ 2,869.05	$ -	$ 2,869.05
Middle School	1,521.15	4,100.00	5,288.00	333.15	-	333.15
Total District Activity Funds	$ 3,204.42	$ 26,655.38	$ 26,657.60	$ 3,202.20	$ -	$ 3,202.20

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub-receipients	Cash Receipts	Disbursements/ Expenditures
U.S. DEPARTMENT OF EDUCATION					
Passed through the Kansas Department of Education					
Title I Grant to Local Educational Agencies	D0246	84.010	$ -	$ 173,628.00	$ 173,628.00
Elementary and Secondary School Emergency Relief	D0246	84.425	-	94,393.00	80,932.91
Passed through the Southeast Kansas Education Service Center					
Vocational Education - Basic Grants to States - Reserve Fund	D0246	84.048	-	2,671.88	2,435.88
Passed through the United States Department of Education					
Small Rural School Achievement	D0246	84.358	-	3,361.00	3,361.00
Passed through the Kansas Department of Education					
Academic Enrichment	D0246	84.424	-	17,738.00	17,738.00
Improving Teacher Quality State Grants	D0246	84.367	-	33,521.00	33,521.00
Total U.S. Department of Education			-	325,312.88	311,616.79
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the Kansas Department of Education					
477 Cluster					
Temprary Assistance for Needy Families - Early Learning Kansans	D0246	93.558	-	18,000.00	18,000.00
Total 477 Cluster			-	18,000.00	18,000.00
Total U.S. Department of Health and Human Services			-	18,000.00	18,000.00
U.S. DEPARTMENT OF AGRICULTURE					
Passed through the Kansas Department of Education					
Child USDA Nutrition Cluster:					
National School Lunch Program	D0246	10.555	-	162,699.77	141,301.28
Summer Food Service Program for Children	D0246	10.559	-	319,487.80	274,290.73
	Total Child USDA Nutrition Cluster:		-	482,187.57	415,592.01
Fresh Fruit and Vegetable Program	D0246	10.582	-	19,688.92	19,688.92
Total U.S. Department of Agriculture			-	501,876.49	435,280.93

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub-receipients	Cash Receipts	Disbursements/ Expenditures
U.S. DEPARTMENT OF THE TREASURY					
Passed through Crawford County, Kansas					
Coronavirus Relief Funds (SPARKS)	D0246	21.019	$ -	$ 99,023.00	$ 99,023.00
Total U.S. Department of the Treasury			-	99,023.00	99,023.00
TOTAL FEDERAL AWARDS			$ -	$ 944,212.37	$ 863,920.72

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

Unified School District #246 did not elect to use the 10% de minimis cost rate.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Unified School District #246
Arma, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District #246, Arma, Kansas, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the Unified School District #246's basic financial statement, and have issued our report thereon dated December 29, 2021.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statement, we considered the Unified School District #246'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 Unified School District #246's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #246'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 a combination of deficiencies, in internal control, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 Unified School District #246's financial statement are 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.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 29, 2021

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

Board of Education
Unified School District #246
Arma, Kansas

Report on Compliance for Each Major Federal Program
We have audited the Unified School District #246, Arma, Kansas' 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 Unified School District #246's major federal programs for the year ended June 30, 2021. Unified School District #246'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 Unified School District #246's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 Unified School District #246'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 Unified School District #246's compliance.

Opinion on Each Major Federal Program
In our opinion, the Unified School District #246, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Unified School District #246, 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 Unified School District #246'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 Unified School District #246'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 attention by those charged with governance.

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

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 29, 2021

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statement:
The auditors' report expresses an adverse opinion on the basic financial statement of Unified School District #246 on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X	No
Significant deficiencies identified?	____ Yes	X	None Reported
Noncompliance or other matters required to be reported under *Government Auditing Standards*	____ Yes	X	No

Federal Awards:

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X	No
Significant deficiencies identified?	____ Yes	X	None Reported

The auditors' report on compliance for the major federal award programs for Unified School District #246 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X	No

Identification of major programs:

U.S. DEPARTMENT OF AGRICULTURE

Child USDA Nutrition Cluster	
National School Lunch Program	CFDA No. 10.555
Summer Food Service Program for Children	CFDA No. 10.559

The threshold for distinguishing Types A and B programs was $750,000.00.

Auditee qualified as a low risk auditee?	____ Yes	X	No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

UNIFIED SCHOOL DISTRICT #246
Arma, Kansas

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

NONE