

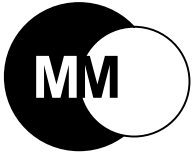
UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Fiscal Year Ended June 30, 2019

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

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, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
 <u>Financial Section</u>	
STATEMENT 1	
Summary of Receipts, Expenditures, and Unencumbered Cash	3
Composition of Cash	4
Notes to the Financial Statement	5
 <u>Regulatory-Required Supplementary Information</u>	
SCHEDULE 1	
Summary of Expenditures – Actual and Budget	12
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget	
General	13
Supplemental General	14
At Risk (4 Year Old)	15
At Risk (K-12)	16
Capital Outlay	17
Food Service	18
Professional Development	19
Special Education	20
Career and Postsecondary Education	21
KPERs Special Retirement Contribution	22
Recreation Commission	23
Gifts and Grants	24
Federal Funds	25
Schedule of Receipts and Expenditures – Actual	
Textbook and Student Material Revolving	26
Contingency Reserve	26
SCHEDULE 3	
Schedule of Receipts and Disbursements - Actual	
Agency Funds	27
SCHEDULE 4	
Schedule of Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	28



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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, 2019, 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, 2019, 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, 2019, 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
March 9, 2020

UNIFIED SCHOOL DISTRICT NO. 269

Palco, Kansas

Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

STATEMENT 1
Page 1

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	1,131,927	1,131,927	0	0	0
Supplemental General	24,532	0	411,642	427,453	8,721	0	8,721
Special Purpose Funds							
At Risk (4 Year Old)	0	0	40,000	40,000	0	0	0
At Risk (K-12)	0	0	80,000	80,000	0	0	0
Capital Outlay	196,397	0	212,799	243,212	165,984	0	165,984
Food Service	15,633	0	93,623	85,817	23,439	0	23,439
Professional Development	375	0	7,944	6,819	1,500	0	1,500
Special Education	109,061	0	141,874	181,384	69,551	0	69,551
Career and Postsecondary Education	38,820	0	0	6,603	32,217	0	32,217
KPERs Special Retirement Contribution Fund	0	0	80,512	80,512	0	0	0
Recreation Commission	0	0	22,753	22,753	0	0	0
Gifts and Grants	3,380	0	8,955	3,814	8,521	0	8,521
Federal Funds	3,713	0	30,452	34,165	0	0	0
Textbook and Student Material Revolving	19,719	0	2,360	3,266	18,813	0	18,813
Contingency Reserve	11,417	0	0	0	11,417	0	11,417
District Activity	1,026	0	18,257	18,586	697	0	697
Total Reporting Entity	424,073	0	2,283,098	2,366,311	340,860	0	340,860
(Excluding Agency Funds)							

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

UNIFIED SCHOOL DISTRICT NO. 269
Palco, Kansas
Composition of Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2019

STATEMENT 1
Page 2

Astra Bank, Palco, Kansas	
NOW Account	\$ 340,162
Checking Accounts	<u>34,811</u>
Total Cash	374,973
Agency Funds per Schedule 3	<u>(34,113)</u>
Total Reporting Entity (Excluding Agency Funds)	\$ <u><u>340,860</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 269

Palco, Kansas

Notes to the Financial Statement

June 30, 2019

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, 2019:

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, 2019.

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, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$374,973 and the bank balance was \$412,953. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$285,335 was covered by federal depository insurance and \$127,618 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, 2019.

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

The District received \$56,096 subsequent to June 30, 2019 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, 2019.

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 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first year payment of \$6.4 million was received in July 2017.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

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 \$80,512 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$1,304,371. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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, 2018. 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 with the 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, 2019.

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	114,876
General	At Risk (K-12)	K.S.A. 72-5167	40,000
General	Professional Development	K.S.A. 72-5167	5,000
General	Food Service	K.S.A. 72-5167	5,000
Supplemental General	Professional Development	K.S.A. 72-5143	2,500
Supplemental General	Food Service	K.S.A. 72-5143	35,000
Supplemental General	Special Education	K.S.A. 72-5143	24,745
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-5143	40,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	40,000

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, 2019 were as follows:

	Interest	Date	Amount of Original	Date of Final	Balance Beginning	Additions	Reductions/ Payments	Balance End of Year	Interest Paid ***
Issue	Rates	Issued	Issue	Maturity	of Year				
Lease Purchase Agreements:									
Qualified Zone Academy Bonds									
(QZAB) (Note 9)	0.00%	03/24/11	\$ 2,100,000	03/24/23	\$ 875,000	0	175,000	700,000	7,980
Total Long-term Debt					\$ 875,000	0	175,000	700,000	7,980

***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 92.9%

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:

	2020	2021	2022	2023	2024	Total
PRINCIPAL						
Lease Purchase Agreements:						
Qualified Zone Academy Bonds (QZAB)						
Estimated Lease Payments (Note 9)	141,903	137,765	133,628	129,491	0	542,787
Estimated Interest Earnings (Note 9)	33,097	37,235	41,372	45,509	0	157,213
Total Principal	175,000	175,000	175,000	175,000	0	700,000
INTEREST						
Lease Purchase Agreements:						
Qualified Zone Academy Bonds (QZAB)						
	7,980	7,980	7,980	7,980	0	31,920
Total Principal and Interest	\$ 182,980	182,980	182,980	182,980	0	731,920

11. **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, 2019**

UNIFIED SCHOOL DISTRICT NO. 269
 Palco, Kansas
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
For the Fiscal Year Ended June 30, 2019

SCHEDULE 1

Description	Certified Budget	Adjustments to Comply with Legal Max	Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
			Qualifying Budget Credits	Qualifying Budget Credits			
Governmental Type Funds:							
General Funds							
General	\$ 1,166,200	(54,760)	20,487		1,131,927	1,131,927	0
Supplemental General	440,047	(12,594)	0		427,453	427,453	0
Special Purpose Funds							
At Risk (4 Year Old)	40,000	0	0		40,000	40,000	0
At Risk (K-12)	80,000	0	0		80,000	80,000	0
Capital Outlay	319,600	0	0		319,600	243,212	(76,388)
Food Service	103,227	0	0		103,227	85,817	(17,410)
Professional Development	10,930	0	0		10,930	6,819	(4,111)
Special Education	240,177	0	0		240,177	181,384	(58,793)
Career and Postsecondary Education	38,997	0	0		38,997	6,603	(32,394)
KPERs Special Retirement Contribution Fund	113,441	0	0		113,441	80,512	(32,929)
Recreation Commission	23,003	0	0		23,003	22,753	(250)
Gift and Grants	3,380	0	0		3,380	3,814	*
Federal Funds	40,213	0	0		40,213	34,165	*

* Exempt from Budget Law

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 1

General Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
General State Aid	\$ 980,085	1,034,083	(53,998)
Special Education Aid	114,876	132,117	(17,241)
Mineral Tax	16,479	0	16,479
Reimbursed Expenses	<u>20,487</u>	<u>0</u>	<u>20,487</u>
 Total Receipts	 <u>1,131,927</u>	 <u>1,166,200</u>	 <u>(34,273)</u>
Expenditures:			
Instruction	567,305	587,669	(20,364)
Student Support Services	18,449	19,414	(965)
Instructional Support Staff	250	700	(450)
General Administration	113,008	122,600	(9,592)
School Administration	153,314	123,000	30,314
Operations and Maintenance	58,611	62,900	(4,289)
Student Transportation Services	56,114	67,800	(11,686)
Transfer to Special Education	114,876	132,117	(17,241)
Transfer to At Risk (K-12)	40,000	40,000	0
Transfer to Food Service	5,000	5,000	0
Transfer to Professional Development	5,000	5,000	0
Adjustment to Comply with Legal Max			
Legal General Fund Budget	<u>0</u>	<u>(54,760)</u>	<u>54,760</u>
 Total Legal General Fund Budget	 1,131,927	 1,111,440	 20,487
Adjustment for Qualifying Budget Credits:			
Reimbursed Expenses	<u>0</u>	<u>20,487</u>	<u>(20,487)</u>
 Total Expenditures	 <u>1,131,927</u>	 <u>1,131,927</u>	 <u>0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 2

Supplemental General Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Tax in Process	\$ 12,274	11,246	1,028
Current Tax	373,222	338,553	34,669
Delinquent Tax	6,911	6,577	334
Motor Vehicle Tax	16,874	18,800	(1,926)
Recreational Vehicle Tax	356	391	(35)
Commercial Vehicle Tax	<u>2,005</u>	<u>2,193</u>	<u>(188)</u>
 Total Receipts	 <u>411,642</u>	 <u>377,760</u>	 <u>33,882</u>
Expenditures:			
Instruction	77,339	90,515	(13,176)
Instructional Support Staff	0	15,000	(15,000)
General Administration	40,536	500	40,036
School Administration	0	89,032	(89,032)
Operations and Maintenance	159,646	145,000	14,646
Student Transportation Services	7,687	0	7,687
Transfer to Food Service	35,000	15,000	20,000
Transfer to Special Education	24,745	0	24,745
Transfer to At Risk Fund (4 Year Old)	40,000	40,000	0
Transfer to At Risk Fund (K-12)	40,000	40,000	0
Transfer to Professional Development	2,500	5,000	(2,500)
Adjustment to Comply with Legal Max			
Legal Supplemental General Fund Budget	<u>0</u>	<u>(12,594)</u>	<u>12,594</u>
 Total Expenditures	 <u>427,453</u>	 <u>427,453</u>	 <u>0</u>
Receipts Over (Under) Expenditures	(15,811)		
Unencumbered Cash, Beginning	<u>24,532</u>		
Unencumbered Cash, Ending	\$ <u>8,721</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 3

At Risk Fund (4 Year Old)

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Federal Aid	\$ 0	0	0
Transfer from Supplemental General	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Receipts	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Expenditures:			
Instruction	25,890	28,793	(2,903)
Instructional Support Staff	<u>14,110</u>	<u>11,207</u>	<u>2,903</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 4

At Risk Fund (K-12)

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

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

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 5

Capital Outlay Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Tax in Process	\$ 4,697	2,303	2,394
Current Tax	165,759	165,620	139
Delinquent Tax	3,178	2,520	658
Motor Vehicle Tax	8,167	9,173	(1,006)
Recreational Vehicle Tax	165	191	(26)
Commercial Vehicle Tax	898	1,070	(172)
Reimbursed Expense	975	0	975
Interest Earned on Idle Funds	<u>28,960</u>	<u>0</u>	<u>28,960</u>
 Total Receipts	 <u>212,799</u>	 <u>180,877</u>	 <u>31,922</u>
Expenditures:			
Instruction	13,374	14,500	(1,126)
Other Supplemental Services	4,564	9,000	(4,436)
School Administration	2,115	0	2,115
Operations and Maintenance	3,760	3,000	760
Transportation	19,249	123,100	(103,851)
Facilities Acquisition and Construction	17,170	0	17,170
QZAB Lease Payment	<u>182,980</u>	<u>170,000</u>	<u>12,980</u>
 Total Expenditures	 <u>243,212</u>	 <u>319,600</u>	 <u>(76,388)</u>
Receipts Over (Under) Expenditures	(30,413)		
Unencumbered Cash, Beginning	<u>196,397</u>		
 Unencumbered Cash, Ending	 <u>\$ 165,984</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 6

Food Service Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Federal Aid	\$ 29,543	33,689	(4,146)
State Aid	630	566	64
Food Service	22,652	23,862	(1,210)
Interest on Idle Funds	112	10,000	(9,888)
Reimbursed Expenses	686	0	686
Transfer from General	5,000	5,000	0
Transfer from Supplemental General	<u>35,000</u>	<u>15,000</u>	<u>20,000</u>
Total Receipts	<u>93,623</u>	<u>88,117</u>	<u>5,506</u>
Expenditures:			
Operations and Maintenance	0	0	0
Food Service Operation	<u>85,817</u>	<u>103,227</u>	<u>(17,410)</u>
Total Expenditures	<u>85,817</u>	<u>103,227</u>	<u>(17,410)</u>
Receipts Over (Under) Expenditures	7,806		
Unencumbered Cash, Beginning	<u>15,633</u>		
Unencumbered Cash, Ending	\$ <u>23,439</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 7

Professional Development Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
State Aid	\$ 444	625	(181)
Transfer from General	5,000	0	5,000
Transfer from Supplemental General	<u>2,500</u>	<u>5,000</u>	<u>(2,500)</u>
Total Receipts	<u>7,944</u>	<u>5,625</u>	<u>2,319</u>
Expenditures:			
Instructional Support Staff	6,819	7,500	(681)
Other Supplemental Services	<u>0</u>	<u>3,430</u>	<u>(3,430)</u>
Total Expenditures	<u>6,819</u>	<u>10,930</u>	<u>(4,111)</u>
Receipts Over (Under) Expenditures	1,125		
Unencumbered Cash, Beginning	<u>375</u>		
Unencumbered Cash, Ending	\$ <u><u>1,500</u></u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 8

Special Education Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Transfer from General	\$ 114,876	132,117	(17,241)
Transfer from Supplemental General	24,745	0	24,745
Reimbursements	<u>2,253</u>	<u>0</u>	<u>2,253</u>
Total Receipts	<u>141,874</u>	<u>132,117</u>	<u>9,757</u>
Expenditures:			
Instruction	181,324	240,177	(58,853)
Instructional Support Staff	<u>60</u>	<u>0</u>	<u>60</u>
Total Expenditures	<u>181,384</u>	<u>240,177</u>	<u>(58,793)</u>
Receipts Over (Under) Expenditures	(39,510)		
Unencumbered Cash, Beginning	<u>109,061</u>		
Unencumbered Cash, Ending	\$ <u>69,551</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 9

Career and Postsecondary Education Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Transfer from Supplemental General	\$ 0	0	0
Other Revenue from Local Sources	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Instruction	<u>6,603</u>	<u>38,997</u>	<u>(32,394)</u>
Receipts Over (Under) Expenditures	(6,603)		
Unencumbered Cash, Beginning	<u>38,820</u>		
Unencumbered Cash, Ending	\$ <u>32,217</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 10

KPERS Special Retirement Contribution Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
State Aid	\$ 80,512	<u>113,441</u>	<u>(32,929)</u>
Expenditures:			
Instruction	45,624	72,871	(27,247)
Student Support	2,684	1,234	1,450
Instructional Support	2,684	1,534	1,150
General Administration	2,684	4,538	(1,854)
School Administration	11,808	19,151	(7,343)
Other Supplemental Services	1,342	0	1,342
Operations & Maintenance	8,051	5,772	2,279
Student Transportation	268	4,638	(4,370)
Food Service	<u>5,367</u>	<u>3,703</u>	<u>1,664</u>
Total Expenditures	<u>80,512</u>	<u>113,441</u>	<u>(32,929)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 11

Recreation Commission Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Tax in Process	\$ 588	1,370	(782)
Current Tax	20,631	20,707	(76)
Delinquent Tax	388	315	73
Motor Vehicle Tax	1,015	1,141	(126)
Recreational Vehicle Tax	19	24	(5)
Commercial Motor Vehicle	112	134	(22)
Other Revenue From Local Source	<u>0</u>	<u>311</u>	<u>(311)</u>
Total Receipts	<u>22,753</u>	<u>24,002</u>	<u>(1,249)</u>
Expenditures:			
Community Service Operations	<u>22,753</u>	<u>23,003</u>	<u>(250)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 12

Gifts and Grants Fund

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Donations and Grants	\$ <u>8,955</u>	<u>0</u>	<u>8,955</u>
Expenditures:			
Instruction	3,814	3,380	434
Operations and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,814</u>	<u>3,380</u>	<u>434</u>
Receipts Over (Under) Expenditures	5,141		
Unencumbered Cash, Beginning	<u>3,380</u>		
Unencumbered Cash, Ending	\$ <u><u>8,521</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 269

Palco, Kansas

SCHEDULE 2

Page 13

Federal Funds

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	<u>Title I</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>Small Rural Schools</u>	<u>Totals</u>	<u>Budget*</u>	<u>Variance Over (Under)</u>
Receipts:							
Federal Aid	\$ 15,893	3,882	10,677	0	30,452	36,500	(6,048)
Expenditures:							
Instruction	15,893	3,882	10,677	3,713	34,165	40,213	(6,048)
School Administration	0	0	0	0	0	0	0
Total Expenditures	15,893	3,882	10,677	3,713	34,165	40,213	(6,048)
Receipts Over (Under) Expenditures	0	0	0	(3,713)	(3,713)		
Unencumbered Cash, Beginning	0	0	0	3,713	3,713		
Unencumbered Cash, Ending	\$ 0	0	0	0	0		

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

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 2

Palco, Kansas

Page 14

Any Non-budgeted Fund

Schedule of Receipts and Expenditures-Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	Textbook and Student Material <u>Revolving Fund</u>	Contingency Reserve <u>Fund</u>
Receipts:		
Rental Fees and Books	\$ 2,360	0
Contributions/Donations	<u>0</u>	<u>0</u>
Total Receipts	<u>2,360</u>	<u>0</u>
Expenditures:		
Instruction	3,266	0
Operations and Maintenance	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,266</u>	<u>0</u>
Receipts Over (Under) Expenditures	(906)	0
Unencumbered Cash, Beginning	<u>19,719</u>	<u>11,417</u>
Unencumbered Cash, Ending	\$ <u>18,813</u>	<u>11,417</u>

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, 2019

Fund	Beginning Cash Balance	Receipts	Disburse- ments	Ending Cash Balance
Student Organization Funds:				
High School:				
FFA	\$ 5,899	5,919	6,529	5,289
Student Council	1,165	15,306	10,641	5,830
Class of 2016	967	0	967	0
Class of 2017	508	0	508	0
Class of 2018	277	0	0	277
Class of 2019	3,623	368	2,378	1,613
Class of 2020	2,938	2,725	3,808	1,855
Class of 2021	2,508	189	0	2,697
Class of 2022	0	1,272	0	1,272
Yearbook	3,268	3,868	5,236	1,900
Athletic Club	1,469	190	1,221	438
PHS Cheerleaders	799	4,304	3,080	2,023
PHS Football Club	961	0	0	961
PHS Basketball	333	0	0	333
PHS Boys Basketball	0	673	521	152
PHS Volleyball	317	0	0	317
PHS Science	21	0	0	21
PHS Gym	850	0	0	850
PHS Site Council	357	0	0	357
PHS Cross Country	606	0	0	606
Forensics	75	0	0	75
National Honor Society	1,611	1,287	1,750	1,148
Junior High:				
Athletic Club	2,972	0	0	2,972
Cheerleaders	57	0	0	57
Eighth Grade	1,260	508	1,304	464
Eighth Leadership	246	0	196	50
Elementary:				
Elementary Activities	2,667	4,361	5,003	2,025
Other Agency Funds:				
Teacher's Flower Fund	531	0	0	531
Sales Tax	(834)	3,311	2,477	0
 Total Student Organization Funds	 \$ <u>35,451</u>	 <u>44,281</u>	 <u>45,619</u>	 <u>34,113</u>

UNIFIED SCHOOL DISTRICT NO. 269

SCHEDULE 4

Palco, Kansas

District Activity Funds

Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

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	\$ 954	0	18,257	18,586	625	0	625
Junior High	72	0	0	0	72	0	72
Total District Activity Funds	\$ 1,026	0	18,257	18,586	697	0	697