



Alisa Fisher
Board Clerk
fishera@usd350.com

Marla Irvine
Board Treasurer
irvinem@usd350.com

Josh Meyer
Superintendent
meyerj@usd350.com

St. John – Hudson USD 350

505 N. Broadway
St. John, Kansas 67576
Ph. (620) 549-3564
FAX (620) 549-3964

Date: February 6, 2019
To: USD 350 Patrons
From: Josh Meyer, USD 350 Superintendent
Re: St. John-Hudson Recreation Commission

Information has come to light about possible discrepancies in the finances of the St. John-Hudson Recreation Commission. The situation is currently under investigation, so facts related to this are not fully known. Obviously, St. John-Hudson USD 350 tax payers and community members are concerned and may have a lot of questions about this situation. While district personnel and board members cannot provide information related to the investigation, here are a few facts to help the public understand the situation.

USD 350 is the taxing entity for the St. John-Hudson Recreation Commission. The commission establishes their budget each year and sets the mill levy, which is typically about 3.7 mills. These tax dollars are collected by the county and sent to the school district. The district then passes those tax dollars on to the recreation commission. The school district has no oversight of this money after it is passed on. USD 350 also has no legal authority over the operations of the recreation commission.

The St. John-Hudson recreation commission has five members. Two are appointed by the USD 350 school board, one is appointed by the St. John city council, one is appointed by the Hudson city council, and the fifth member is appointed by these other four members. This commission employs personnel and oversees the financial and operational aspects of the recreation department.

In prior years, Kansas law required an audit for recreation commissions when gross revenue exceeded \$150,000. In each of the 2013-14, 2014-15, and 2015-16 budget years, the recreation commission met that threshold and an audit was required. Starting in 2016-17, a change in Kansas law moved this audit threshold to \$500,000. The recreation commission does not meet that new threshold anymore, so audits have not been required since the 2016-17 budget year.

In June of 2014, the school district notified the recreation commission in writing that an audit was required starting with the 2013-14 budget year. Audits were not completed. In September of 2017, the district again gave written notice to the recreation commission about the audit requirements and requested that audits be completed as soon as possible. Commission members engaged an accounting firm to audit their finances and work began on the 2015-16 audit in July of 2018.

This audit work has uncovered some possible discrepancies in the recreation commission finances. These discrepancies are currently under investigation by law enforcement. School district personnel and school board members are unable to provide the public with any facts about the investigation because they are not known to us at this time.

It is important to note that this investigation and any financial discrepancies have nothing to do with the school district's finances. The school district has always fulfilled the legal responsibility to collect tax dollars on behalf of the recreation commission. The school district completes a full financial audit every year and the public can be assured that things are in good shape here.

Questions or requests for further information regarding the school district should be directed to Superintendent, Josh Meyer. Keep in mind that we do not have specific information related to the investigation.

Board of Education

Chad Fisher, President Derek Foote, Vice Pres. Carl Behr Darin Brummer Vance Fisher Debby Waddle Shawn Ward