



BERBERICH TRAHAN & CO., P.A.

Certified Public Accountants

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

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2012

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

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2012

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WINCHESTER, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2012

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the summary of cash receipts, expenditures, and unencumbered cash of Jefferson County North Unified School District No. 339 (the District) as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. 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 *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the District has prepared this financial statement using accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding 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, 2012, or the respective changes in cash flows, where applicable, for the year then ended.

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, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional analysis, and are not a required part of the statutory financial statement of the District. 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 financial statement. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 presented in all material respects in relation to the financial statement as a whole.

Berberick Trahan & Co., P.A.

December 4, 2012

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

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH

Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance*	Prior Year Cancelled Encumbrances
General fund	\$ -	\$ -
Supplemental general	6,477	-
Special revenue funds:		-
Capital outlay	434,117	-
Driver training	9,323	-
Food service	60,966	-
Professional development	10,187	-
Summer school	11,728	-
Special education	371,373	-
Extraordinary school program	6,058	-
Vocational education	64,297	-
Federal grants	384	-
KPERs special retirement contribution	-	-
At-Risk K - 12	85,480	-
At-Risk 4 year-old	41,326	-
Parent education program	10,000	-
Contingency reserve	205,478	-
Textbook rental	111,593	-
Other grants	5,081	-
District activity	5,277	-
Debt service fund:		-
Bond and interest	487,685	-
	\$ 1,926,830	\$ -

* As restated for General and Supplemental General funds

Composition of cash

Kendall State Bank:

- Checking - NOW Account
- Checking - High school activity
- Checking - Elementary and Middle school activity
- Money Market

Total Cash

Agency Funds per Schedule 3

Total Reporting Entity (Excluding Agency Funds)

See accompanying notes to financial statement.

Statement 1

Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 3,661,519	\$ 3,661,519	\$ -	\$ 259,469	\$ 259,469
1,258,884	1,206,308	59,053	104,728	163,781
127,276	67,223	494,170	6,908	501,078
6,525	6,519	9,329	3,327	12,656
263,861	259,824	65,003	16,956	81,959
9,532	6,003	13,716	382	14,098
-	-	11,728	-	11,728
805,350	804,215	372,508	61	372,569
11,961	11,535	6,484	1,733	8,217
141,432	135,729	70,000	11,381	81,381
92,484	92,868	-	11,714	11,714
293,926	293,926	-	-	-
193,551	194,031	85,000	22,496	107,496
35,000	33,244	43,082	920	44,002
5,300	5,300	10,000	-	10,000
-	-	205,478	-	205,478
34,655	26,355	119,893	5,570	125,463
-	4,981	100	-	100
18,617	18,008	5,886	-	5,886
518,190	536,000	469,875	-	469,875
<u>\$ 7,478,063</u>	<u>\$ 7,363,588</u>	<u>\$ 2,041,305</u>	<u>\$ 445,645</u>	<u>\$ 2,486,950</u>

\$ 950,549
37,022
17,664
<u>1,530,515</u>
2,535,750
<u>(48,800)</u>
<u>\$ 2,486,950</u>

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

NOTES TO FINANCIAL STATEMENT

June 30, 2012

1 - Reporting Entity

Jefferson County North Unified School District No. 339 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all of the accounts for which the District is considered to be financially accountable. The District has no component units.

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 types of funds comprise the financial activities of the District for the year ended June 30, 2012:

GOVERNMENTAL FUNDS

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal or administrative action and to account for expenditures for specified purposes.

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

FIDUCIARY FUNDS

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

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(b) Basis of Accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure is charged in the fund from which the transfer is made.

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 statutory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance since encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements.

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 revenue funds (unless specifically exempted by statute) and the debt service fund. The statutes suggest 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, 2012.

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

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)

A legal operating budget is not required for agency funds and the following special revenue funds:

Contingency Reserve, Textbook Rental, Other Grants and District Activity Funds

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

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 Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property 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) Compensated Absences

The District pays all employees for unused personal days at the end of the contract year. Certified and administrative personnel are compensated at the rate of \$ 80 per day of unused personal leave. Non-certified personnel are compensated at the rate of 50% of their hourly rate for any unused personal leave that the employee does not wish to carry over to the next year. Sick leave vested at June 30, 2012 is paid upon termination for employees who have worked for the District at least 15 years and are eligible for retirement.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(e) Inventories and Prepaid Expenses

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

(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, and
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 financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statements 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.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

3 - Deposits and Investments (Continued)

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments as of June 30, 2012.

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, 2012, the District's deposits were not exposed to custodial credit risk.

4 - In-substance Receipt in Transit

The District received \$ 334,727 subsequent to June 30, 2012 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, 2012.

Beginning unencumbered cash balances for the General and Supplemental General Funds have been restated to reflect the application of KMAG Technical Amendment 2011-1 which allows District's to record state aid payments received subsequent to the end of the fiscal year as in-substance receipts in transit.

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, 2012 were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:										
Refunding	2.00% to 3.10%	6/1/2003	\$ 3,935,000	10/1/2013	\$ 1,595,000	\$ -	\$ 495,000	\$	\$ 1,100,000	\$ 41,000
Capital lease:										
Energy conservation equipment	5.34%	1/13/2003	409,902	10/15/2017	201,308	-	24,470		176,838	10,750
Total contractual indebtedness					1,796,308	-	519,470		1,276,838	51,750
Compensated absences					128,487			56,218	184,705	
Total long-term debt					<u>\$ 1,924,795</u>	<u>\$ -</u>	<u>\$ 519,470</u>	<u>\$ 56,218</u>	<u>\$ 1,461,543</u>	<u>\$ 51,750</u>

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

	Year						Total
	2013	2014	2015	2016	2017	2018	
Principal:							
General obligation bonds	\$ 525,000	\$ 575,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
Capital lease	25,777	27,153	28,603	30,131	31,740	33,434	176,838
Total principal	<u>\$ 550,777</u>	<u>\$ 602,153</u>	<u>\$ 28,603</u>	<u>\$ 30,131</u>	<u>\$ 31,740</u>	<u>\$ 33,434</u>	<u>\$ 1,276,838</u>
Interest:							
General obligation bonds	\$ 25,700	\$ 8,913	\$ -	\$ -	\$ -	\$ -	\$ 34,613
Capital lease	9,443	8,067	6,617	5,089	3,480	1,785	34,481
Total interest	<u>\$ 35,143</u>	<u>\$ 16,980</u>	<u>\$ 6,617</u>	<u>\$ 5,089</u>	<u>\$ 3,480</u>	<u>\$ 1,785</u>	<u>\$ 69,094</u>

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

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt (Continued)

Bond Indebtedness Limitation

The District is subject to K.S.A. 72-6761 which restricts the level of the authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District.

At June 30, 2012, based on the assessed valuation of \$ 15,373,405, the general obligation debt limit was \$ 2,152,277. The District's bonded indebtedness totaled \$ 1,100,000 less \$ 469,875 available in the bond and interest fund, which provides a general obligation debt margin of \$ 1,522,152.

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.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutorily required employer's share.

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

NOTES TO FINANCIAL STATEMENT
(Continued)

7 - Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

8 - Operating Leases

The District has entered into operating leases for copiers and computer equipment. The leases contain cancellation provisions and are subject to annual appropriations. For the year ended June 30, 2012, rent expenditures were \$ 33,467 for these leases.

9 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2012. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General fund	Special education fund	K.S.A. 72-6428	\$ 600,789
General fund	Capital outlay fund	K.S.A. 72-6428	56,680
Supplemental general fund	Extraordinary school program fund	K.S.A. 72-6433	5,000
Supplemental general fund	Food service fund	K.S.A. 72-6433	30,000
Supplemental general fund	Professional development fund	K.S.A. 72-6433	8,000
Supplemental general fund	Parent education program fund	K.S.A. 72-6433	5,300
Supplemental general fund	Special education fund	K.S.A. 72-6433	200,000
Supplemental general fund	Vocational education fund	K.S.A. 72-6433	141,432
Supplemental general fund	Driver training fund	K.S.A. 72-6433	1,000
Supplemental general fund	At-Risk K-12 fund	K.S.A. 72-6433	193,551
Supplemental general fund	At-Risk 4 year-old fund	K.S.A. 72-6433	35,000

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 - Excess of Expenditures Over Appropriations

For the year ended June 30, 2012, expenditures exceeded appropriations in the driver training and special education funds by \$ 41 and \$ 26,495, respectively.

SUPPLEMENTARY INFORMATION

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

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2012

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	\$ 3,591,756	\$ -	\$ 69,763	\$ 3,661,519	\$ 3,661,519	\$ -
Supplemental general	1,219,208	(12,900)		1,206,308	1,206,308	-
Special revenue funds:						
Capital outlay	520,000	-	-	520,000	67,223	(452,777)
Driver training	6,478	-	-	6,478	6,519	41
Food service	273,198	-	-	273,198	259,824	(13,374)
Professional development	13,000	-	-	13,000	6,003	(6,997)
Summer school	11,706	-	-	11,706	-	(11,706)
Special education	777,720	-	-	777,720	804,215	26,495
Extraordinary school program	13,070	-	-	13,070	11,535	(1,535)
Vocational education	158,155	-	-	158,155	135,729	(22,426)
Federal grants	128,472	-	-	128,472	92,868	(35,604)
KPERs special retirement contribution	328,873	-	-	328,873	293,926	(34,947)
At-Risk K - 12	241,250	-	-	241,250	194,031	(47,219)
At-Risk 4 year-old	49,653	-	-	49,653	33,244	(16,409)
Parent education program	13,000	-	-	13,000	5,300	(7,700)
Gifts and grants	100	-	-	100	-	(100)
Debt service fund:						
Bond and interest	536,000	-	-	536,000	536,000	-
Totals	<u>\$ 7,881,639</u>	<u>\$ (12,900)</u>	<u>\$ 69,763</u>	<u>\$ 7,938,502</u>	<u>\$ 7,314,244</u>	

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 250,621	\$ 262,693	\$ 12,072
Delinquent tax	3,308	4,583	1,275
State aid:			
Equalization aid	2,773,827	2,722,053	(51,774)
Special education aid	564,000	600,789	36,789
Federal aid:			
Stabilization aid	-	1,638	1,638
Reimbursed expenses	-	69,763	69,763
Total cash receipts	<u>\$ 3,591,756</u>	<u>3,661,519</u>	<u>\$ 69,763</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 1,835,300	1,817,622	\$ (17,678)
Student support services	80,916	75,818	(5,098)
Instructional support staff	61,680	63,943	2,263
General administration	251,930	259,935	8,005
School administration	249,100	264,284	15,184
Operations and maintenance	296,285	277,837	(18,448)
Transportation	166,545	244,611	78,066
Transfers out	650,000	657,469	7,469
Budget adjustment for qualifying budget credits	69,763		(69,763)
Total expenditures, encumbrances and transfers	<u>\$ 3,661,519</u>	<u>3,661,519</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		-	
Unencumbered cash, beginning, as restated		-	*
Unencumbered cash, ending		<u>\$ -</u>	

* See Note 4 for restatement of beginning unencumbered cash balance.

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

SUPPLEMENTAL GENERAL FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 448,081	\$ 473,431	\$ 25,350
Delinquent tax	5,158	7,832	2,674
Motor vehicle tax	57,310	51,259	(6,051)
Recreational vehicle tax	653	533	(120)
16/20M truck tax	-	5,019	5,019
State aid:			
Supplemental aid	702,288	720,810	18,522
Total cash receipts	<u>\$ 1,213,490</u>	<u>1,258,884</u>	<u>\$ 45,394</u>
Expenditures, encumbrances and transfers:			
Instruction	\$ 254,410	239,904	\$ (14,506)
Student support services	10,000	19,469	9,469
Instructional support staff	6,000	7,934	1,934
General administration	60,400	53,604	(6,796)
School administration	10,000	7,374	(2,626)
Operations and maintenance	218,070	257,953	39,883
Transportation	9,000	787	(8,213)
Other supplemental services	20,000	-	(20,000)
Transfers out	631,328	619,283	(12,045)
Budget adjustment to comply with legal maximum	(12,900)		12,900
Total expenditures, encumbrances and transfers	<u>\$ 1,206,308</u>	<u>1,206,308</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances and transfers		52,576	
Unencumbered cash, beginning, as restated		<u>6,477</u>	*
Unencumbered cash, ending		<u>\$ 59,053</u>	

* See Note 4 for restatement of beginning unencumbered cash balance.

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

CAPITAL OUTLAY FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 29,784	\$ 30,706	\$ 922
Delinquent tax	574	767	193
Motor vehicle tax	6,625	6,032	(593)
Recreational vehicle tax	75	63	(12)
16/20M truck tax	-	583	583
Miscellaneous	7,500	28,574	21,074
Investment income	3,600	3,871	271
Transfers in	76,000	56,680	(19,320)
	<u>\$ 124,158</u>	<u>127,276</u>	<u>\$ 3,118</u>
Total cash receipts and transfers			
Expenditures and encumbrances:			
Instruction	\$ 4,000	12,684	\$ 8,684
Support services	4,000	-	(4,000)
Operations and maintenance	80,000	25,834	(54,166)
Transportation	130,000	20,026	(109,974)
Food service	-	1,576	1,576
Other support services	2,000	-	(2,000)
Land acquisition and improvement	300,000	7,103	(292,897)
	<u>\$ 520,000</u>	<u>67,223</u>	<u>\$ (452,777)</u>
Total expenditures and encumbrances			
Cash receipts and transfers over expenditures and encumbrances		60,053	
Unencumbered cash, beginning		<u>434,117</u>	
Unencumbered cash, ending		<u>\$ 494,170</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

DRIVER TRAINING FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Cash receipts and transfers:			
State aid:			
Other state aid	\$ 1,850	\$ 2,820	\$ 970
Other sources	4,375	2,705	(1,670)
Transfers in	-	1,000	1,000
	<u>6,225</u>	<u>6,525</u>	<u>300</u>
Total cash receipts and transfers	<u>\$ 6,225</u>	<u>6,525</u>	<u>\$ 300</u>
Expenditures and encumbrances:			
Instruction	\$ 6,028	5,802	\$ (226)
Vehicle operation	450	717	267
	<u>6,478</u>	<u>6,519</u>	<u>41</u>
Total expenditures and encumbrances	<u>\$ 6,478</u>	<u>6,519</u>	<u>\$ 41</u>
Cash receipts and transfers over expenditures and encumbrances		6	
Unencumbered cash, beginning		<u>9,323</u>	
Unencumbered cash, ending		<u>\$ 9,329</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

FOOD SERVICE FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Federal aid:			
Child nutrition programs	\$ 102,858	\$ 120,308	\$ 17,450
State aid:			
School food assistance	2,238	2,549	311
Charges for services	108,472	108,128	(344)
Transfers in	20,000	30,000	10,000
Reimbursements	-	2,876	2,876
	<u>\$ 233,568</u>	<u>263,861</u>	<u>\$ 30,293</u>
Total cash receipts and transfers			
Expenditures and encumbrances:			
Operations and maintenance	\$ 7,498	7,738	\$ 240
Food service operation	265,700	252,086	(13,614)
	<u>\$ 273,198</u>	<u>259,824</u>	<u>\$ (13,374)</u>
Total expenditures and encumbrances			
Cash receipts and transfers over expenditures and encumbrances		4,037	
Unencumbered cash, beginning		<u>60,966</u>	
Unencumbered cash, ending		<u>\$ 65,003</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

PROFESSIONAL DEVELOPMENT FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Reimbursements	\$ -	\$ 1,532	\$ 1,532
Transfers in	<u>10,000</u>	<u>8,000</u>	<u>(2,000)</u>
Total cash receipts and transfers	<u>\$ 10,000</u>	9,532	<u>\$ (468)</u>
Expenditures and encumbrances:			
Instructional support staff	<u>\$ 13,000</u>	<u>6,003</u>	<u>\$ (6,997)</u>
Cash receipts and transfers over expenditures and encumbrances		3,529	
Unencumbered cash, beginning		<u>10,187</u>	
Unencumbered cash, ending		<u>\$ 13,716</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

SUMMER SCHOOL FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Expenditures:			
Instruction	<u>\$ 11,706</u>	\$ -	<u>\$ (11,706)</u>
Unencumbered cash, beginning		<u>11,728</u>	
Unencumbered cash, ending		<u>\$ 11,728</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

SPECIAL EDUCATION FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Other revenue	\$ -	\$ 4,561	\$ 4,561
Transfers in	784,000	800,789	16,789
Total cash receipts and transfers	<u>\$ 784,000</u>	<u>805,350</u>	<u>\$ 21,350</u>
Expenditures and encumbrances:			
Instruction	\$ 749,160	754,622	\$ 5,462
Transportation	28,560	49,593	21,033
Total expenditures and encumbrances	<u>\$ 777,720</u>	<u>804,215</u>	<u>\$ 26,495</u>
Cash receipts and transfers over expenditures and encumbrances		1,135	
Unencumbered cash, beginning		<u>371,373</u>	
Unencumbered cash, ending		<u>\$ 372,508</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

EXTRAORDINARY SCHOOL PROGRAM FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Tuition/class fees	\$ 9,500	\$ 6,961	\$ (2,539)
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total cash receipts and transfers	<u>\$ 14,500</u>	11,961	<u>\$ (2,539)</u>
Expenditures and encumbrances:			
Instruction	<u>\$ 13,070</u>	<u>11,535</u>	<u>\$ (1,535)</u>
Cash receipts and transfers over expenditures and encumbrances		426	
Unencumbered cash, beginning		<u>6,058</u>	
Unencumbered cash, ending		<u>\$ 6,484</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

VOCATIONAL EDUCATION FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers in	\$ 163,000	\$ 141,432	\$ (21,568)
Expenditures and encumbrances:			
Instruction	\$ 158,155	135,729	\$ (22,426)
Transfers over expenditures and encumbrances		5,703	
Unencumbered cash, beginning		<u>64,297</u>	
Unencumbered cash, ending		<u>\$ 70,000</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

FEDERAL GRANT FUNDS

Year Ended June 30, 2012

	<u>Title I</u>
Cash receipts:	
Federal funds:	
Grants	<u>\$ 64,208</u>
Expenditures and encumbrances:	
Instruction	64,208
Student support services	-
Transportation	<u>-</u>
Total expenditures and encumbrances	<u>64,208</u>
Cash receipts under expenditures and encumbrances	-
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>

(Continued)

<u>Teacher Quality Title II</u>	<u>REAP</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>\$ 18,153</u>	<u>\$ 10,123</u>	<u>\$ 92,484</u>	<u>\$ 123,109</u>	<u>\$ (30,625)</u>
11,634	10,123	85,965	\$ 98,000	\$ (12,035)
6,903	-	6,903	20,472	(13,569)
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>
<u>18,537</u>	<u>10,123</u>	<u>92,868</u>	<u>\$ 128,472</u>	<u>\$ (35,604)</u>
(384)	-	(384)		
<u>384</u>	<u>-</u>	<u>384</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
State aid	\$ 328,873	\$ 293,926	\$ (34,947)
Expenditures:			
Instruction	\$ 220,345	191,979	\$ (28,366)
Support services	9,866	10,355	489
Instructional support	6,578	5,726	(852)
General administration	19,732	19,072	(660)
School administration	26,310	22,711	(3,599)
Operations and maintenance	23,021	22,409	(612)
Transportation	13,155	12,942	(213)
Food service	9,866	8,732	(1,134)
Total expenditures	<u>\$ 328,873</u>	<u>293,926</u>	<u>\$ (34,947)</u>
Cash receipts over expenditures		-	
Unencumbered cash, beginning		<u>-</u>	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

AT-RISK K - 12 FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
	<u>Budget</u>	<u>Actual</u>	<u>(Under)</u>
Transfers in	\$ 207,000	\$ 193,551	\$ (13,449)
Expenditures and encumbrances:			
Instruction	\$ 208,200	162,548	\$ (45,652)
Support services	33,050	31,483	(1,567)
Total expenditures and encumbrances	<u>\$ 241,250</u>	<u>194,031</u>	<u>\$ (47,219)</u>
Transfers under expenditures and encumbrances		(480)	
Unencumbered cash, beginning		<u>85,480</u>	
Unencumbered cash, ending		<u>\$ 85,000</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

AT-RISK 4 YEAR OLD FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers in	\$ 8,328	\$ 35,000	\$ 26,672
Expenditures and encumbrances:			
Instruction	<u>\$ 49,653</u>	<u>33,244</u>	<u>\$ (16,409)</u>
Transfers over expenditures and encumbrances		1,756	
Unencumbered cash, beginning		<u>41,326</u>	
Unencumbered cash, ending		<u>\$ 43,082</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

PARENT EDUCATION PROGRAM FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers in	\$ 8,000	\$ 5,300	\$ (2,700)
Expenditures:			
Student support services	<u>\$ 13,000</u>	<u>5,300</u>	<u>\$ (7,700)</u>
Transfers over expenditures		-	
Unencumbered cash, beginning		<u>10,000</u>	
Unencumbered cash, ending		<u>\$ 10,000</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

GIFTS AND GRANTS FUND

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Expenditures:			
Instruction	<u>\$ 100</u>	\$ -	<u>\$ (100)</u>
Unencumbered cash, beginning		<u>-</u>	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

BOND AND INTEREST FUND

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 194,799	\$ 202,128	\$ 7,329
Delinquent tax	2,827	4,536	1,709
Motor vehicle tax	32,777	29,565	(3,212)
Recreational vehicle tax	373	307	(66)
16/20M truck tax	-	2,934	2,934
State aid:			
State bond payments	287,450	278,720	(8,730)
Total cash receipts	\$ 518,226	518,190	\$ (36)
Expenditures:			
Principal	\$ 495,000	495,000	\$ -
Interest	41,000	41,000	-
Total expenditures	\$ 536,000	536,000	\$ -
Cash receipts under expenditures		(17,810)	
Unencumbered cash, beginning		487,685	
Unencumbered cash, ending		\$ 469,875	

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
(Continued)

CONTINGENCY RESERVE FUND

Year Ended June 30, 2012

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
(Continued)

TEXTBOOK RENTAL FUND

Year Ended June 30, 2012

Cash receipts:	
Charges for services	<u>\$ 34,655</u>
Expenditures and encumbrances:	
Instruction	24,210
Food service	<u>2,145</u>
Total expenditures and encumbrances	<u>26,355</u>
Cash receipts over expenditures and encumbrances	8,300
Unencumbered cash, beginning	<u>111,593</u>
Unencumbered cash, ending	<u><u>\$ 119,893</u></u>

(Continued)

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

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
(Continued)

OTHER GRANTS FUND

Year Ended June 30, 2012

Expenditures:		
Student support services	\$	4,981
Unencumbered cash, beginning		<u>5,081</u>
Unencumbered cash, ending	\$	<u><u>100</u></u>

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

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

STUDENT ORGANIZATION FUNDS

Year Ended June 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School:				
Activity	\$ 4,854	\$ 6,264	\$ 6,172	\$ 4,946
Pep Club	3,091	7,607	6,599	4,099
Cheerleading	163	8,902	8,736	329
Leadership council	3,587	8,904	9,307	3,184
MS book fair	480	-	-	480
Recycling	711	-	-	711
Coke	2,321	3,605	3,375	2,551
Knowledge bowl	2,078	-	714	1,364
Subtotal Middle School	17,285	35,282	34,903	17,664
High School:				
Activity	6	419	425	-
Senior class	210	2,703	2,824	89
Junior class	3,534	8,721	10,052	2,203
Sophomore class	1,505	4,774	4,952	1,327
Entrepreneurship	559	6,655	7,078	136
FBLA	2,414	17,502	19,872	44
Gifted	492	55	147	400
Spanish	2,064	-	-	2,064
Forensics	370	628	467	531
Letter club	2,449	1,388	2,181	1,656
Music	10,602	30,026	34,037	6,591
National honor society	21	-	-	21
Pep club/cheerleaders	648	7,859	7,130	1,377
Speech and drama	3,954	11,788	12,028	3,714
STUCO	5,101	3,268	3,584	4,785
Wellness program	-	600	-	600
Yearbook	4,661	6,201	6,712	4,150
Volleyball letter club	1,704	580	1,579	705
Scholarbowl	291	640	493	438
North Stars Dance Team	1,046	2,590	3,331	305
Subtotal High School	41,631	106,397	116,892	31,136
Total student organization funds	\$ 58,916	\$ 141,679	\$ 151,795	\$ 48,800

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

DISTRICT ACTIVITY FUNDS

SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2012

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	\$ 5,277	\$ -	\$ 18,617	\$ 18,008	\$ 5,886	\$ -	\$ 5,886



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

INDEPENDENT AUDITOR'S 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
Jefferson County North Unified School District No. 339:

We have audited the financial statement of Jefferson County North Unified School District No. 339 (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 4, 2012. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

BERBERICH TRAHAN & CO., P.A.

3630 SW Burlington Rd., Topeka, KS 66611-2050

T 785-234-3427 toll-free 800-530-5526 F 785-233-1768

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of 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*.

This report is intended solely for the information and use of the Board of Education, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Berberich Trehan & Co., P.A.

December 4, 2012