



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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

**FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2019**

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

FINANCIAL STATEMENT
REGULATORY BASIS

Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Auditors' Report		1 - 3
Financial Statement:		
Summary Statement of Receipts, Expenditures, and Unencumbered Cash		4 - 5
Notes to Financial Statement		6 - 16
Supplementary Information:		
Summary of Expenditures - Budget and Actual	1	17
Schedule of Receipts and Expenditures:	2	
General Fund		18
Supplemental General Fund		19
Capital Outlay Fund		20
Driver Training Fund		21
Food Service Fund		22
Professional Development Fund		23
Special Education Fund		24
Extraordinary School Program Fund		25
Vocational Education Fund		26
Federal Grant Funds		27 - 28
KPERs Special Retirement Contribution Fund		29
At-Risk K-12 Fund		30
At-Risk 4 Year-Old Fund		31
Parent Education Program Fund		32
Gifts and Grants Fund		33
Bond and Interest Fund		34
Contingency Reserve Fund		35
Textbook Rental Fund		36
Construction Fund		37

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

FINANCIAL STATEMENT
REGULATORY BASIS

Year Ended June 30, 2019

TABLE OF CONTENTS
(Continued)

	<u>Schedule</u>	<u>Page</u>
Summary of Receipts and Disbursements - Student Organization Funds	3	38
Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	4	39
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>		40 - 41



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statement

We have audited the summary statement of regulatory cash 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, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide (the KMAAG) 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the KMAAG. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the KMAAG described in Note 2.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory cash 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 analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2019 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.

Berberich Trahan & Co., P.A.

December 9, 2019
Topeka, Kansas

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

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND
UNENCUMBERED CASH
REGULATORY BASIS

Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
General fund	\$ -	\$ -
Supplemental general fund	68,956	-
Special purpose funds:		
Capital outlay	444,180	-
Driver training	20,923	-
Food service	45,395	-
Professional development	8,825	-
Special education	315,028	-
Extraordinary school program	14,163	-
Vocational education	95,993	-
Federal grants	-	-
KPERS special retirement contribution	-	-
At-risk K-12	83,581	-
At-risk 4 year-old	36,976	-
Parent education program	6,000	-
Gifts and grants	9,688	-
Contingency reserve	205,478	-
Textbook rental	109,260	-
District activity	15,263	-
Capital project fund:		
Construction fund	3,621	-
Bond and interest fund	393,514	-
	<u>\$ 1,876,844</u>	<u>\$ -</u>

Composition of cash

Kendall State Bank:

- Checking - NOW account
- Checking - High School activity
- Checking - Elementary and Middle School activity
- Certificates of deposit
- Money market deposit account

Total cash

Agency funds per Schedule 3

Total reporting entity (excluding agency funds)

See accompanying notes to financial statement.

Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 4,011,416	\$ 4,011,416	\$ -	\$ 282,471	\$ 282,471
1,250,503	1,261,101	58,358	151,468	209,826
325,074	421,927	347,327	200,872	548,199
6,606	9,182	18,347	-	18,347
251,491	251,823	45,063	19,768	64,831
20,479	12,973	16,331	-	16,331
983,579	995,487	303,120	-	303,120
17,747	11,961	19,949	-	19,949
112,712	108,554	100,151	4,629	104,780
130,565	130,565	-	8,351	8,351
279,105	279,105	-	-	-
239,254	239,204	83,631	32,421	116,052
75,400	69,363	43,013	10,065	53,078
7,500	6,000	7,500	-	7,500
11,697	11,616	9,769	-	9,769
-	-	205,478	-	205,478
37,156	39,454	106,962	1,152	108,114
34,756	28,605	21,414	-	21,414
-	-	3,621	-	3,621
269,320	207,488	455,346	-	455,346
<u>\$ 8,064,360</u>	<u>\$ 8,095,824</u>	<u>\$ 1,845,380</u>	<u>\$ 711,197</u>	<u>\$ 2,556,577</u>
				\$ 1,447,651
				50,016
				36,544
				600,000
				<u>487,512</u>
				2,621,723
				<u>(65,146)</u>
				<u>\$ 2,556,577</u>

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

NOTES TO FINANCIAL STATEMENT

June 30, 2019

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, 2019:

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.

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 for and the payment of interest, principal, and related costs on long-term debt.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(a) Fund Descriptions (Continued)

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.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle

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.

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 no budget amendments for the year ended June 30, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 capital project fund, agency funds, or the following special purpose funds:

Contingency Reserve, Textbook Rental, and District Activity Funds

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property on November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

(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.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

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

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

NOTES TO FINANCIAL STATEMENT
(Continued)

3 - Deposits and Investments (Continued)

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 and certificates of deposit during and as of the fiscal year ended June 30, 2019.

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, 2019.

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 \$ 187,769 and \$58,444 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipts were recorded as in-substance receipts in transit and included as receipts for the year ended June 30, 2019.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2019 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	<u>\$ 1,925,000</u>	<u>\$ -</u>	<u>\$ 155,000</u>	<u>\$ 1,770,000</u>	<u>\$ 52,488</u>

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

	2020	2021	2022	2023	2024	2025 - 2029	Total
Principal:							
General obligation bond	<u>\$ 155,000</u>	<u>\$ 160,000</u>	<u>\$ 165,000</u>	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 950,000</u>	<u>\$ 1,770,000</u>
Interest:							
General obligation bond	<u>\$ 49,388</u>	<u>\$ 46,237</u>	<u>\$ 42,162</u>	<u>\$ 37,138</u>	<u>\$ 32,037</u>	<u>\$ 76,707</u>	<u>\$ 283,669</u>

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

NOTES TO FINANCIAL STATEMENT
(Continued)

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 Comprehensive Annual 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 and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The State of Kansas contribution to KPERS for all school municipalities for the year ended June 30, 2019 was \$ 505,224,160.

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

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

NOTES TO FINANCIAL STATEMENT
(Continued)

6 - Defined Benefit Pension Plan (Continued)

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$ 279,105 for the year ended June 30, 2019.

Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$ 3,870,188. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in 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 - Other Post-Employment Benefits

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

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

NOTES TO FINANCIAL STATEMENT
(Continued)

7 - Other Post-Employment Benefits (Continued)

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 - Operating Leases

The District has entered into an operating lease for copiers and computer equipment. The lease contains cancellation provisions and is subject to annual appropriations. For the year ended June 30, 2019, rent expenditures were \$ 20,964 for this lease.

9 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2019. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General	At-Risk 4 Year-Old	K.S.A. 72-6428	\$ 53,400
General	At-Risk K-12	K.S.A. 72-6428	86,254
General	Food Service	K.S.A. 72-6428	44,000
General	Special Education	K.S.A. 72-6428	743,148
General	Vocational Education	K.S.A. 72-6428	10,000
Supplemental General	At-Risk 4 Year-Old	K.S.A. 72-6433	22,000
Supplemental General	At-Risk K-12	K.S.A. 72-6433	153,000
Supplemental General	Professional Development	K.S.A. 72-6433	18,500
Supplemental General	Parent Education Program	K.S.A. 72-6433	7,500
Supplemental General	Special Education	K.S.A. 72-6433	230,094
Supplemental General	Vocational Education	K.S.A. 72-6433	95,000
			\$ 1,462,896

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

NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

11 - Statutory Compliance

The District expended monies in excess of the approved budget for the federal grants fund in the amount of \$ 28,725.

SUPPLEMENTARY INFORMATION

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

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS

Year Ended June 30, 2019

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	\$ 4,033,386	\$ (114,537)	\$ 92,567	\$ 4,011,416	\$ 4,011,416	\$ -
Supplemental general fund	1,285,326	(35,294)	11,069	1,261,101	1,261,101	-
Special purpose funds:						
Capital outlay	652,500	-	-	652,500	421,927	(230,573)
Driver training	22,225	-	-	22,225	9,182	(13,043)
Food service	281,835	-	-	281,835	251,823	(30,012)
Professional development	22,335	-	-	22,335	12,973	(9,362)
Special education	1,097,286	-	-	1,097,286	995,487	(101,799)
Extraordinary school program	19,125	-	-	19,125	11,961	(7,164)
Vocational education	139,620	-	-	139,620	108,554	(31,066)
Federal grants	101,840	-	-	101,840	130,565	28,725
KPERs special retirement contribution	445,458	-	-	445,458	279,105	(166,353)
At-risk K-12	299,025	-	-	299,025	239,204	(59,821)
At-risk 4 year-old	78,275	-	-	78,275	69,363	(8,912)
Parent education program	9,000	-	-	9,000	6,000	(3,000)
Gifts and grants	18,179	-	-	18,179	11,616	(6,563)
Bond and interest fund	207,488	-	-	207,488	207,488	-
Totals	\$ 8,712,903	\$ (149,831)	\$ 103,636	\$ 8,666,708	\$ 8,027,765	

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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Mineral production tax	\$ 8	\$ 7	\$ (1)
State aid:			
General state aid	3,214,790	3,175,694	(39,096)
Special education aid	818,588	743,148	(75,440)
Reimbursed expenses	-	92,567	92,567
	<u>\$ 4,033,386</u>	<u>4,011,416</u>	<u>\$ (21,970)</u>
Total cash receipts			
Expenditures, encumbrances, and transfers:			
Instruction	\$ 1,916,495	1,891,873	\$ (24,622)
Student support services	100,135	96,110	(4,025)
Instructional support staff	35,680	35,557	(123)
General administration	245,988	251,273	5,285
School administration	266,450	263,184	(3,266)
Operations and maintenance	259,660	252,855	(6,805)
Transportation	248,390	282,048	33,658
Other support services	2,000	1,714	(286)
Transfers out	958,588	936,802	(21,786)
Budget adjustment to comply with legal maximum	(114,537)		114,537
Budget adjustment for qualifying budget credits	92,567		(92,567)
	<u>\$ 4,011,416</u>	<u>4,011,416</u>	<u>\$ -</u>
Total expenditures, encumbrances, and transfers			
Cash receipts over expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		<u>\$ -</u>	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 364,435	\$ 402,657	\$ 38,222
Delinquent tax	5,338	7,564	2,226
Motor vehicle tax	55,328	55,292	(36)
Recreational vehicle tax	780	1,115	335
16/20M truck tax	938	4,911	3,973
State aid	789,576	767,895	(21,681)
Reimbursements	-	11,069	11,069
	\$ 1,216,395	1,250,503	\$ 34,108
Total cash receipts			
Expenditures, encumbrances, and transfers:			
Instruction	\$ 192,126	198,210	\$ 6,084
Student support services	32,200	31,311	(889)
Instructional support staff	15,500	5,320	(10,180)
General administration	126,500	124,258	(2,242)
School administration	10,500	11,091	591
Central services	15,000	14,964	(36)
Operations and maintenance	311,500	349,853	38,353
Transfers out	582,000	526,094	(55,906)
Budget adjustment to comply with legal maximum	(35,294)		35,294
Budget adjustment for qualifying budget credits	11,069		(11,069)
	\$ 1,261,101	1,261,101	\$ -
Total expenditures, encumbrances, and transfers			
Cash receipts under expenditures, encumbrances, and transfers		(10,598)	
Unencumbered cash, beginning		68,956	
Unencumbered cash, ending		\$ 58,358	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Interest on idle funds	\$ 10,000	\$ 26,534	\$ 16,534
Taxes and shared revenue:			
Ad valorem property tax	127,135	138,613	11,478
Delinquent tax	669	1,551	882
Motor vehicle tax	13,197	13,024	(173)
Recreational vehicle tax	186	257	71
16/20M truck tax	223	1,497	1,274
State aid	74,965	74,953	(12)
Miscellaneous	2,000	68,645	66,645
Total cash receipts	\$ 228,375	325,074	\$ 96,699
Expenditures and encumbrances:			
Instruction	\$ 185,000	9,041	\$ (175,959)
General administration	15,000	-	(15,000)
Central services	7,500	-	(7,500)
Operations and maintenance	100,000	127,784	27,784
Transportation	270,000	118,800	(151,200)
Site acquisition and improvement	75,000	166,302	91,302
Total expenditures and encumbrances	\$ 652,500	421,927	\$ (230,573)
Cash receipts under expenditures and encumbrances		(96,853)	
Unencumbered cash, beginning		444,180	
Unencumbered cash, ending		\$ 347,327	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	\$ 3,900	\$ 3,381	\$ (519)
Other sources	3,750	3,225	(525)
Total cash receipts	\$ 7,650	6,606	\$ (1,044)
Expenditures:			
Instruction	\$ 21,225	8,716	\$ (12,509)
Vehicle operation	1,000	466	(534)
Total expenditures	\$ 22,225	9,182	\$ (13,043)
Cash receipts under expenditures		(2,576)	
Unencumbered cash, beginning		20,923	
Unencumbered cash, ending		\$ 18,347	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Interest on idle funds	\$ 15,000	\$ 15,000	\$ -
Federal aid	95,549	103,854	8,305
State aid	1,815	2,246	431
Charges for services	83,691	85,535	1,844
Transfers in	40,000	44,000	4,000
Reimbursements	2,000	856	(1,144)
	\$ 238,055	251,491	\$ 13,436
Expenditures and encumbrances:			
Operations and maintenance	\$ 17,235	12,670	\$ (4,565)
Food service operation	264,600	239,153	(25,447)
	\$ 281,835	251,823	\$ (30,012)
Cash receipts and transfers under expenditures and encumbrances		(332)	
Unencumbered cash, beginning		45,395	
Unencumbered cash, ending		\$ 45,063	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Reimbursements	\$ -	\$ 75	\$ 75
State aid:			
Professional development aid	1,875	1,904	29
Transfers in	15,000	18,500	3,500
Total cash receipts and transfers	\$ 16,875	20,479	\$ 3,604
Expenditures:			
Instructional support staff	\$ 21,525	12,973	\$ (8,552)
Other support services	810	-	(810)
Total expenditures	\$ 22,335	12,973	\$ (9,362)
Cash receipts and transfers over expenditures		7,506	
Unencumbered cash, beginning		8,825	
Unencumbered cash, ending		\$ 16,331	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Other revenue	\$ 7,028	\$ 10,337	\$ 3,309
Transfers in	1,058,588	973,242	(85,346)
Total cash receipts and transfers	\$ 1,065,616	983,579	\$ (82,037)
Expenditures:			
Instruction	\$ 1,013,686	949,216	\$ (64,470)
Transportation	83,600	46,271	(37,329)
Total expenditures	\$ 1,097,286	995,487	\$ (101,799)
Cash receipts and transfers under expenditures		(11,908)	
Unencumbered cash, beginning		315,028	
Unencumbered cash, ending		\$ 303,120	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Tuition/class fees	\$ 12,000	\$ 17,747	\$ 5,747
Expenditures:			
Instruction	\$ 19,125	11,961	\$ (7,164)
Cash receipts over expenditures		5,786	
Unencumbered cash, beginning		14,163	
Unencumbered cash, ending		\$ 19,949	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Transfers in	\$ 110,000	\$ 105,000	\$ (5,000)
Carl Perkins grant	2,529	2,715	186
State aid	5,904	4,997	(907)
Total cash receipts and transfers	\$ 118,433	112,712	\$ (5,721)
Expenditures and encumbrances:			
Instruction	\$ 139,620	108,554	\$ (31,066)
Cash receipts and transfers over expenditures and encumbrances		4,158	
Unencumbered cash, beginning		95,993	
Unencumbered cash, ending		\$ 100,151	

(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, 2019

	<u>Title I</u>	<u>Teacher Quality Title II</u>
Cash receipts:		
Federal grants	\$ 46,426	\$ 8,949
Expenditures and encumbrances:		
Instruction	46,426	4,711
Instructional support staff	-	4,238
Total expenditures and encumbrances	<u>46,426</u>	<u>8,949</u>
Cash receipts over expenditures and encumbrances	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

(Continued)

<u>REAP</u>	<u>Title IV</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
\$ 63,215	\$ 11,975	\$ 130,565	\$ 101,840	\$ 28,725
63,215	11,051	125,403	\$ 94,840	\$ 30,563
-	924	5,162	7,000	(1,838)
<u>63,215</u>	<u>11,975</u>	<u>130,565</u>	<u>\$ 101,840</u>	<u>\$ 28,725</u>
-	-	-		
-	-	-		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	\$ 445,458	\$ 279,105	\$ (166,353)
Expenditures:			
Instruction	\$ 278,099	182,987	\$ (95,112)
Support services	20,000	10,925	(9,075)
Instructional support	9,000	3,203	(5,797)
General administration	25,000	17,831	(7,169)
School administration	37,000	21,209	(15,791)
Operations and maintenance	33,000	19,408	(13,592)
Transportation	26,000	14,560	(11,440)
Food service	17,359	8,982	(8,377)
Total expenditures	\$ 445,458	279,105	\$ (166,353)
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, 2019

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	\$ 250,000	\$ 239,254	\$ (10,746)
Expenditures and encumbrances:			
Instruction	\$ 253,200	198,519	\$ (54,681)
Student support services	45,825	40,685	(5,140)
Total expenditures and encumbrances	\$ 299,025	239,204	\$ (59,821)
Transfers over expenditures and encumbrances		50	
Unencumbered cash, beginning		83,581	
Unencumbered cash, ending		\$ 83,631	

(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, 2019

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	\$ 64,000	\$ 75,400	\$ 11,400
Expenditures and encumbrances:			
Instruction	\$ 78,275	69,363	\$ (8,912)
Transfers over expenditures and encumbrances		6,037	
Unencumbered cash, beginning		36,976	
Unencumbered cash, ending		\$ 43,013	

(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, 2019

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	\$ 3,000	\$ 7,500	\$ 4,500
Expenditures:			
Student support services	\$ 9,000	6,000	\$ (3,000)
Transfers over expenditures		1,500	
Unencumbered cash, beginning		6,000	
Unencumbered cash, ending		\$ 7,500	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Other revenue	\$ 2,000	\$ 3,078	\$ 1,078
State aid	8,619	8,619	-
Total cash receipts	\$ 10,619	11,697	\$ 1,078
Expenditures:			
Instruction	\$ 6,560	2,997	\$ (3,563)
Operations and maintenance	11,619	8,619	(3,000)
Total expenditures	\$ 18,179	11,616	\$ (6,563)
Cash receipts over expenditures		81	
Unencumbered cash, beginning		9,688	
Unencumbered cash, ending		\$ 9,769	

(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, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 131,435	\$ 141,705	\$ 10,270
Delinquent tax	1,290	2,070	780
Motor vehicle tax	15,869	15,795	(74)
Recreational vehicle tax	223	316	93
16/20M truck tax	269	1,540	1,271
State aid	107,894	107,894	-
Total cash receipts	\$ 256,980	269,320	\$ 12,340
Expenditures:			
Principal	\$ 155,000	155,000	\$ -
Interest	52,488	52,488	-
Total expenditures	\$ 207,488	207,488	\$ -
Cash receipts over expenditures		61,832	
Unencumbered cash, beginning		393,514	
Unencumbered cash, ending		\$ 455,346	

(Continued)

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

CONTINGENCY RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Unencumbered cash, beginning	<u>\$ 205,478</u>
Unencumbered cash, ending	<u><u>\$ 205,478</u></u>

(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, 2019

Cash receipts:	
Charges for services	<u>\$ 37,156</u>
Expenditures and encumbrances:	
Instruction	37,906
Food service	<u>1,548</u>
Total expenditures and encumbrances	<u>39,454</u>
Cash receipts under expenditures and encumbrances	(2,298)
Unencumbered cash, beginning	<u>109,260</u>
Unencumbered cash, ending	<u><u>\$ 106,962</u></u>

(Continued)

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

CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Unencumbered cash, beginning	<u>\$ 3,621</u>
Unencumbered cash, ending	<u><u>\$ 3,621</u></u>

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

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

Year Ended June 30, 2019

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School:				
Activity	\$ 5,915	\$ 7,736	\$ 9,580	\$ 4,071
Cheerleading	2,675	16,924	11,049	8,550
Coke	4,626	723	1,134	4,215
Knowledge bowl	787	323	210	900
Leadership council	2,856	5,833	8,305	384
MS book fair	(652)	6,305	3,703	1,950
Pep club	19,706	197	3,888	16,015
Recycling	456	-	-	456
Subtotal Middle School	<u>36,369</u>	<u>38,041</u>	<u>37,869</u>	<u>36,541</u>
High School:				
Activity	-	2,143	2,143	-
Entrepreneurship	552	2,453	1,637	1,368
FBLA	157	6,913	5,554	1,516
Forensics	721	-	568	153
Gifted	373	538	529	382
Junior class	2,526	6,425	6,386	2,565
Letter club	1,290	1,360	1,139	1,511
Music	1,738	16,997	14,931	3,804
National honor society	21	-	-	21
Pep club/cheerleaders	4,614	11,731	12,506	3,839
Scholarbowl	462	724	940	246
Senior class	330	2,191	2,180	341
Sophomore class	1,752	3,355	3,764	1,343
Spanish	3,072	2,992	5,770	294
Speech and drama	2,731	7,408	6,492	3,647
STUCO	4,066	4,632	4,959	3,739
Volleyball letter club	543	635	-	1,178
Wellness program	271	-	183	88
Yearbook	2,926	5,569	5,925	2,570
Subtotal High School	<u>28,145</u>	<u>76,066</u>	<u>75,606</u>	<u>28,605</u>
Total student organization funds	<u>\$ 64,514</u>	<u>\$ 114,107</u>	<u>\$ 113,475</u>	<u>\$ 65,146</u>

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, 2019

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	\$ 15,263	\$ -	\$ 34,756	\$ 28,605	\$ 21,414	\$ -	\$ 21,414



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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, 2019 and the related notes to the financial statement and have issued our report thereon dated December 9, 2019. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

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) to determine the 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, misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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 result 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.

Berberich Trahan & Co., P.A.

December 9, 2019
Topeka, Kansas