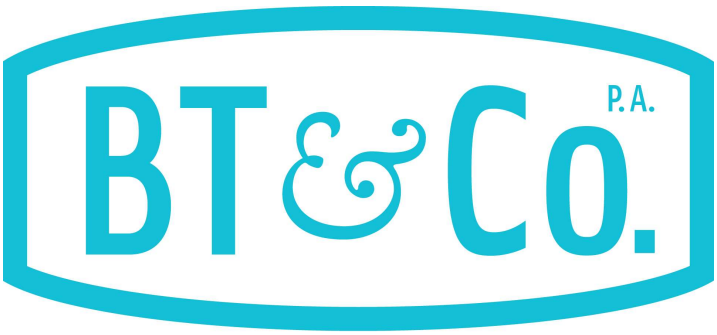


JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339 WINCHESTER, KANSAS

FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2022

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2022

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BT & Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Education
Jefferson County North Unified School District No. 339

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Jefferson County North Unified School District No. 339 (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

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 and Unmodified Opinions section of our report, the accompanying 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 the District as of June 30, 2022, 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 accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2022, 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 2.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards), issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 2 of the financial statement, the financial statement is prepared by the District 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management 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 2; 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional 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 accompanying supplementary 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 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2023 on our consideration of the District'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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co., P.A.

January 4, 2023
Topeka, Kansas

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
Year Ended June 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	$ 3	$ -	$ 4,346,154	$ 4,346,157	$ -	$ 344,087	$ 344,087
Supplemental general fund	51,597	2,430	1,329,350	1,337,109	46,268	99,372	145,640
Special purpose funds:							
Capital outlay	521,701	3,560	305,085	449,935	380,411	136,037	516,448
Driver training	20,240	-	6,688	7,066	19,862	567	20,429
Food service	43,454	-	382,631	327,843	98,242	16,084	114,326
Professional development	7,742	-	8,000	8,707	7,035	-	7,035
Special education	300,099	-	883,448	991,875	191,672	-	191,672
Extraordinary school program	18,555	-	9,074	13,047	14,582	-	14,582
Vocational education	93,788	-	85,800	86,024	93,564	-	93,564
Federal grant funds	-	-	178,025	193,954	(15,929)	17,251	1,322
KPERS special retirement contribution	-	-	460,702	460,702	-	-	-
At-risk K-12	76,530	-	333,527	303,723	106,334	45,732	152,066
At-risk 4 year-old	25,646	-	40,000	43,934	21,712	7,926	29,638
Parent education program	6,000	-	6,000	6,000	6,000	-	6,000
Gifts and grants	14,521	-	21,124	-	35,645	-	35,645
Virtual education	-	-	-	-	-	-	-
Contingency reserve	199,640	-	-	-	199,640	-	199,640
Textbook rental	158,442	-	30,361	89,280	99,523	79,911	179,434
District activity	19,051	-	34,011	35,687	17,375	-	17,375
Bond and interest fund	557,576	-	247,659	207,163	598,072	-	598,072
Total reporting entity (excluding agency funds)	$ 2,114,585	$ 5,990	$ 8,707,639	$ 8,908,206	$ 1,920,008	$ 746,967	$ 2,666,975
Composition of cash							
Kendall State Bank:							
Checking - NOW account							$ 1,445,668
Checking - High School activity							71,487
Checking - Elementary and Middle School activity							17,741
Petty cash							1,417
Money market deposit account							1,204,515
Total cash							2,740,828
Agency funds per Schedule 3							(71,853)
Total reporting entity (excluding agency funds)							$ 2,668,975

See accompanying notes to financial statement.

1 - Municipal Financial Reporting Entity

Jefferson County North Unified School District No. 339 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all of the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

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

The following regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2022:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

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

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

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

(b) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (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 accounting principles generally accepted in the United States of America and allowing the District to use the regulatory basis of accounting.

(c) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special purpose funds (unless specifically exempted by statute), and the bond and interest fund. 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.

If the District is holding a revenue neutral rate hearing the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral rate hearing for this year.

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 District had a budget amendment for the Virtual Education Fund for the year ended June 30, 2022.

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

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

A legal operating budget is not required for the agency funds or the following special purpose funds:

Contingency Reserve, Textbook Rental, and District Activity Funds.

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.

(d) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(e) Annual Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

(f) Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria:

1. The related disbursement was made in the current year on behalf of the payee.
2. The item paid for was directly identifiable as having been used by or provided to the payee.
3. The amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

The purpose of these expenditures is payment for goods and services for which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

(g) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

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 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 and open accounts with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's investments were composed entirely of money market deposit accounts during and as of the fiscal year ended June 30, 2022.

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. Kansas 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, 2022.

At June 30, 2022, the District's carrying amount of deposits was $ 2,740,828 and the bank balance was $ 2,632,733. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $ 250,000 was covered by federal depository insurance, and $ 2,382,733 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

4 - In-substance Receipt in Transit

The District received $ 212,113 subsequent to June 30, 2022 and as required by K.S.A. 72-5135 the receipts were recorded as in-substance receipts in transit and included as receipts for the year ended June 30, 2022.

5 - Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2022 were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance, Beginning of Year	Additions	Reductions/ Payments	Balance, End of Year	Interest Paid
2013 GO bond issue	2.00% to 3.25%	6/1/2013	$ 2,000,000	09/01/2028	$ 1,455,000	$ -	$ 165,000	$ 1,290,000	$ 42,163
Finance lease - copier	0.00%	8/11/2021	$ 99,300	8/11/2026	$ -	$ 99,300	$ 18,205	$ 81,095	$ -

Maturities of long-term debt and interest through maturity are as follows:

	2023	2024	2025	2026	2027	2028 - 2029	Total
Principal:							
2013 GO bond issue	$ 170,000	$ 170,000	$ 180,000	$ 185,000	$ 190,000	$ 395,000	$ 1,290,000
Finance lease - copier	$ 19,860	$ 19,860	$ 19,860	$ 19,860	$ 1,655	$ -	$ 81,095
Interest:							
2013 GO bond issue	$ 37,138	$ 32,037	$ 26,788	$ 21,312	$ 15,688	$ 12,919	$ 145,882

6 - 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, 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 (not including the 1% contribution rate for the Death and Disability Program) was 14.83% and 13.33%, respectively, for the fiscal year ended June 30, 2022.

Senate Substitute for House Bill 2052 authorized the delay of $ 64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $ 6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $ 194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $ 19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $ 56 million was paid in fiscal year 2018. This bill also authorized a payment of $ 82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $ 115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $ 51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $ 456,272 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was $ 3,644,303. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7 - 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 in 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.

8 - 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 employers contribution rate is set at 1% for the year ended June 30, 2022.

9 - Interfund Transfers

The District made the following interfund transfers during the year ended June 30, 2022. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General	At-Risk K-12	K.S.A. 72-5167	$ 253,527
General	Virtual Education	K.S.A. 72-5167	10,000
General	Food Service	K.S.A. 72-5167	5,425
General	Special Education	K.S.A. 72-5167	615,061
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	80,000
Supplemental general	Professional Development	K.S.A. 72-5143	8,000
Supplemental general	Parent Education Program	K.S.A. 72-5143	6,000
Supplemental general	Special Education	K.S.A. 72-5143	215,917
Supplemental general	Vocational Education	K.S.A. 72-5143	85,000
			$ 1,318,930

10 - Stewardship, Compliance, and Accountability

The Districted exceeded its cash authority by $ 15,929 in the Federal Grant Funds as a result of expenditures incurred prior to federal reimbursements.

11 - 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 for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

12 - Capital Projects

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

	Project Authorization	Expenditures to Date
Track resurface	$ 230,030	$ 154,021

SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2022

Fund	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	$ 4,400,521	$ (159,827)	$ 105,463	$ 4,346,157	$ 4,346,157	$ -
Supplemental general fund	1,359,445	(47,944)	25,689	1,337,190	1,337,109	(81)
Special purpose funds:						
Capital outlay	776,000	-	-	776,000	449,935	(326,065)
Driver training	26,950	-	-	26,950	7,066	(19,884)
Food service	375,125	-	-	375,125	327,843	(47,282)
Professional development	22,500	-	-	22,500	8,707	(13,793)
Special education	1,097,069	-	-	1,097,069	991,875	(105,194)
Extraordinary school program	31,525	-	-	31,525	13,047	(18,478)
Vocational education	151,650	-	-	151,650	86,024	(65,626)
Federal grant funds	288,472	-	-	288,472	193,954	(94,518)
KPERS special retirement contribution	521,079	-	-	521,079	460,702	(60,377)
At-risk K-12	420,350	-	-	420,350	303,723	(116,627)
At-risk 4 year-old	44,100	-	-	44,100	43,934	(166)
Parent education program	12,000	-	-	12,000	6,000	(6,000)
Gifts and grants	12,950	-	-	12,950	-	(12,950)
Virtual education	-	-	-	-	-	-
Bond and interest fund	207,163	-	-	207,163	207,163	-
Totals	$ 9,746,899	$ (207,771)	$ 131,152	$ 9,670,280	$ 8,783,239	

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Mineral production tax	$ -	$ 10	$ 10
State aid:			
General state aid	3,655,301	3,565,416	(89,885)
Special education aid	745,217	675,265	(69,952)
Reimbursed expenses	-	105,463	105,463
Total cash receipts	$ 4,400,518	4,346,154	$ (54,364)
Expenditures, encumbrances, and transfers:			
Instruction	$ 2,059,000	2,230,802	$ 171,802
Student support services	130,349	116,168	(14,181)
Instructional support staff	5,255	3,759	(1,496)
General administration	298,150	278,803	(19,347)
School administration	320,300	306,304	(13,996)
Operations and maintenance	214,800	225,511	10,711
Transportation	294,950	299,217	4,267
Other support services	1,000	1,580	580
Transfers out	1,076,717	884,013	(192,704)
Budget adjustment to comply with legal max	(159,827)		159,827
Budget adjustment for qualifying budget credits	105,463		(105,463)
Total expenditures, encumbrances, and transfers	$ 4,346,157	4,346,157	$ -
Cash receipts under expenditures, encumbrances, and transfers		(3)	
Unencumbered cash, beginning		3	
Unencumbered cash, ending		$ -	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	$ 451,241	$ 474,718	$ 23,477
Delinquent tax	4,369	5,071	702
Motor vehicle tax	50,465	47,543	(2,922)
Recreational vehicle tax	970	1,038	68
Commercial vehicle tax	1,312	3,997	2,685
State aid	799,490	771,294	(28,196)
Reimbursed expenses	-	25,689	25,689
Total cash receipts	$ 1,307,847	1,329,350	$ 21,503
Expenditures, encumbrances, and transfers:			
Instruction	$ 198,000	222,090	$ 24,090
Student support services	36,000	34,634	(1,366)
Instructional support staff	18,000	14,113	(3,887)
General administration	141,500	157,023	15,523
School administration	10,395	9,496	(899)
Central services	17,500	13,744	(3,756)
Operations and maintenance	485,550	451,092	(34,458)
Transfers out	452,500	434,917	(17,583)
Budget adjustment to comply with legal max	(47,944)		47,944
Budget adjustment for qualifying budget credits	25,689		(25,689)
Total expenditures, encumbrances, and transfers	$ 1,337,190	1,337,109	$ (81)
Cash receipts under expenditures, encumbrances, and transfers		(7,759)	
Unencumbered cash, beginning		51,597	
Adjustment to unencumbered cash for prior year canceled encumbrances		2,430	
Unencumbered cash, ending		$ 46,268	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	$ 164,837	$ 170,231	$ 5,394
Delinquent tax	1,912	1,972	60
Motor vehicle tax	20,035	18,833	(1,202)
Recreational vehicle tax	385	414	29
Commercial vehicle tax	521	1,506	985
State aid	87,531	87,529	(2)
Miscellaneous	-	24,600	24,600
Total cash receipts	$ 275,221	305,085	$ 29,864
Expenditures and encumbrances:			
Instruction	$ 85,000	13,549	$ (71,451)
Central services	3,500	-	(3,500)
Operations and maintenance	115,000	134,455	19,455
Transportation	255,000	1,734	(253,266)
Site acquisition and improvement	317,500	300,197	(17,303)
Total expenditures and encumbrances	$ 776,000	449,935	$ (326,065)
Cash receipts under expenditures and encumbrances		(144,850)	
Unencumbered cash, beginning		521,701	
Adjustment to unencumbered cash for prior year canceled encumbrances		3,560	
Unencumbered cash, ending		$ 380,411	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	$ 2,640	$ 3,538	$ 898
Local sources	5,000	3,150	(1,850)
Total cash receipts	$ 7,640	6,688	$ (952)
Expenditures and encumbrances:			
Instruction	$ 26,200	6,139	$ (20,061)
Operations and maintenance	750	927	177
Total expenditures and encumbrances	$ 26,950	7,066	$ (19,884)
Cash receipts under expenditures and encumbrances		(378)	
Unencumbered cash, beginning		20,240	
Unencumbered cash, ending		$ 19,862	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Interest on idle funds	$ 20,000	$ 6,139	$ (13,861)
Federal aid	274,851	358,817	83,966
State aid	-	2,357	2,357
Charges for services	2,382	9,436	7,054
Transfers in	35,000	5,425	(29,575)
Reimbursed expenses	-	457	457
Total cash receipts and transfers	$ 332,233	382,631	$ 50,398
Expenditures and encumbrances:			
Operations and maintenance	$ 26,425	9,591	$ (16,834)
Food service operation	348,700	318,252	(30,448)
Total expenditures and encumbrances	$ 375,125	327,843	$ (47,282)
Cash receipts and transfers over expenditures and encumbrances		54,788	
Unencumbered cash, beginning		43,454	
Unencumbered cash, ending		$ 98,242	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 15,000	$ 8,000	$ (7,000)
Expenditures:			
Instructional support staff	$ 22,500	8,707	$ (13,793)
Transfers under expenditures		(707)	
Unencumbered cash, beginning		7,742	
Unencumbered cash, ending		$ 7,035	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Medicaid	$ -	$ 27,206	$ 27,206
Federal aid	-	25,264	25,264
Transfers in	965,217	830,978	(134,239)
Total cash receipts and transfers	$ 965,217	883,448	$ (81,769)
Expenditures:			
Instruction	$ 1,017,894	917,550	$ (100,344)
Transportation	79,175	74,325	(4,850)
Total expenditures	$ 1,097,069	991,875	$ (105,194)
Cash receipts and transfers under expenditures		(108,427)	
Unencumbered cash, beginning		300,099	
Unencumbered cash, ending		$ 191,672	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
EXTRAORDINARY SCHOOL PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Charges for services	$ 20,000	$ 9,074	$ (10,926)
Expenditures:			
Instruction	$ 31,525	13,047	$ (18,478)
Cash receipts under expenditures		(3,973)	
Unencumbered cash, beginning		18,555	
Unencumbered cash, ending		$ 14,582	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Transfers in	$ 95,000	$ 85,000	$ (10,000)
Federal aid	1,000	800	(200)
Total cash receipts and transfers	$ 96,000	85,800	$ (10,200)
Expenditures:			
Instruction	$ 151,650	86,024	$ (65,626)
Cash receipts and transfers under expenditures		(224)	
Unencumbered cash, beginning		93,788	
Unencumbered cash, ending		$ 93,564	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
FEDERAL GRANT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Title I	Teacher Quality Title II	REAP	Title IV	ESSER II	Total Actual	Original Budget	Variance Over (Under)
Cash receipts:								
Federal aid	$ 42,530	$ 9,000	$ 32,183	$ 11,955	$ 82,357	$ 178,025	$ 288,472	$(110,447)
Expenditures and encumbrances:								
Instruction	42,530	1,555	34,171	-	96,298	174,554	$ 266,050	$ (91,496)
Student support services	-	-	-	11,955	-	11,955	15,000	(3,045)
Instructional support staff	-	7,445	-	-	-	7,445	7,422	23
Total expenditures and encumbrances	42,530	9,000	34,171	11,955	96,298	193,954	$ 288,472	$ (94,518)
Cash receipts under expenditures and encumbrances	-	-	(1,988)	-	(13,941)	(15,929)		
Unencumbered cash, beginning	-	-	-	-	-	-		
Unencumbered cash, ending	$ -	$ -	$ (1,988)	$ -	$ (13,941)	$ (15,929)		

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	$ 521,079	$ 460,702	$ (60,377)
Expenditures:			
Instruction	$ 349,000	298,552	$ (50,448)
Student support services	22,000	16,130	(5,870)
Instructional support staff	4,079	680	(3,399)
General administration	32,000	32,119	119
School administration	35,000	34,990	(10)
Operations and maintenance	36,000	37,096	1,096
Transportation	28,000	25,613	(2,387)
Food service	15,000	15,522	522
Total expenditures	$ 521,079	460,702	$ (60,377)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
AT-RISK K-12 FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 393,000	$ 333,527	$ (59,473)
Expenditures and encumbrances:			
Instruction	$ 374,300	262,990	$ (111,310)
Student support services	46,050	40,733	(5,317)
Total expenditures and encumbrances	$ 420,350	303,723	$ (116,627)
Transfers over expenditures and encumbrances		29,804	
Unencumbered cash, beginning		76,530	
Unencumbered cash, ending		$ 106,334	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
AT-RISK 4 YEAR-OLD FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 20,000	$ 40,000	$ 20,000
Expenditures and encumbrances:			
Instruction	$ 44,100	43,934	$ (166)
Transfers under expenditures and encumbrances		(3,934)	
Unencumbered cash, beginning		25,646	
Unencumbered cash, ending		$ 21,712	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
PARENT EDUCATION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 6,000	$ 6,000	$ -
Expenditures:			
Student support services	$ 12,000	6,000	$ (6,000)
Transfers over expenditures		-	
Unencumbered cash, beginning		6,000	
Unencumbered cash, ending		$ 6,000	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Local sources	$ -	$ 21,124	$ 21,124
Expenditures:			
Instruction	$ 12,950	-	$ (12,950)
Cash receipts over expenditures		21,124	
Unencumbered cash, beginning		14,521	
Unencumbered cash, ending		$ 35,645	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance Over (Under)
Cash receipts and transfers:				
Local sources	$ -	$ 10,000	$ -	$ (10,000)
Transfers in	-	-	10,000	10,000
Total cash receipts and transfers	$ -	$ 10,000	10,000	$ -
Expenditures:				
Instruction	$ -	$ 10,000	8,000	$ (2,000)
Cash receipts and transfers over expenditures			2,000	
Unencumbered cash, beginning			-	
Unencumbered cash, ending			$ 2,000	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	$ 123,014	$ 124,025	$ 1,011
Delinquent tax	1,343	4,467	3,124
Motor vehicle tax	14,976	14,098	(878)
Recreational vehicle tax	288	309	21
Commercial vehicle tax	389	1,178	789
State aid	103,582	103,582	-
Total cash receipts	$ 243,592	247,659	$ 4,067
Expenditures:			
Principal	$ 165,000	165,000	$ -
Interest	42,163	42,163	-
Total expenditures	$ 207,163	207,163	$ -
Cash receipts over expenditures		40,496	
Unencumbered cash, beginning		557,576	
Unencumbered cash, ending		$ 598,072	

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Unencumbered cash, beginning	$	199,640
Unencumbered cash, ending	$	199,640

(Continued)

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Charges for services	$	30,361
Expenditures and encumbrances:		
Instruction		88,627
Food service		653
Total expenditures and encumbrances		89,280
Cash receipts under expenditures and encumbrances		(58,919)
Unencumbered cash, beginning		158,442
Unencumbered cash, ending	$	99,523

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
STUDENT ORGANIZATION FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended June 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Elementary and Middle School:				
Activity	$ 1,588	$ 8,423	$ 7,616	$ 2,395
AR carnival	-	1,154	665	489
Cheerleading	9,903	5,366	8,493	6,776
Coke	3,855	550	569	3,836
Elementary leadership	769	5,893	6,299	363
Knowledge bowl	854	180	300	734
MS book fair	1,951	3,756	3,736	1,971
Pep club	12,050	3,576	14,450	1,176
Recycling	456	-	456	-
Subtotal Elementary and Middle School	31,426	28,898	42,584	17,740
High School:				
Activity	-	901	901	-
Applied business development	2,499	4	-	2,503
Art fund	-	541	285	256
Cheerleaders/dancers	6,025	4,282	6,602	3,705
Concessions	4,598	28,096	24,486	8,208
Drama/theatre	5,988	2,435	2,315	6,108
FBLA	1,109	6,791	5,155	2,745
Forensics	823	-	156	667
Gifted	372	-	(19)	391
Junior class	1,487	5,873	5,902	1,458
Letter club/weightlifting	865	1,023	1,103	785
Music/band	8,516	3,459	4,331	7,644
National honor society	21	-	-	21
Scholarbowl	418	800	887	331
Senior class	1,013	20	1,033	-
Sophomore class	-	5,823	4,090	1,733
Spanish (HUDL)	4,327	9,554	3,869	10,012
SPED donations	387	-	196	191
STUCO	4,710	3,515	3,589	4,636
Volleyball	666	150	314	502
Wellness program	19	-	-	19
Yearbook	2,062	6,211	6,075	2,198
Subtotal High School	45,905	79,478	71,270	54,113
Total student organization funds	$ 77,331	$ 108,376	$ 113,854	$ 71,853

Schedule 4

JEFFERSON COUNTY NORTH UNIFIED SCHOOL DISTRICT NO. 339
WINCHESTER, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:							
High school athletics	$ 19,051	$ -	$ 34,011	$ 35,687	$ 17,375	$ -	$ 17,375

BT & Co. P.A.
Certified Public Accountants

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

Board of Education
Jefferson County North Unified School District No. 339:

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 Jefferson County North Unified School District No. 339 (the District) which comprises the summary statement of regulatory basis receipts, expenditures, and unencumbered cash as of June 30, 2022 and the related notes to the financial statement and have issued our report thereon dated January 4, 2023. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of 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 or significant deficiencies may exist that were not identified.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co., P.A.

January 4, 2023
Topeka, Kansas