



Certified Public Accountants

**JEFFERSON WEST UNIFIED SCHOOL
DISTRICT NO. 340
MERIDEN, KANSAS**

**FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2022**

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2022

TABLE OF CONTENTS

		<u>Page</u>
Independent Auditors' Report		1 - 3
Financial Statement:		
Summary Statement of Receipts, Expenditures, and Unencumbered Cash		4
Notes to Financial Statement		5 - 13
Supplementary Information:		
	<u>Schedule</u>	
Summary of Expenditures - Budget and Actual	1	14
Schedule of Receipts and Expenditures:	2	
General Fund		15
Supplemental General Fund		16
Capital Outlay Fund		17
Driver Training Fund		18
Food Service Fund		19
Professional Development Fund		20
Special Education Fund		21
Vocational Education Fund		22
KPERs Special Retirement Contribution Fund		23
At-Risk Fund		24
Virtual Education Fund		25
Gifts and Grants Fund		26
Federal Grant Funds		27
Bond and Interest Fund		28
Student Materials Revolving Fund		29
Contingency Reserve Fund		30
Textbook Rental Fund		31
Other Grants Fund		32
iPad Fees Fund		33
Construction Fund		34
Summary of Receipts and Disbursements - Agency Funds	3	35 - 36
Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	4	37
Schedule of Expenditures of Federal Awards		38
Notes to Schedule of Expenditures of Federal Awards		39

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended June 30, 2022

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
Schedule of Findings and Questioned Costs	40 - 42
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 <i>Government Auditing Standards</i>	43 - 44
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	45 - 47



INDEPENDENT AUDITORS' REPORT

Board of Education
Jefferson West Unified School District No. 340

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Jefferson West Unified School District No. 340 (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.

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.

An Independently Owned Member, RSM US Alliance

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, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for

purposes of additional analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 5, 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 5, 2023
Topeka, Kansas

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	\$ -	\$ -	\$ 7,171,261	\$ 7,171,261	\$ -	\$ 134,349	\$ 134,349
Supplemental general fund	143,380	-	2,373,906	2,356,581	160,705	49,898	210,603
Special purpose funds:							
Capital outlay	1,057,652	-	863,706	1,233,670	687,688	288,998	976,686
Driver training	26,188	-	15,783	21,355	20,616	-	20,616
Food service	187,889	-	661,617	605,349	244,157	-	244,157
Professional development	41,904	258	-	1,970	40,192	-	40,192
Special education	490,386	-	1,687,566	1,672,070	505,882	-	505,882
Vocational education	32,000	-	296,264	300,000	28,264	4,631	32,895
KPERS special retirement contribution	-	-	751,606	751,606	-	-	-
At-risk	56,388	-	534,960	564,520	26,828	14,034	40,862
Virtual education	-	-	25,000	25,000	-	-	-
Gifts and grants	12,217	-	-	193	12,024	-	12,024
Federal grant funds	(10,985)	-	269,667	308,311	(49,629)	15,168	(34,461)
Student materials revolving	20,641	-	21,000	90	41,551	-	41,551
Contingency reserve	464,535	-	-	-	464,535	-	464,535
Textbook rental	230,351	112	62,792	109,034	184,221	65,006	249,227
Other grants	(2,960)	-	9,236	(568)	6,844	-	6,844
iPad fees	135,000	-	20,026	-	155,026	-	155,026
District activity funds	58,344	-	95,518	93,049	60,813	-	60,813
Capital project fund:							
Construction	3,402	-	(7)	3,197	198	-	198
Bond and interest fund	668,559	-	1,735	-	670,294	-	670,294
Total reporting entity (excluding agency funds)	<u>\$ 3,614,891</u>	<u>\$ 370</u>	<u>\$ 14,861,636</u>	<u>\$ 15,216,688</u>	<u>\$ 3,260,209</u>	<u>\$ 572,084</u>	<u>\$ 3,832,293</u>
Composition of cash:							
Checking account							\$ 341,103
Savings account							3,643,517
Construction bond account							1,001
Activity funds - checking accounts							218,691
Total cash							<u>4,204,312</u>
Agency funds per Schedule 3							<u>(372,019)</u>
Total reporting entity (excluding agency funds)							<u>\$ 3,832,293</u>

See accompanying notes to financial statement.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
June 30, 2022

1 - Municipal Financial Reporting Entity

Jefferson West Unified School District No. 340 (the District) is a municipal corporation governed by an elected seven-member board. The 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 of the District 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.

Capital Project Fund is used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest Fund is used to account for the accumulation of resources, including tax levies, transfers from other funds, and payments of 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.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

(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 (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain account 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 fiscal 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.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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 agency funds, the capital project fund, and the following special purpose funds:

Student Materials Revolving Fund, Contingency Reserve Fund, Textbook Rental Fund, Other Grants Fund, iPad Fees Fund, 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) 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.

New employees are granted two days of personal leave upon hiring and are granted one day of personal leave per month up to a maximum of ten days. Returning employees are granted the equivalent of ten days of leave beginning on the opening date of the contract. All leave is to be non-cumulative. The District will compensate certified employees for unused leave at a daily rate of \$ 180. Classified employees will be paid at the employees current hourly rate.

(e) Inventories and Prepaid Expenses

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

(f) 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

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US 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 had no investments as of June 30, 2022.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. 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 \$ 4,204,312 and the bank balance was \$ 4,370,635. 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 the remaining \$ 4,120,635 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

4 - In-Substance Receipt in Transit

The District received \$ 368,787 subsequent to June 30, 2022, and as required by K.S.A. 72-5135 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
 MERIDEN, KANSAS
 NOTES TO FINANCIAL STATEMENT
 (Continued)

5 - Long-Term Debt

Changes in long-term liabilities 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
Qualified School Construction Bonds*	7.0%	3/1/2011	\$ 600,000	9/1/2025	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ 9,240
Finance lease - building	0.0%	10/1/2021	\$ 39,000	12/31/2024	-	39,000	(9,000)	30,000	-
Total					<u>\$ 600,000</u>	<u>\$ 39,000</u>	<u>\$ (9,000)</u>	<u>\$ 630,000</u>	<u>\$ 9,240</u>

* See page 10 for additional discussion of the Qualified School Construction Bonds.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
 MERIDEN, KANSAS
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Maturities related to the building lease through maturity are as follows:

<u>Year Ended June 30,</u>		
2023	\$	12,000
2024		12,000
2025		6,000
		6,000
	\$	30,000

Qualified School Construction Bonds

During the year ended June 30, 2011, the District obtained Qualified School Construction Bonds (QSCB) which can be used to finance new construction, for rehabilitation and repairs to existing public school facilities, or for the acquisition of land. This program is a part of the American Recovery and Reinvestment Act (ARRA), which provides tax credits, in lieu of interest payments, to lenders who issue these bonds. The District is only responsible for the repayment of bond principal, a portion of the interest and certain fees. The District was awarded \$ 600,000 from this program. As of June 30, 2012, the District had expended the entire amount of the proceeds. The District is required to make the following payments:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Qualified School Construction Bond Credit</u>	<u>Trustee Fee</u>	<u>Sinking Fund Deposit</u>	<u>Sinking Fund Disbursement</u>	<u>Total</u>
2023	\$ -	\$ 42,000	\$ (32,760)	\$ 1,500	\$ 34,867	\$ -	\$ 45,607
2024	-	42,000	(32,760)	1,500	34,867	-	45,607
2025	-	42,000	(32,760)	1,500	34,867	-	45,607
2026	600,000	21,000	(16,380)	1,500	34,867	(600,000)	40,987
	\$ 600,000	\$147,000	\$ (114,660)	\$ 6,000	\$ 139,468	\$ (600,000)	\$ 177,808

During the year ended June 30, 2022, the District made the required sinking fund deposit of \$ 34,867, interest payment of \$ 42,000, and received a qualified school construction bond credit of \$ 32,760.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

6 - 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.S.A. 72-5167	\$ 335,000
General	Virtual Education	K.S.A. 72-5167	25,000
General	Special Education	K.S.A. 72-5167	1,135,937
General	Textbook Rental	K.S.A. 72-5167	24,254
Supplemental General	At-Risk	K.S.A. 72-5143	200,000
Supplemental General	Food Service	K.S.A. 72-5143	5,352
Supplemental General	Special Education	K.S.A. 72-5143	490,957
Supplemental General	Vocational Education	K.S.A. 72-5143	295,000
Supplemental General	Textbook Rental	K.S.A. 72-5143	37,348

7 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its 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

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 \$ 742,263 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 \$ 5,928,555. 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.

8 - 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. There is no cost to the District under this program.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO FINANCIAL STATEMENT
(Continued)

9 - 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, 2022.

10 - 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 the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

11 - Stewardship, Compliance and Accountability

The District expended monies in excess of available cash in the Federal Grant Funds of \$ 49,629 as a result of expenditures incurred prior to federal reimbursements.

12 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District at June 30, 2022.

SUPPLEMENTARY INFORMATION

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
 MERIDEN, KANSAS
 SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
 REGULATORY BASIS
 Year Ended June 30, 2022

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance - Over (Under)
<u>FUNDS</u>						
General fund	\$ 7,451,480	\$ (280,419)	\$ 200	\$ 7,171,261	\$ 7,171,261	\$ -
Supplemental general fund	2,457,464	(100,847)	-	2,356,617	2,356,581	(36)
Special purpose funds:						
Capital outlay	1,807,000	-	-	1,807,000	1,233,670	(573,330)
Driver training	34,600	-	-	34,600	21,355	(13,245)
Food service	600,000	-	119,200	719,200	605,349	(113,851)
Professional development	41,500	-	-	41,500	1,970	(39,530)
Special education	1,958,437	-	-	1,958,437	1,672,070	(286,367)
Vocational education	300,000	-	-	300,000	300,000	-
KPERs special retirement contribution	871,927	-	-	871,927	751,606	(120,321)
At-risk	749,519	-	-	749,519	564,520	(184,999)
Virtual education	25,000	-	-	25,000	25,000	-
Gifts and grants	9,255	-	-	9,255	193	(9,062)
Federal grant funds	557,275	-	-	557,275	308,311	(248,964)
Totals	<u>\$ 16,863,457</u>	<u>\$ (381,266)</u>	<u>\$ 119,400</u>	<u>\$ 16,601,591</u>	<u>\$ 15,011,886</u>	

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
General state aid	\$ 6,078,420	\$ 6,033,182	\$ (45,238)
Special education aid	1,345,060	1,135,937	(209,123)
Federal aid - P.L. 382	28,000	1,942	(26,058)
Reimbursements	-	200	200
	\$ 7,451,480	7,171,261	\$ (280,219)
Expenditures, encumbrances, and transfers:			
Instruction	\$ 3,828,446	3,817,091	\$ (11,355)
Student support services	148,862	157,202	8,340
Instructional support staff	181,699	180,697	(1,002)
General administration	172,405	197,523	25,118
School administration	609,294	561,558	(47,736)
Operations and maintenance	591,741	579,676	(12,065)
Other supplemental services	163,973	157,323	(6,650)
Transfers to other funds	1,755,060	1,520,191	(234,869)
Budget adjustment to comply with legal max	(280,419)		280,419
Budget adjustment for qualifying budget credits	200		(200)
	\$ 7,171,261	7,171,261	\$ -
Cash receipts over expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Ad valorem property:			
Tax in process	\$ 20,600	\$ 35,064	\$ 14,464
Current	752,035	756,261	4,226
Delinquent	12,624	11,372	(1,252)
Motor vehicle	126,945	120,341	(6,604)
Commercial vehicle	3,518	8,371	4,853
Recreational vehicle	3,119	3,545	426
State aid	1,500,528	1,438,952	(61,576)
Total cash receipts	\$ 2,419,369	2,373,906	\$ (45,463)
Expenditures, encumbrances, and transfers:			
Instruction	\$ 374,350	375,339	\$ 989
Student support services	40,000	3,306	(36,694)
Instructional support staff	40,000	37,740	(2,260)
General administration	63,000	76,886	13,886
School administration	30,000	38,172	8,172
Operations and maintenance	420,000	444,849	24,849
Transportation	364,157	351,632	(12,525)
Transfers to other funds	1,125,957	1,028,657	(97,300)
Budget adjustment to comply with legal max	(100,847)		100,847
Total expenditures, encumbrances, and transfers	\$ 2,356,617	2,356,581	\$ (36)
Cash receipts over expenditures, encumbrances, and transfers		17,325	
Unencumbered cash, beginning		143,380	
Unencumbered cash, ending		\$ 160,705	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Ad valorem property:			
Tax in process	\$ 9,450	\$ 16,080	\$ 6,630
Current	341,677	377,169	35,492
Delinquent	5,789	5,580	(209)
Motor vehicle	65,828	61,901	(3,927)
Commercial vehicle	1,824	4,113	2,289
Recreational vehicle	1,617	1,821	204
State aid	222,487	222,487	-
Other federal aid	40,000	30,893	(9,107)
Impact aid	12,000	832	(11,168)
Local aid	45,000	133,293	88,293
Interest on idle funds	7,000	537	(6,463)
Charges for services	-	9,000	9,000
Total cash receipts	\$ 752,672	863,706	\$ 111,034
Expenditures and encumbrances:			
Instruction	\$ 620,000	232,409	\$ (387,591)
Student support services	25,000	-	(25,000)
Operations and maintenance	475,000	373,119	(101,881)
Transportation	400,000	222,098	(177,902)
Facility acquisition and construction services	200,000	322,212	122,212
Debt service	87,000	83,832	(3,168)
Total expenditures and encumbrances	\$ 1,807,000	1,233,670	\$ (573,330)
Cash receipts under expenditures and encumbrances		(369,964)	
Unencumbered cash, beginning		1,057,652	
Unencumbered cash, ending		\$ 687,688	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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	\$ 8,400	\$ 7,564	\$ (836)
Local aid	8,000	8,219	219
Total cash receipts	\$ 16,400	15,783	\$ (617)
Expenditures:			
Instruction	\$ 27,100	12,299	\$ (14,801)
Operations and maintenance	7,500	9,056	1,556
Total expenditures	\$ 34,600	21,355	\$ (13,245)
Cash receipts under expenditures		(5,572)	
Unencumbered cash, beginning		26,188	
Unencumbered cash, ending		\$ 20,616	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Federal aid	\$ 482,641	\$ 601,841	\$ 119,200
State aid	3,715	4,388	673
Charges for services	21,250	50,036	28,786
Transfer from supplemental general fund	-	5,352	5,352
Total cash receipts and transfers	<u>\$ 507,606</u>	<u>661,617</u>	<u>\$ 154,011</u>
Expenditures:			
Operations and maintenance	\$ 36,500	18,530	\$ (17,970)
Food service operation	563,500	586,819	23,319
Budget adjustment for qualifying budget credits	119,200		(119,200)
Total expenditures	<u>\$ 719,200</u>	<u>605,349</u>	<u>\$ (113,851)</u>
Cash receipts and transfers over expenditures		56,268	
Unencumbered cash, beginning		187,889	
Unencumbered cash, ending		<u>\$ 244,157</u>	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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)
Expenditures:			
Other supports services	\$ 6,500	-	\$ (6,500)
Instructional support staff	35,000	1,970	(33,030)
Total expenditures	\$ 41,500	1,970	\$ (39,530)
Unencumbered cash, beginning		41,904	
Adjustment to unencumbered cash for prior year canceled encumbrances		258	
Unencumbered cash, ending		\$ 40,192	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Federal aid	\$ -	\$ 44,735	\$ 44,735
Local aid	-	15,937	15,937
Transfers from other funds	1,836,017	1,626,894	(209,123)
Total cash receipts and transfers	\$ 1,836,017	1,687,566	\$ (148,451)
Expenditures:			
Instruction	\$ 1,897,937	1,624,566	\$ (273,371)
Transportation	60,500	47,504	(12,996)
Total expenditures	\$ 1,958,437	1,672,070	\$ (286,367)
Cash receipts and transfers over expenditures		15,496	
Unencumbered cash, beginning		490,386	
Unencumbered cash, ending		\$ 505,882	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Federal aid	\$ -	\$ 1,264	\$ 1,264
Transfer from supplemental general fund	270,000	295,000	25,000
Total cash receipts and transfers	\$ 270,000	296,264	\$ 26,264
Expenditures and encumbrances:			
Instruction	\$ 300,000	298,888	\$ (1,112)
Instructional support staff	-	1,112	1,112
Total expenditures and encumbrances	\$ 300,000	300,000	\$ -
Cash receipts and transfers under expenditures and encumbrances		(3,736)	
Unencumbered cash, beginning		32,000	
Unencumbered cash, ending		\$ 28,264	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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	\$ 871,927	\$ 751,606	\$ (120,321)
Expenditures:			
Instruction	\$ 610,348	526,124	\$ (84,224)
Student support services	26,158	22,548	(3,610)
Instructional support staff	17,439	15,032	(2,407)
General administration	8,719	7,516	(1,203)
School administration	69,754	60,130	(9,624)
Other supplemental services	17,439	15,032	(2,407)
Operations and maintenance	61,035	52,612	(8,423)
Transportation	34,877	30,064	(4,813)
Food service operation	26,158	22,548	(3,610)
Total expenditures	\$ 871,927	751,606	\$ (120,321)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
AT-RISK 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:			
Local aid	\$ -	\$ (40)	\$ (40)
Transfers from other funds	700,000	535,000	(165,000)
Total cash receipts and transfers	\$ 700,000	534,960	\$ (165,040)
Expenditures and encumbrances:			
Instruction	\$ 485,519	306,917	\$ (178,602)
Student support services	264,000	257,603	(6,397)
Total expenditures and encumbrances	\$ 749,519	564,520	\$ (184,999)
Cash receipts and transfers (under) expenditures and encumbrances		(29,560)	
Unencumbered cash, beginning		56,388	
Unencumbered cash, ending		\$ 26,828	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:				
Local aid	\$ -	\$ 25,000	\$ -	\$ (25,000)
Transfer from general fund	-	-	25,000	25,000
Total cash receipts and transfers	\$ -	\$ 25,000	25,000	\$ -
Expenditures:				
Instruction	\$ -	\$ 25,000	25,000	\$ -
Cash receipts and transfers over expenditures			-	
Unencumbered cash, beginning			-	
Unencumbered cash, ending			\$ -	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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)
Expenditures:			
Instruction	\$ 9,255	\$ 193	\$ (9,062)
Unencumbered cash, beginning		12,217	
Unencumbered cash, ending		\$ 12,024	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
FEDERAL GRANT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

	Title I	Title II A Teacher Quality	Student Support & Enrichment	ESSER Funds	Total Actual	Original Budget	Variance- Over (Under)
Cash receipts:							
Federal aid	\$ 89,993	\$ 18,093	\$ 14,346	\$ 147,235	\$ 269,667	\$ 568,260	\$ (298,593)
Expenditures and encumbrances:							
Instruction	89,993	18,093	14,346	72,663	195,095	\$ 108,679	\$ 86,416
Student support services	-	-	-	78,866	78,866	14,342	64,524
Instructional support staff	-	-	-	2,499	2,499	-	2,499
General administration	-	-	-	625	625	-	625
School administration	-	-	-	3,749	3,749	-	3,749
Other supplemental services	-	-	-	1,250	1,250	-	1,250
Operations and maintenance	-	-	-	11,432	11,432	434,254	(422,822)
Transportation	-	-	-	7,377	7,377	-	7,377
Food service operation	-	-	-	7,418	7,418	-	7,418
Total expenditures and encumbrances:	89,993	18,093	14,346	185,879	308,311	\$ 557,275	\$ (248,964)
Cash receipts under expenditures and encumbrances	-	-	-	(38,644)	(38,644)		
Unencumbered cash, beginning	-	-	-	(10,985)	(10,985)		
Unencumbered cash, ending	\$ -	\$ -	\$ -	\$ (49,629)	\$ (49,629)		

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, 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:			
Ad valorem property:			
Tax in process	\$ 6	\$ -	\$ (6)
Delinquent	3	1,711	1,708
Motor vehicle	13	24	11
	\$ 22	1,735	\$ 1,713
Total cash receipts	\$ 22	1,735	\$ 1,713
Unencumbered cash, beginning		668,559	
Unencumbered cash, ending		\$ 670,294	

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
STUDENT MATERIALS REVOLVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Charges for services	\$	21,000
Expenditures:		
Student support services		90
Cash receipts over expenditures		<hr/> 20,910
Unencumbered cash, beginning		<hr/> 20,641
Unencumbered cash, ending	\$	<hr/> <hr/> 41,551

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Unencumbered cash, beginning	\$ 464,535
Unencumbered cash, ending	<u>\$ 464,535</u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts and transfers:	
Charges for services	\$ 1,190
Transfers from other funds	61,602
	<hr/>
Total cash receipts and transfers	62,792
Expenditures and encumbrances:	
Instruction	109,034
	<hr/>
Cash receipts and transfers under expenditures and encumbrances	(46,242)
Unencumbered cash, beginning	230,351
Adjustment to unencumbered cash for prior year canceled encumbrances	112
	<hr/>
Unencumbered cash, ending	<u>\$ 184,221</u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
OTHER GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Other aid	\$	8,486
Local aid		750
		9,236
Total cash receipts		9,236
Expenditures:		
Instruction		(1,318)
Instructional support staff		750
		(568)
Total expenditures		(568)
Cash receipts over expenditures		9,804
Unencumbered cash, beginning		(2,960)
Unencumbered cash, ending	\$	6,844

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
IPAD FEES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:		
Charges for services	\$	20,026
Unencumbered cash, beginning		<u>135,000</u>
Unencumbered cash, ending	\$	<u><u>155,026</u></u>

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Cash receipts:	
Interest	\$ (7)
Expenditures:	
Site and building improvements	3,189
Other expenditures	8
Total expenditures	3,197
Cash receipts under expenditures	(3,204)
Unencumbered cash, beginning	3,402
Unencumbered cash, ending	\$ 198

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended June 30, 2022

Fund	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Elementary school:				
Book fair	\$ 4,965	\$ 7,344	\$ 7,752	\$ 4,557
Booster fund	1,404	1,450	1,990	864
Field trip	228	3,065	3,198	95
Kindergarten snacks	650	1,085	884	851
Petty cash	-	1,059	1,059	-
Physical education	1,014	-	79	935
Preschool snacks	217	-	-	217
Vending machine	842	466	659	649
Yearbook	3,153	1,028	488	3,693
Total elementary school	12,473	15,497	16,109	11,861
Middle school:				
Art	1,141	1,425	1,784	782
Band	449	966	938	477
Book fair	159	2,439	2,455	143
Donations	1,529	3,000	2,315	2,214
FACS	372	610	440	542
FCCLA	5,381	5,548	8,344	2,585
Miscellaneous	5	565	570	-
Music/vocal	(51)	55	68	(64)
PE	100	1,512	1,512	100
Petty cash	-	3,964	3,964	-
Student council	333	300	172	461
Vending	107	3,656	3,226	537
Yearbook	356	840	596	600
Total middle school	9,881	24,880	26,384	8,377
High school:				
3D club	167	30	-	197
Art	3,086	3,095	4,065	2,116
AP test	4,173	1,808	1,646	4,335
Band	6,049	1,172	1,145	6,076
Calculator/locks	3,978	770	576	4,172
Care team	612	459	610	461
Cheerleader	22,074	17,175	20,519	18,730
Counselor	115	-	-	115
Culinary	1,910	2,025	2,639	1,296
Debate	977	-	98	879
Donations/fundraisers	14,961	1,510	7,993	8,478
Drama	995	-	-	995
Entrepreneurship class	624	1,290	1,465	449
FBLA	888	1,972	1,707	1,153
FCA	153	-	-	153
FCCLA	6,714	13,388	13,821	6,281
FFA	11,451	20,476	18,656	13,271
Food science	171	-	-	171
Foreign language	1,741	1,303	1,044	2,000
Forensics	647	-	-	647
Greenhouse	11,434	4,102	4,518	11,018
GSA	11	-	-	11
Lakeside	7,224	1,734	3,094	5,864
Library	974	-	-	974
Magazine	6,915	1,261	1,637	6,539
Musical	5,769	955	76	6,648
NHS	349	135	110	374
Subtotal high school	\$ 114,162	\$ 74,660	\$ 85,419	\$ 103,403

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022

Fund	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Subtotal forward - high school	\$ 114,162	\$ 74,660	\$ 85,419	\$ 103,403
Petty cash	-	5,177	5,177	-
Physical education	2,171	15	2,184	2
Pompon	7,905	5,400	8,991	4,314
Robotics	928	-	928	-
SADD	910	720	324	1,306
Scholar's bowl	84	263	-	347
Senior class	819	240	70	989
Shop fees	3,843	3,204	2,670	4,377
Stuco	1,347	1,755	1,883	1,219
Student vending	3,407	3,755	3,180	3,982
Weights	877	6,609	819	6,667
Yearbook	8,274	12,360	9,600	11,034
Total high school	144,727	114,158	121,245	137,640
Total student organization funds	167,081	154,535	163,738	157,878
Payroll clearing	200,413	1,298,328	1,284,600	214,141
Total agency funds	\$ 367,494	\$ 1,452,863	\$ 1,448,338	\$ 372,019

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
 MERIDEN, 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:							
Middle school athletics	\$ 5,874	\$ -	\$ 12,331	\$ 14,173	\$ 4,032	\$ -	\$ 4,032
High school athletics	48,073	-	81,155	77,364	51,864	-	51,864
Total gate receipts	53,947	-	93,486	91,537	55,896	-	55,896
School projects:							
Art fund	698	-	1,115	165	1,648	-	1,648
Music fund	449	-	715	984	180	-	180
Event/activity	3,250	-	202	363	3,089	-	3,089
Total school projects	4,397	-	2,032	1,512	4,917	-	4,917
Total district activity funds	\$ 58,344	\$ -	\$ 95,518	\$ 93,049	\$ 60,813	\$ -	\$ 60,813

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Expenditures
U.S. Department of Agriculture:		
Passed through State of Kansas Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 131,436
National School Lunch Program	10.555	440,563
Summer Food Service Program for Children	10.559	29,842
Total Child Nutrition Cluster		<u>601,841</u>
NSLP Equipment	10.579	2,599
COVID-19 Pandemic EBT - Admin Costs	10.649	614
Total U.S. Department of Agriculture		<u>605,054</u>
U.S. Department of Education:		
Direct programs:		
Impact Aid (Title VII of ESEA)	84.041A	<u>2,774</u>
Passed through State of Kansas Department of Education:		
Title I Grants to Local Education Agencies	84.010	89,993
Basic State Grants for Vocational Education	84.048A	650
Supporting Effective Instruction State Grants (Title II-A)	84.367	18,093
Student Support and Academic Enrichment Program	84.424	14,346
COVID-19 Education Stabilization Fund	84.425D	185,879
COVID-19 Education Stabilization Fund - SPED	84.425D	44,735
Total passed through State of Kansas Department of Education		<u>353,696</u>
Total U.S. Department of Education		<u>356,470</u>
U.S. Department of Health and Human Services		
Passed through State of Kansas Department of Education:		
Youth Risk Behavior Survey	93.079	<u>267</u>
Total U.S. Department of Health and Human Services		<u>267</u>
Total federal expenditures		<u><u>\$ 961,791</u></u>

See accompanying notes to Schedule of
Expenditures of Federal Awards.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jefferson West Unified School District No. 340 (the District) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statement of the District. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

The expenditures on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
 MERIDEN, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2022

Part I - Summary of Auditors' Results

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
Type of auditors' report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weakness identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditors' report issued on compliance for major program:	Unmodified
Internal control over major program:	
Material weaknesses identified:	None
Significant deficiency identified that is not considered to be a material weakness:	2022-001
Audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a):	2022-001

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
10.553/10.555/10.559	Child Nutrition Cluster

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

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Part II – Financial Statement Findings

No matters reported.

Part III – Federal Award Findings and Questioned Costs

Finding 2022-001

Prior Finding Reference Number: 2021-001

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Federal Agency: U.S. Department of Agriculture

Pass-Through Entity: Kansas Department of Education

Federal Program: Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)

Compliance Requirement: Suspension and Debarment

Condition: For the one vendor selected for testing, there was no evidence that the District considered suspension and debarment requirements prior to entering into a covered transaction.

Questioned Costs: None

Criteria: Per 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance), Section 180, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$ 25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 1980.995 and agency-adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transactions. When entering into a covered transaction, to determine if the entity or person is excluded or disqualified, this can be done by one of the following: (1) checking the Government-wide System for Award Management Exclusions (SAM) to determine if an entity is debarred or suspended, (2) collection of a certification from that entity, or (3) adding a clause or condition to the covered transaction.

Cause: The District was not aware of the requirements related to suspension and debarment.

Effect: This finding indicates that there could be some process improvements in how documentation is maintained to provide evidence that compliance requirements are being met. Additionally, the District could unintentionally enter into a covered transaction with a suspended or debarred party.

(Continued)

JEFFERSON WEST UNIFIED SCHOOL DISTRICT NO. 340
MERIDEN, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation: We recommend that the District develop a more robust internal control that monitors the selection of vendors who are funded with federal grants.

Management's Response/Corrective Action Plan (Unaudited): USD 340 will correct this during our annual bid process.

USD 340 will include a statement regarding verification that the entity is "Not Suspended or Debarred" in our bid letter in June. We will also have it included in our formal contract.



Certified Public Accountants

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 West Unified School District No. 340:

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 West Unified School District No. 340 (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 5, 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 opinions 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 statements 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co, P.A.

January 5, 2023
Topeka, Kansas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE**

Board of Education
Jefferson West Unified School District No. 340:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson West Unified School District No. 340's (the District's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material

weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BT&Co, P.A.

January 5, 2023
Topeka, Kansas