



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

**SANTA FE TRAIL UNIFIED SCHOOL  
DISTRICT NO. 434  
SCRANTON, KANSAS**

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

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

FINANCIAL STATEMENT  
REGULATORY BASIS

Year Ended June 30, 2019

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SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

FINANCIAL STATEMENT  
REGULATORY BASIS

Year Ended June 30, 2019

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Santa Fe Trail Unified School District No. 434:

### **Report on the Financial Statement**

We have audited the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Santa Fe Trail Unified School District No. 434 (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 the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable provisions of 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 District's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 balances 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 basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of 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 November 6, 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 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.*

November 6, 2019  
Topeka, Kansas

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SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

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

Year Ended June 30, 2019

	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Canceled Encumbrances</u>
<u>FUNDS</u>		
General fund	\$ -	\$ -
Supplemental general fund	10,414	-
Special purpose funds:		
Virtual education	-	-
Vocational education	17,590	-
Special education	618,731	-
Driver training	29,606	-
Food service	73,700	-
Capital outlay	400,377	-
Extraordinary school program	74,947	-
KPERS special retirement contribution	-	-
At-risk (K-12)	49,997	-
At-risk (4 year-old)	50,000	-
Professional development	99,978	-
Gifts and grants	57,377	-
Federal grant funds	-	-
Textbook rental	27,527	-
Contingency reserve	250,296	-
Gate receipts	16,606	-
District activity funds	52,548	-
Bond and interest fund	421,974	-
	<u>\$ 2,251,668</u>	<u>\$ -</u>

Composition of cash:  
    Checking accounts  
    Agency funds per schedule 3

Total reporting entity (excluding agency funds)

See accompanying notes to financial statement.



<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 8,128,753	\$ 8,128,753	\$ -	\$ 157,944	\$ 157,944
2,850,982	2,850,982	10,414	24,435	34,849
31,745	31,745	-	-	-
135,489	135,094	17,985	-	17,985
2,292,067	2,374,106	536,692	11	536,703
12,425	15,672	26,359	-	26,359
624,746	672,722	25,724	270	25,994
822,900	765,015	458,262	177,686	635,948
78,852	116,158	37,641	-	37,641
581,417	581,417	-	-	-
1,131,569	1,181,566	-	46,404	46,404
169,291	219,141	150	7	157
10,021	75,561	34,438	1,425	35,863
202,901	190,390	69,888	-	69,888
188,423	188,423	-	-	-
68,948	84,981	11,494	-	11,494
100,000	200,195	150,101	-	150,101
83,181	87,786	12,001	-	12,001
246,573	251,728	47,393	-	47,393
341,496	359,811	403,659	-	403,659
<u>\$ 18,101,779</u>	<u>\$ 18,511,246</u>	<u>\$ 1,842,201</u>	<u>\$ 408,182</u>	<u>\$ 2,250,383</u>
				\$ 2,309,889
				(59,506)
				<u>\$ 2,250,383</u>

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2019

1 - Municipal Financial Reporting Entity

Santa Fe Trail Unified School District No. 434 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all 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.

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.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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 measurements 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.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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 fiscal year ended June 30, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 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.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

A legal operating budget is not required for agency funds or the following special purpose funds: textbook rental, contingency reserve, and district activity funds (gate receipts and school projects).

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 25<sup>th</sup>. 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 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20<sup>th</sup> and May 10<sup>th</sup>. 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 1<sup>st</sup> 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) Annual Personal and Sick Leave Benefits

Under terms of the District's personnel policy, employees are granted vacation and sick leave in varying amounts depending upon employee classification and length of service. All eligible employees accrue sick leave at established rates depending on job classification and number of days worked per year. Vacation is accumulated at the rate of ten to thirty days per year depending upon employee's length of service and classification. Leaves are prorated for part-time employees.

(e) Inventories and Prepaid Expenses

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

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(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 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, 2019.

*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 that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2019, none of the District's deposits were exposed to custodial credit risk.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

4 - In-Substance Receipt in Transit

The District received \$ 523,628 subsequent to June 30, 2019, and, as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

5 - Long-Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2019 were as follows:

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
2013 GO bond issue	1.25 - 2.35%	05/01/13	\$ 4,600,000	09/01/28	\$ 3,765,000	\$ -	\$ 295,000	\$ 3,470,000	\$ 64,811
Lease purchase agreements:									
Buses - 2		07/01/16	126,350	05/31/21	75,810	-	25,270	50,540	-
Buses - 1		07/01/17	44,700	06/30/22	35,760	-	8,940	26,820	-
Buses - 20		07/01/17	1,194,875	06/30/22	955,900	-	238,975	716,925	-
Buses - 1		07/01/18	46,225	06/30/23	-	46,225	9,245	36,980	-
VAR Resources	2.38%	06/29/16	263,304	06/29/19	87,768	-	87,768	-	-
VAR Resources	0.00%	08/25/18	258,438	08/25/20	-	258,438	86,146	172,292	-
Total contractual indebtedness					4,920,238	304,663	751,344	4,473,557	64,811
Early retirement benefits					61,875	6,300	41,475	26,700	-
Total long-term debt					\$ 4,982,113	\$ 310,963	\$ 792,819	\$ 4,500,257	\$ 64,811



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

5 - Long-Term Debt (Continued)

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

	2020	2021	2022	2023	2024	2025-2029	Total
Principal:							
General obligation bonds	\$ 305,000	\$ 310,000	\$ 320,000	\$ 330,000	\$ 340,000	\$ 1,865,000	\$ 3,470,000
Lease purchase agreement - Buses - 2	25,270	25,270	-	-	-	-	50,540
Lease purchase agreement - Buses - 1	8,940	8,940	8,940	-	-	-	26,820
Lease purchase agreement - Buses - 20	238,975	238,975	238,975	-	-	-	716,925
Lease purchase agreement - Buses - 1	9,245	9,245	9,245	9,245	-	-	36,980
Lease purchase agreement - VAR Resources	86,146	86,146	-	-	-	-	172,292
Early retirement benefits	21,450	4,800	450	-	-	-	26,700
 Total principal	 695,026	 683,376	 577,610	 339,245	 340,000	 1,865,000	 4,500,257
Interest:							
General obligation bonds	60,761	56,610	52,358	47,640	42,193	105,142	364,704
 Total principal and interest	 \$ 755,787	 \$ 739,986	 \$ 629,968	 \$ 386,885	 \$ 382,193	 \$ 1,970,142	 \$ 4,864,961

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

6 - Interfund Transfers

The District made the following interfund transfers during the 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	\$ 113,127
General	At risk (K-12)	K.S.A. 72-6428	760,012
General	Virtual education	K.S.A. 72-6428	31,745
General	Special education	K.S.A. 72-6428	1,620,669
General	Vocational education	K.S.A. 72-6428	118,853
General	Contingency reserve	K.S.A. 72-6428	100,000
Supplemental general	At risk (K-12)	K.S.A. 72-6434	371,557
Supplemental general	Special education	K.S.A. 72-6433	625,233
Contingency reserve	Supplemental general	K.S.A. 72-6433	200,195

7 - Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://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.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

7 - Defined Benefit Pension Plan (Continued)

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.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$ 581,417 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 \$ 7,869,346. 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.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

NOTES TO FINANCIAL STATEMENT  
(Continued)

7 - Defined Benefit Pension Plan (Continued)

Net Pension Liability (Continued)

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](http://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.

9 - Early Retirement Benefits

The District has a plan that provides early retirement benefits to certain eligible employees. To be eligible for early retirement benefits, employees must have been employed by the District for a minimum of fifteen years, must not be age sixty-five or older and must meet one of the following criteria: full retirement qualifications as required by KPERS or acquired eighty-five KPERS retirement points.

Benefits for eligible participants include receiving the longevity payments the employee was eligible for during the last year of employment and the opportunity to remain in the District's group health insurance plan at the employee's cost. These benefits will continue until the participant reaches age sixty-five.

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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 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 - Statutory Compliance

The District expended monies in excess of the approved budget in the federal grants fund as a result of expenditures for federal grants made in advance of reimbursements.

**SUPPLEMENTARY INFORMATION**

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS

Year Ended June 30, 2019

<u>FUNDS</u>	<u>Certified Budget</u>
General fund	\$ 8,335,581
Supplemental general	2,894,986
Special purpose funds:	
Virtual education	77,635
Vocational education	187,990
Special education	3,161,951
Driver training	46,106
Food service	700,502
Capital outlay	918,368
Extraordinary school program	164,947
KPERs special retirement contribution	875,174
At-risk (K-12)	1,623,573
At-risk (4 year-old)	299,999
Professional development	134,352
Gifts and grants	207,377
Federal grant funds	184,673
Bond and interest	359,811
	<hr/>
Totals	\$ 20,173,025

Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
\$ (206,828)	\$ -	\$ 8,128,753	\$ 8,128,753	\$ -
(44,004)	-	2,850,982	2,850,982	-
-	-	77,635	31,745	(45,890)
-	-	187,990	135,094	(52,896)
-	-	3,161,951	2,374,106	(787,845)
-	-	46,106	15,672	(30,434)
-	-	700,502	672,722	(27,780)
-	-	918,368	765,015	(153,353)
-	-	164,947	116,158	(48,789)
-	-	875,174	581,417	(293,757)
-	-	1,623,573	1,181,566	(442,007)
-	-	299,999	219,141	(80,858)
-	-	134,352	75,561	(58,791)
-	-	207,377	190,390	(16,987)
-	-	184,673	188,423	3,750
-	-	359,811	359,811	-
<u>\$ (250,832)</u>	<u>\$ -</u>	<u>\$ 19,922,193</u>	<u>\$ 17,886,556</u>	



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Cash receipts:			
State equalization aid	\$ 6,672,361	\$ 6,649,167	\$ (23,194)
State special education aid	1,663,220	1,479,586	(183,634)
Total cash receipts	<u>\$ 8,335,581</u>	<u>8,128,753</u>	<u>\$ (206,828)</u>
Expenditures, encumbrances, and transfers:			
Instruction	\$ 2,834,561	2,991,100	\$ 156,539
Student support services	299,000	380,456	81,456
Instructional support staff	242,000	253,355	11,355
General administration	185,000	243,337	58,337
School administration	611,000	617,641	6,641
Operations and maintenance	478,500	503,043	24,543
Other supplemental services	342,000	368,496	26,496
Transportation	30,300	26,919	(3,381)
Transfers to other funds	3,313,220	2,744,406	(568,814)
Budget adjustment to comply with legal maximum	(206,828)	-	206,828
Total expenditures, encumbrances, and transfers	<u>\$ 8,128,753</u>	<u>8,128,753</u>	<u>\$ -</u>
Cash receipts under expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Cash receipts and transfers:			
Ad valorem tax in process	\$ 12,270	\$ -	\$ (12,270)
Ad valorem current tax	1,045,174	861,255	(183,919)
Ad valorem delinquent tax	13,644	16,107	2,463
Motor vehicle tax	113,450	116,944	3,494
Recreational vehicle tax	2,765	2,911	146
Commercial vehicle tax	1,729	-	(1,729)
Supplemental state aid	1,679,092	1,653,570	(25,522)
Transfer from contingency reserve	132,000	200,195	68,195
	<u>\$ 3,000,124</u>	<u>2,850,982</u>	<u>\$ (149,142)</u>
Expenditures, encumbrances, and transfers:			
Instruction	\$ 182,000	294,593	\$ 112,593
Student support services	12,100	14,500	2,400
Instructional support staff	-	6,129	6,129
General administration	36,251	48,909	12,658
Operations and maintenance	441,424	562,935	121,511
Student transportation services	789,000	805,285	16,285
Other supplemental services	58,000	121,841	63,841
Transfers to other funds	1,376,211	996,790	(379,421)
Budget adjustment to comply with legal maximum	(44,004)	-	44,004
	<u>\$ 2,850,982</u>	<u>2,850,982</u>	<u>\$ -</u>
Cash receipts and transfers under expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		<u>10,414</u>	
Unencumbered cash, ending		<u>\$ 10,414</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

VIRTUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	\$ -	\$ 31,745	\$ 31,745
Transfer from supplemental general fund	77,635	-	(77,635)
Total transfers	\$ 77,635	31,745	\$ (45,890)
Expenditures:			
Instruction	\$ 77,635	31,745	\$ (45,890)
Transfers over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
Transfer from general fund	\$ -	\$ 118,853	\$ 118,853
Transfer from supplemental general fund	150,000	-	(150,000)
Fees	3,000	-	(3,000)
State aid	17,400	16,636	(764)
	<u>\$ 170,400</u>	<u>135,489</u>	<u>\$ (34,911)</u>
Total cash receipts and transfers			
Expenditures:			
Instruction	\$ 137,990	117,623	\$ (20,367)
Transportation	50,000	17,471	(32,529)
	<u>\$ 187,990</u>	<u>135,094</u>	<u>\$ (52,896)</u>
Total expenditures			
Cash receipts and transfers over expenditures		395	
Unencumbered cash, beginning		17,590	
Unencumbered cash, ending		\$ 17,985	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
Local revenues	\$ -	\$ 16,638	\$ 16,638
Medicaid	70,000	29,527	(40,473)
Federal aid	10,000	-	(10,000)
Transfer from general fund	1,663,220	1,620,669	(42,551)
Transfer from supplemental general fund	800,000	625,233	(174,767)
	<u>\$ 2,543,220</u>	<u>2,292,067</u>	<u>\$ (251,153)</u>
Expenditures and encumbrances:			
Instruction	\$ 2,506,100	2,089,635	\$ (416,465)
Student support services	98,000	22,699	(75,301)
Operations and maintenance	15,000	2,363	(12,637)
Student transportation services	490,000	259,409	(230,591)
Other support services	52,851	-	(52,851)
	<u>\$ 3,161,951</u>	<u>2,374,106</u>	<u>\$ (787,845)</u>
Cash receipts and transfers under expenditures and encumbrances		(82,039)	
Unencumbered cash, beginning		618,731	
Unencumbered cash, ending		\$ 536,692	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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	\$ 6,500	\$ 6,027	\$ (473)
Local sources	10,000	6,398	(3,602)
Total cash receipts	\$ 16,500	12,425	\$ (4,075)
Expenditures:			
Instruction	\$ 21,200	13,493	\$ (7,707)
Operations and maintenance	24,906	2,179	(22,727)
Total expenditures	\$ 46,106	15,672	\$ (30,434)
Cash receipts under expenditures		(3,247)	
Unencumbered cash, beginning		29,606	
Unencumbered cash, ending		\$ 26,359	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Cash receipts:			
State aid	\$ 4,745	\$ 5,801	\$ 1,056
Federal aid	294,565	395,900	101,335
Local revenues	277,913	223,045	(54,868)
Transfer from supplemental general	50,000	-	(50,000)
	<u>627,223</u>	<u>624,746</u>	<u>(2,477)</u>
Total cash receipts	<u>\$ 627,223</u>	<u>624,746</u>	<u>\$ (2,477)</u>
Expenditures and encumbrances:			
Food service operation	<u>\$ 700,502</u>	<u>672,722</u>	<u>\$ (27,780)</u>
Cash receipts under expenditures and encumbrances		(47,976)	
Unencumbered cash, beginning		<u>73,700</u>	
Unencumbered cash, ending		<u>\$ 25,724</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
Ad valorem tax in process	\$ 6,029	\$ 35,619	\$ 29,590
Ad valorem current tax	288,481	348,632	60,151
Ad valorem delinquent tax	6,158	5,581	(577)
Motor vehicle tax	53,151	54,844	1,693
Recreational vehicle tax	1,295	1,364	69
Commercial vehicle tax	810	-	(810)
Interest on idle funds	-	15,004	15,004
Miscellaneous	-	145,936	145,936
State aid	162,068	215,920	53,852
	\$ 517,992	822,900	\$ 304,908
Expenditures and encumbrances:			
Instruction equipment	\$ 350,000	172,508	\$ (177,492)
Instructional support equipment	10,365	160,031	149,666
School administration equipment	350,000	250,676	(99,324)
Operations and maintenance	125,000	102,834	(22,166)
Site and building improvements	83,003	78,966	(4,037)
	\$ 918,368	765,015	\$ (153,353)
Cash receipts over expenditures and encumbrances		57,885	
Unencumbered cash, beginning		400,377	
Unencumbered cash, ending		\$ 458,262	

(Continued)



SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

EXTRAORDINARY SCHOOL PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Cash receipts:			
Fees	\$ 90,000	\$ 78,852	\$ (11,148)
Expenditures:			
Instruction	\$ 142,000	116,158	\$ (25,842)
Operations and maintenance	22,947	-	(22,947)
Total expenditures	<u>\$ 164,947</u>	<u>116,158</u>	<u>\$ (48,789)</u>
Cash receipts under expenditures		(37,306)	
Unencumbered cash, beginning		<u>74,947</u>	
Unencumbered cash, ending		<u>\$ 37,641</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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	\$ 875,174	\$ 581,417	\$ (293,757)
Expenditures:			
Instruction	\$ 599,824	376,916	\$ (222,908)
Student support services	60,000	40,699	(19,301)
Instructional support staff	30,000	17,443	(12,557)
General administration	25,000	17,442	(7,558)
School administration	75,000	46,513	(28,487)
Other support services	35,000	17,443	(17,557)
Operations and maintenance	50,000	34,885	(15,115)
Transportation	300	1,006	706
Food service operations	50	29,070	29,020
Total expenditures	\$ 875,174	581,417	\$ (293,757)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

AT-RISK FUND (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Over (Under)</u>
Transfers:			
Transfer from general fund	\$ 1,300,000	\$ 760,012	\$ (539,988)
Transfer from supplemental general fund	273,576	371,557	97,981
Total transfers	<u>\$ 1,573,576</u>	<u>1,131,569</u>	<u>\$ (442,007)</u>
Expenditures and encumbrances:			
Instruction	\$ 1,525,000	1,181,566	\$ (343,434)
Instructional support staff	40,000	-	(40,000)
Operations and maintenance	30,000	-	(30,000)
Student transportation services	28,573	-	(28,573)
Total expenditures and encumbrances	<u>\$ 1,623,573</u>	<u>1,181,566</u>	<u>\$ (442,007)</u>
Transfers under expenditures and encumbrances		(49,997)	
Unencumbered cash, beginning		<u>49,997</u>	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

AT-RISK FUND (4 YEAR-OLD)

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:			
Local revenues	\$ -	\$ 56,164	\$ 56,164
Transfer from general fund	250,000	113,127	(136,873)
	<u>250,000</u>	<u>113,127</u>	<u>(136,873)</u>
Total cash receipts and transfers	<u>\$ 250,000</u>	<u>169,291</u>	<u>\$ (80,709)</u>
Expenditures and encumbrances:			
Instruction	\$ 186,999	155,800	\$ (31,199)
Student support services	75,000	-	(75,000)
Operations and maintenance	29,500	-	(29,500)
Student transportation services	8,500	63,341	54,841
	<u>299,999</u>	<u>219,141</u>	<u>(80,858)</u>
Total expenditures and encumbrances	<u>\$ 299,999</u>	<u>219,141</u>	<u>\$ (80,858)</u>
Cash receipts and transfers under expenditures and encumbrances		(49,850)	
Unencumbered cash, beginning		50,000	
Unencumbered cash, ending		\$ 150	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
State aid	\$ 9,375	\$ 10,021	\$ 646
Transfer from supplemental general	25,000	-	(25,000)
Total cash receipts and transfers	\$ 34,375	10,021	\$ (24,354)
Expenditures and encumbrances:			
Instructional support staff	\$ 99,352	61,400	\$ (37,952)
Other support services	35,000	14,161	(20,839)
Total expenditures and encumbrances	\$ 134,352	75,561	\$ (58,791)
Cash receipts and transfers under expenditures and encumbrances		(65,540)	
Unencumbered cash, beginning		99,978	
Unencumbered cash, ending		\$ 34,438	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
Contributions	\$ -	\$ 45,061	\$ 45,061
Local revenues	150,000	19,050	(130,950)
Federal aid	-	138,790	138,790
	<u>150,000</u>	<u>202,901</u>	<u>52,901</u>
Total cash receipts	<u>\$ 150,000</u>	<u>202,901</u>	<u>\$ 52,901</u>
Expenditures:			
Instruction	\$ 178,377	144,657	\$ (33,720)
Instructional support staff	6,000	30,944	24,944
Transportation	23,000	14,789	(8,211)
	<u>207,377</u>	<u>190,390</u>	<u>(16,987)</u>
Total expenditures	<u>\$ 207,377</u>	<u>190,390</u>	<u>\$ (16,987)</u>
Cash receipts over expenditures		12,511	
Unencumbered cash, beginning		<u>57,377</u>	
Unencumbered cash, ending		<u>\$ 69,888</u>	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, 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:			
Ad valorem tax in process	\$ 2,169	\$ 12,247	\$ 10,078
Ad valorem current tax	132,216	120,314	(11,902)
Ad valorem delinquent tax	2,310	3,125	815
Motor vehicle tax	24,385	25,292	907
Recreational vehicle tax	595	612	17
Commercial vehicle tax	371	-	(371)
State aid	179,906	179,906	-
Total cash receipts	\$ 341,952	341,496	\$ (456)
Expenditures:			
Principal	\$ 295,000	295,000	\$ -
Interest expense	64,811	64,811	-
Total expenditures	\$ 359,811	359,811	\$ -
Cash receipts under expenditures		(18,315)	
Unencumbered cash, beginning		421,974	
Unencumbered cash, ending		\$ 403,659	

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

FEDERAL GRANT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

	<u>Title I</u>
Cash receipts:	
Federal aid	<u>\$ 143,164</u>
Expenditures:	
Instruction	143,164
Instructional support staff	<u>-</u>
Total expenditures	<u>143,164</u>
Cash receipts over expenditures	-
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>

(Continued)



Title II A	Total Actual	Budget	Variance - Over (Under)
\$ 45,259	\$ 188,423	\$ 184,673	\$ 3,750
25,619	168,783	\$ 179,000	\$ (10,217)
19,640	19,640	5,673	13,967
45,259	188,423	\$ 184,673	\$ 3,750
-	-		
-	-		
\$ -	\$ -		

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

TEXTBOOK RENTAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

Cash receipts:		
Fees	\$	68,948
Expenditures:		
Instruction		<u>84,981</u>
Cash receipts under expenditures		(16,033)
Unencumbered cash, beginning		<u>27,527</u>
Unencumbered cash, ending	\$	<u><u>11,494</u></u>

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

## CONTINGENCY RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

Transfer from general fund	\$ 100,000
Transfer to supplemental general fund	<u>200,195</u>
Total transfers, net	(100,195)
Unencumbered cash, beginning	<u>250,296</u>
Unencumbered cash, ending	<u><u>\$ 150,101</u></u>

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS

Year Ended June 30, 2019

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Balance, June 30
High School:				
Art Club	\$ 781	\$ -	\$ 295	\$ 486
Band boosters	237	500	59	678
Bovay tech fund	4,943	-	4,851	92
Cheerleaders	2,393	13,784	11,389	4,788
Class of 2019	1,110	809	1,919	-
Class of 2020	1,414	2,026	2,644	796
Class of 2021	812	768	750	830
Class of 2022	-	792	-	792
Debate/forensics	298	508	377	429
Drama	(5)	5	-	-
Drill team	1,381	8,700	8,942	1,139
FACS/BCBS	1,000	-	-	1,000
FBLA	1,502	7,531	7,925	1,108
Green team	526	2,441	1,738	1,229
KAYS	2,635	1,579	1,276	2,938
Kitchen	251	-	21	230
Memorial funds	1,100	8,656	2,874	6,882
Miscellaneous	510	126	398	238
National honor society	951	5,607	1,931	4,627
SADD	500	(5)	495	-
Sales tax	559	8,098	8,282	375
Scholar's bowl	292	216	326	182
Student council	5,660	22,976	19,259	9,377
Students in need	2,409	32	-	2,441
Thunderstuck spirit club	1,678	9,689	8,632	2,735
Trail pride	3,423	106	3,528	1
Vocal music	771	25,936	26,374	333
Subtotal High School	\$ 37,131	\$ 120,880	\$ 114,285	\$ 43,726

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Balance, June 30
Overbrook Attendance Center:				
Sales tax	\$ 13	\$ 105	\$ 116	\$ 2
Subtotal Overbrook Attendance Center	13	105	116	2
Carbondale Attendance Center:				
Cheerleaders	36	-	-	36
Drill team	3,003	825	3,828	-
FCA	272	-	-	272
FBLA-jr.	633	3,609	3,396	846
Gifted	100	-	-	100
Just say no club	1,032	-	77	955
K.C.'s fitness	1,129	16	13	1,132
Pep club	3	1,662	1,564	101
Principal's fund	638	375	231	782
Sales tax	1	3,361	3,342	20
Scholarships	300	-	-	300
Science/ecology club	185	-	-	185
Student council	7,403	9,172	10,226	6,349
Theatre	3	-	-	3
6th grade store	3,068	-	-	3,068
7th grade	282	-	-	282
8th grade	1,124	6,827	6,602	1,349
Subtotal Carbondale Attendance Center	19,212	25,847	29,279	15,780
Total all funds	\$ 56,343	\$ 146,727	\$ 143,564	\$ 59,506

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

GATE RECEIPTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS

Year Ended June 30, 2019

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
Gate receipts:							
Carbondale Attendance Center	\$ 2,611	\$ -	\$ 9,181	\$ 11,000	\$ 792	\$ -	\$ 792
High School	13,995	-	74,000	76,786	11,209	-	11,209
Total gate receipts	<u>\$ 16,606</u>	<u>\$ -</u>	<u>\$ 83,181</u>	<u>\$ 87,786</u>	<u>\$ 12,001</u>	<u>\$ -</u>	<u>\$ 12,001</u>

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS

Year Ended June 30, 2019

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
School projects:							
Carbondale Attendance Center:							
Book fairs	\$ 2,410	\$ -	\$ 8,214	\$ 8,139	\$ 2,485	\$ -	\$ 2,485
Enrollment fees/textbooks	-	-	6,158	6,158	-	-	-
Fire funds	223	-	-	-	223	-	223
Lunch account	-	-	62,861	62,750	111	-	111
Pencils	697	-	-	200	497	-	497
Fund raisers	6,171	-	14,829	13,278	7,722	-	7,722
P.E. funds	931	-	23	-	954	-	954
School pictures	2,489	-	608	490	2,607	-	2,607
Student supplies	1,080	-	2,206	1,699	1,587	-	1,587
Yearbook	1,696	-	2,329	1,653	2,372	-	2,372
Subtotal Carbondale Attendance Center	15,697	-	97,228	94,367	18,558	-	18,558
Overbrook Attendance Center:							
Book fairs	471	-	1,221	1,307	385	-	385
Book club	-	-	-	-	-	-	-
District passes	-	-	50	50	-	-	-
Enrollment fees/textbooks	-	-	3,021	3,021	-	-	-
Library	13	-	130	33	110	-	110
Lunch account	17	-	46,001	48,675	(2,657)	-	(2,657)
Miscellaneous	94	-	707	800	1	-	1
Overbrook staff	316	-	893	503	706	-	706
Principal's booster club	2,828	-	5,385	6,173	2,040	-	2,040
School fund	12,704	-	4,152	3,845	13,011	-	13,011
Yearbooks	1,577	-	1,230	-	2,807	-	2,807
Subtotal Overbrook Attendance Center	\$ 18,020	\$ -	\$ 62,790	\$ 64,407	\$ 16,403	\$ -	\$ 16,403

(Continued)

SANTA FE TRAIL UNIFIED SCHOOL DISTRICT NO. 434  
SCRANTON, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Balance, June 30
High School:							
Charger shop	\$ 2,109	\$ -	\$ 1,635	\$ 1,546	\$ 2,198	\$ -	\$ 2,198
Chromebook fee	50	-	4,521	4,571	-	-	-
Enrollment fees/textbooks	200	-	9,581	9,428	353	-	353
Ice Cream	209	-	-	209	-	-	-
Library	965	-	135	77	1,023	-	1,023
Lunch account	31	-	54,905	54,956	(20)	-	(20)
Renaissance	878	-	3,314	3,955	237	-	237
Science department	1,000	-	(45)	555	400	-	400
Special services fund	345	-	-	-	345	-	345
Student supplies	5,258	-	5,682	6,154	4,786	-	4,786
Summer School	400	-	-	400	-	-	-
Yearbooks	7,386	-	6,827	11,103	3,110	-	3,110
Subtotal High School	18,831	-	86,555	92,954	12,432	-	12,432
Total School Project Funds	\$ 52,548	\$ -	\$ 246,573	\$ 251,728	\$ 47,393	\$ -	\$ 47,393





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

Board of Education  
Santa Fe Trail Unified School District No. 434:

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 the Santa Fe Trail Unified School District No. 434 (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 November 6, 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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 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.

*Berberich Trahan & Co., P.A.*

November 6, 2019  
Topeka, Kansas