

GARDNER - EDGERTON
UNIFIED SCHOOL DISTRICT NO. 231
Gardner, Kansas
Financial Statements
For the Year Ended June 30, 2013

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GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Financial Statements
 For the Year Ended June 30, 2013

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MIZE HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Education
Gardner - Edgerton Unified School District No. 231
Gardner, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 231, Gardner, Kansas (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 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, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory cash receipts and expenditures-actual and budget, summary of regulatory receipts and expenditures-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. 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 applied in the audit of the financial statement and certain additional 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 stated in all material respects in relation to the financial statement as a whole.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2012, from which such partial information was derived. In our report dated November 27, 2012, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas regulatory basis of accounting.

Other Reporting Required by Government Auditing Standards

In accordance with "Government Auditing Standards", we have also issued our report dated November 20, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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" in considering the District's internal control over financial reporting and compliance.

Mize Houser & Company PA

November 20, 2013

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2013

Fund	Restated Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds:							
General Fund	\$ 1	\$ -	\$ 28,576,942	\$ 28,576,943	\$ -	\$ -	\$ -
Supplemental General	913,329	-	9,237,692	9,564,499	586,522	-	586,522
Special Purpose Funds:							
At Risk (4 Year Old)	-	-	73,307	38,307	35,000	-	35,000
At Risk (K-12)	-	-	2,291,234	2,001,999	289,235	-	289,235
Bilingual Education	-	-	95,649	48,592	47,057	-	47,057
Capital Outlay	1,385,672	-	2,033,368	1,011,981	2,407,059	-	2,407,059
Driver Training	41,730	-	60,561	56,573	45,718	-	45,718
Extraordinary School Program	-	-	379,268	378,272	996	-	996
Food Service	381,309	-	2,384,514	2,250,388	515,435	-	515,435
Professional Development	7,791	-	53,000	19,960	40,831	-	40,831
Parent Education Program	4,050	-	262,859	153,540	113,369	-	113,369
Summer School	4,686	-	40,305	44,960	31	-	31
Special Education	72,360	-	8,007,115	7,978,521	100,954	-	100,954
Vocational Education	-	-	745,194	525,932	219,262	-	219,262
KPERS Special Retirement Contribution	-	-	3,045,139	3,045,139	-	-	-
Special Liability	-	-	204,837	25,905	178,932	-	178,932
Gifts and Grants	24,503	-	28,223	29,394	23,332	-	23,332
Contingency Reserve	-	-	325,000	-	325,000	-	325,000
Textbook and Student Material Revolving	16,658	-	301,164	166,260	151,562	-	151,562
Federal Grants	-	-	450,022	450,022	-	-	-
Gate Receipts	25,276	-	136,250	115,519	46,007	264	46,271
School Projects	153,993	-	713,793	691,265	176,521	1,347	177,868
Debt Service Funds:							
Bond and Interest	11,117,829	-	13,166,076	12,199,450	12,084,455	-	12,084,455
Special Assessment	103,506	-	460,182	100,211	463,477	-	463,477
Capital Project Funds:							
2011 Capital Outlay	-	-	-	-	-	-	-
2012 Bond Construction	23,327,448	-	56,470,830	58,435,044	21,363,234	22,108,566	43,471,800
Totals	\$ 37,580,141	\$ -	\$ 129,542,524	\$ 127,908,676	\$ 39,213,989	\$ 22,110,177	\$ 61,324,166

Composition of Cash:	
Metcalfe Bank	
Checking	\$ 3,317,992
Certificates of Deposit	1,096,184
Gardner National Bank	
Checking	313,314
Kansas Municipal Investment Pool	56,973,917
Total Cash	61,701,407
Agency Funds per Statement 3	[377,241]
Total Reporting Entity (excluding Agency Funds per Statement 3)	\$ 61,324,166

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Gardner - Edgerton Unified School District No. 231 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, and 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 generally accepted accounting principles and allowing the municipality to use the regulatory basis for accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, 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; 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. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Regulatory Basis Fund Types

In governmental accounting, 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.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

The following types of funds comprise the financial activities of the District for the year ended June 30, 2013:

General and Supplemental General Funds - the primary operating funds. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies and payment of general long-term debt.

Capital Project Fund - to account for financial resources to be used for the acquisition or construction of major capital facilities, which by their nature may require more than one budgetary cycle for completion.

Fiduciary Fund - used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the District's own programs.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing held 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 budget for the year ended June 30, 2013 was not amended.

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 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. 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for the bond construction funds, trust funds, and the following special revenue funds: Contingency Reserve, Textbook and Student Material Revolving and District Activity.

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.

Actual exceeded budgeted expenditures in the Summer School Fund by \$274, which is a violation of K.S.A. 79-2935.

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

Deposits. 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.

Investments. 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.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At June 30, 2013, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 56,973,917</u>	S&P AAf/S1+

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 2 - Deposits and Investments (Continued)

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's bank balance was \$6,828,862. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$6,328,862 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Substance receipt in transit. The District received \$2,090,828 subsequent to June 30, 2013 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, 2013.

NOTE 3 - Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a detailed listing of the District's long-term debt:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
G.O. Bonds					
Series 1998-A	02/01/98	10/01/18	4.00 - 6.00%	\$ 24,590,000	\$ 2,335,000
Series 2001-A	03/15/01	10/01/21	4.56 - 5.16%	29,670,000	6,670,000
Series 2005-A	03/15/05	10/01/25	3.00 - 5.00%	26,035,000	7,415,000
Series 2006-A	08/01/06	10/01/26	4.125 - 5.00%	15,825,000	12,075,000
Series 2006-B	11/15/06	10/01/27	4.00 - 5.00%	24,245,000	18,700,000
Series 2009-A	05/15/09	10/01/18	2.00 - 4.00%	3,870,000	1,990,000
Series 2011-A	03/01/11	10/01/22	2.00 - 4.125%	14,640,000	11,760,000
Series 2012-A	04/25/12	10/01/32	3.00 - 5.00%	40,265,000	40,265,000
Series 2013-A	05/15/13	10/01/33	3.00-5.00%	50,795,000	50,795,000
				<u>\$ 229,935,000</u>	<u>\$ 152,005,000</u>

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended June 30, 2013:

Type of Issue	Beginning Principal <u>Outstanding</u>	Additions to <u>Principal</u>	Reductions of <u>Principal</u>	Ending Principal <u>Outstanding</u>
G.O. Bonds To Be Paid With Tax Levies:				
Series 1998-A	\$ 2,335,000	\$ -	\$ -	\$ 2,335,000
Series 2001-A	6,670,000	-	-	6,670,000
Series 2004-A	780,000	-	780,000	-
Series 2005-A	18,025,000	-	10,610,000	7,415,000
Series 2006-A	12,885,000	-	810,000	12,075,000
Series 2006-B	20,535,000	-	1,835,000	18,700,000
Series 2009-A	2,555,000	-	565,000	1,990,000
Series 2011-A	13,355,000	-	1,595,000	11,760,000
Series 2012-A	40,265,000	-	-	40,265,000
Series 2013-A	-	50,795,000	-	50,795,000
Total	\$ 117,405,000	\$ 50,795,000	\$ 16,195,000	\$ 152,005,000

Annual debt service requirements to maturity for long-term debt:

Year Ended	<u>June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2014	\$	6,785,000	\$ 6,035,947	\$ 12,820,947
2015		6,540,000	6,016,996	12,556,996
2016		6,880,000	5,717,846	12,597,846
2017		7,215,000	5,413,946	12,628,946
2018		7,515,000	5,131,096	12,646,096
2019 to 2023		42,655,000	20,683,529	63,338,529
2024 to 2028		39,535,000	10,912,552	50,447,552
2029 to 2033		30,975,000	3,809,357	34,784,357
2034		3,905,000	72,400	3,977,400
Total	\$	152,005,000	\$ 63,793,669	\$ 215,798,669

The District issued \$50,795,000 in general obligation bonds with interest rates ranging from 3.00 to 5.00% for building construction and for refunding a portion of the 2005-A issuance \$8,005,000. As a result a portion of the Series 2005-A are considered defeased and has been removed from the District's financial statements. The transaction resulted in an economic gain of \$974,448 and a decrease of \$1,008,110 in future debt payments. At June 30, 2013, the remaining principal balance of outstanding debt issues previously defeased is \$8,730,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 3 - Long-Term Debt (Continued)

The District entered into a lease agreement on August 26, 2009, for the installation of aerial, trenched and directionally bored fiber optic cable and conduit between the District offices and several schools. The interest rate on the lease is 4.95% with a final maturity date of February 28, 2019. Semi annual payments are \$25,474, paid in August and February.

Annual debt service requirements to maturity for the lease are as follows:

Year Ended June 30,	Principal	Interest	Total
2014	\$ 38,378	\$ 12,570	\$ 50,948
2015	40,317	10,631	50,948
2016	42,354	8,594	50,948
2017	44,494	6,454	50,948
2018	46,741	4,207	50,948
2019	49,103	1,845	50,948
Total	<u>\$ 261,387</u>	<u>\$ 44,301</u>	<u>\$ 305,688</u>

NOTE 4 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 95,649
General	Special Education	K.S.A. 72-6428	7,044,073
General	At Risk (4 Year Old)	K.S.A. 72-6428	73,307
General	At Risk (K-12)	K.S.A. 72-6428	2,291,234
General	Parent Education Program	K.S.A. 72-6428	193,500
General	Professional Development	K.S.A. 72-6428	53,000
General	Summer School	K.S.A. 72-6428	7,000
General	Vocational Education	K.S.A. 72-6428	720,000
General	Contingency Reserve	K.S.A. 72-6428	325,000
Driver Training	General	Fund Close Out	10,000
Total			<u>\$ 10,812,763</u>

NOTE 5 - 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 South Kansas Avenue, Topeka, KS 66603-3803).

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 5 - Defined Benefit Pension Plan (Continued)

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 statutory required employers share. Kansas contributions to KPERS for the District employees for the years ending June 30, 2013, 2012, and 2011, were \$3,045,139, \$3,640,743 and \$2,142,977, respectively, equal to the required contributions for each year.

NOTE 6 - Termination Benefits

The District has a plan, which covers personnel who voluntarily take early retirement. An employee is eligible for early retirement if such employee is not less than 54 years of age and has twenty years or more of service with the District. The cost of early retirement benefits paid during the year ended June 30, 2013 was \$82,080. The District pays for the single monthly premium in the current health insurance plan.

The annual estimated costs of the single monthly premiums for health insurance plan coverage and additional benefits negotiated by the District under this program are as follows:

Year <u>Ended</u>		
6/30/2014	\$	94,493
6/30/2015		<u>19,493</u>
Total	\$	<u><u>113,986</u></u>

NOTE 7 - Compensated Absences

For non-certified employees, unused sick leave benefits will be paid at the time of termination if the employee has worked for the District for at least 20 years and has accumulated a minimum of 50 days of unused sick leave. The rate of pay is \$10.00 per day up to a maximum of 150 days.

Regular full time employees receive 3.33 hours paid vacation per month for the first 12 months of employment, 6.67 hours per month for years two through nine, and 10 hours per month for years ten and over. Any unused vacation must be used each year and cannot be accumulated.

The District has estimated the accumulated unpaid vacation and sick leave for all employees at June 30, 2013, to be \$4,497,734. The amount disclosed is a total of all accumulated leave, however, as previously mentioned, leave amounts are paid to employees if conditions, per the District compensated leave policies, are met. The total of all sick and vacation leave used for the year ended June 30, 2013 was \$1,272,759.

Certified employees receive ten days of sick leave per year. For teachers who retire with 85 or more points and a minimum of 20 years of service to the District, a policy exists to pay unused sick leave under the following arrangement. The person must have a minimum of 50 days accumulated.

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GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 7 - Compensated Absences (Continued)

The District will pay \$10.00 per day up to a maximum of 150 days. The money is available only at retirement. If this option is used in conjunction with the sell back policy, a maximum of \$1,500 is paid.

The District agreed to a sell back policy for unused sick leave for certified staff and administrators. At the end of each contract year, certified staff and administrators will have the opportunity to sell back unused sick leave to the District at the rate of \$50.00 per day.

1. An employee with 5 or more years of service in the District and has accumulated 45 or more days of sick leave can sell back up to 5 days at the end of the contract year.
2. An employee with 10 or more years of service in the District and has accumulated 80 or more days of sick leave can sell back up to 10 days at the end of the contract year.
3. An employee with 15 or more years of service in the District and has accumulated 105 or more days of sick leave can sell back up to 15 days at the end of the contract year.

During the year ended June 30, 2013, the District purchased unused sick and vacation leave at a cost of \$41,183.

NOTE 8 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2013.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

NOTE 9 - 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.

NOTE 10 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures To Date</u>	
2011 Series B Bonds	\$ 2,029,127	\$ 2,029,127	
2012 Series Bonds	99,167,225	77,803,991	

NOTE 11 - Related Party Transactions

The District paid \$7,009 during the year ended June 30, 2013 for electrical services to City Electric Supply. Mr. Repshire, a board of education member, is a sales person for the company. Mr. Repshire is not involved with the bidding of these services due to this potential conflict of interest and disclosed this information on the annual conflict of interest questionnaire.

SCHEDULE 1

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2013

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
Governmental Type Funds:						
General Funds:						
General Fund	\$ 29,263,215	\$ [1,021,625]	\$ 335,353	\$ 28,576,943	\$ 28,576,943	\$ -
Supplemental General	9,899,874	[335,375]	-	9,564,499	9,564,499	-
Special Purpose Funds:						
At Risk (4 Year Old)	38,380	-	-	38,380	38,307	73
At Risk (K-12)	2,002,032	-	-	2,002,032	2,001,999	33
Bilingual Education	296,020	-	-	296,020	48,592	247,428
Capital Outlay	3,502,179	-	-	3,502,179	1,011,981	2,490,198
Driver Training	100,280	-	-	100,280	56,573	43,707
Extraordinary School Program	430,000	-	-	430,000	378,272	51,728
Food Service	2,600,000	-	-	2,600,000	2,250,388	349,612
Professional Development	37,791	-	-	37,791	19,960	17,831
Parent Education Program	162,947	-	-	162,947	153,540	9,407
Summer School	44,686	-	-	44,686	44,960	[274]
Special Education	8,896,996	-	-	8,896,996	7,978,521	918,475
Vocational Education	544,325	-	-	544,325	525,932	18,393
KPERS Special Retirement Contribution	3,448,066	-	-	3,448,066	3,045,139	402,927
Special Liability	100,000	-	-	100,000	25,905	74,095
Gifts and Grants	119,503	-	-	119,503	29,394	90,109
Federal Grants	481,135	-	-	481,135	450,022	31,113
Debt Service Funds:						
Bond and Interest	12,204,450	-	-	12,204,450	12,199,450	5,000
Special Assessment	400,000	-	-	400,000	100,211	299,789

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current	\$ 4,178,651	\$ 4,175,303	\$ 3,854,263	\$ 321,040
Delinquent	204,932	51,030	37,458	13,572
Mineral production tax	2,866	142	3,000	[2,858]
Federal Aid:				
Education jobs fund	11,737	-	-	-
State Aid:				
Equalization aid	18,311,905	19,311,041	20,205,493	[894,452]
Special Education aid	5,036,256	4,694,073	5,163,000	[468,927]
Transfer in	-	10,000	-	10,000
Reimbursed expense	-	335,353	-	335,353
Total Cash Receipts and Transfers	<u>27,746,347</u>	<u>28,576,942</u>	<u>\$ 29,263,214</u>	<u>\$ [686,272]</u>
Expenditures and Transfers Subject to Budget				
Instruction	10,759,214	6,871,967	\$ 6,113,308	\$ [758,659]
Student support services	766,697	446,846	769,476	322,630
Instructional support staff	1,121,858	1,194,477	1,494,500	300,023
General administration	918,482	876,706	841,650	[35,056]
School administration	2,454,946	2,203,687	2,261,550	57,863
Operations and maintenance	1,911,596	3,860,287	3,869,249	8,962
Other supplemental services	586,311	923,061	1,453,850	530,789
Transportation	1,492,692	1,397,149	1,590,100	192,951
Transfers out	7,734,550	10,802,763	10,869,532	66,769
Adjustment for qualifying budget credit	-	-	335,353	335,353
Adjustment to comply with legal max budget	-	-	[1,021,625]	[1,021,625]
Total Expenditures and Transfers Subject to Budget	<u>27,746,346</u>	<u>28,576,943</u>	<u>\$ 28,576,943</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	1	[1]		
Unencumbered Cash, Beginning	-	1		
Unencumbered Cash, Ending	<u>\$ 1</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current taxes	\$ 4,883,142	\$ 4,239,490	\$ 4,307,807	\$ [68,317]
Delinquent taxes	213,709	62,139	44,297	17,842
Motor vehicle tax	412,888	501,270	443,917	57,353
Recreational vehicle tax	4,762	3,981	5,043	[1,062]
State Aid:				
Equalization aid	<u>4,295,266</u>	<u>4,430,812</u>	<u>4,644,229</u>	<u>[213,417]</u>
Total Cash Receipts and Transfers	<u>9,809,767</u>	<u>9,237,692</u>	<u>\$ 9,445,293</u>	<u>\$ [207,601]</u>
Expenditures and Transfers Subject to Budget				
Instruction	6,294,449	9,553,618	\$ 9,899,874	\$ 346,256
Instructional support services	154,163	-	-	-
Operations and maintenance	215,912	10,881	-	[10,881]
Transfers out	2,682,850	-	-	-
Adjustment to comply with legal max budget	<u>-</u>	<u>-</u>	<u>[335,375]</u>	<u>[335,375]</u>
Total Expenditures and Transfers Subject to Budget	<u>9,347,374</u>	<u>9,564,499</u>	<u>\$ 9,564,499</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	462,393	[326,807]		
Unencumbered Cash, Beginning	<u>450,936</u>	<u>913,329</u>		
Unencumbered Cash, Ending	<u>\$ 913,329</u>	<u>\$ 586,522</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 At Risk (4 Year Old) Fund
 For the Year Ended June 30, 2013
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 31,450	\$ 73,307	\$ 38,380	\$ 34,927
Total Cash Receipts and Transfers	<u>31,450</u>	<u>73,307</u>	<u>\$ 38,380</u>	<u>\$ 34,927</u>
Expenditures and Transfers Subject to Budget				
Instruction	31,450	38,307	\$ 38,380	\$ 73
Total Expenditures and Transfers Subject to Budget	<u>31,450</u>	<u>38,307</u>	<u>\$ 38,380</u>	<u>\$ 73</u>
Receipts Over [Under] Expenditures	-	35,000		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 35,000</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 1,846,486	\$ 2,291,234	\$ 2,002,032	\$ 289,202
Total Cash Receipts and Transfers	<u>1,846,486</u>	<u>2,291,234</u>	<u>\$ 2,002,032</u>	<u>\$ 289,202</u>
Expenditures and Transfers Subject to Budget				
Instruction	1,282,065	1,262,776	\$ 1,434,032	\$ 171,256
Student support services	542,293	737,223	543,000	[194,223]
School administration	<u>22,128</u>	<u>2,000</u>	<u>25,000</u>	<u>23,000</u>
Total Expenditures and Transfers Subject to Budget	<u>1,846,486</u>	<u>2,001,999</u>	<u>\$ 2,002,032</u>	<u>\$ 33</u>
Receipts Over [Under] Expenditures	-	289,235		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 289,235</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Bilingual Education Fund
 For the Year Ended June 30, 2013
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 287,048	\$ 95,649	\$ 296,020	\$ [200,371]
Total Cash Receipts and Transfers	<u>287,048</u>	<u>95,649</u>	<u>\$ 296,020</u>	<u>\$ [200,371]</u>
Expenditures and Transfers Subject to Budget				
Instruction	287,048	48,592	\$ 296,020	\$ 247,428
Total Expenditures and Transfers Subject to Budget	<u>287,048</u>	<u>48,592</u>	<u>\$ 296,020</u>	<u>\$ 247,428</u>
Receipts Over [Under] Expenditures	-	47,057		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 47,057</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes				
Current	\$ 1,793,375	\$ 1,792,374	\$ 1,694,564	\$ 97,810
Delinquent	86,427	24,011	16,257	7,754
Motor vehicle tax	168,108	189,644	167,731	21,913
Recreational vehicle tax	1,947	1,505	1,956	[451]
Rental income	200,861	346	-	346
Investment income	146	11	1,000	[989]
Miscellaneous	1,089,620	25,477	235,000	[209,523]
Total Cash Receipts and Transfers	<u>3,340,484</u>	<u>2,033,368</u>	<u>\$ 2,116,508</u>	<u>\$ [83,140]</u>
Expenditures and Transfers Subject to Budget				
Instruction	2,148	40,130	\$ 1,752,179	\$ 1,712,049
Student support services	224	2,027	-	[2,027]
Instructional support staff	116,387	50,948	-	[50,948]
General administration	8,279	-	-	-
Operations and maintenance	44,890	160,997	500,000	339,003
Other support services	15,291	1,416	-	[1,416]
Facility acquisition and construction	4,112,550	756,463	1,250,000	493,537
Debt service	530,755	-	-	-
Total Expenditures and Transfers Subject to Budget	<u>4,830,524</u>	<u>1,011,981</u>	<u>\$ 3,502,179</u>	<u>\$ 2,490,198</u>
Receipts Over [Under] Expenditures	[1,490,040]	1,021,387		
Unencumbered Cash, Beginning	<u>2,875,712</u>	<u>1,385,672</u>		
Unencumbered Cash, Ending	<u>\$ 1,385,672</u>	<u>\$ 2,407,059</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Driver Training Fund
 For the Year Ended June 30, 2013
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 12,314	\$ 15,531	\$ 13,050	\$ 2,481
Charges for services	44,514	45,030	60,000	[14,970]
Total Cash Receipts and Transfers	<u>56,828</u>	<u>60,561</u>	<u>\$ 73,050</u>	<u>\$ [12,489]</u>
Expenditures and Transfers Subject to Budget				
Instruction	40,066	35,280	\$ 79,780	\$ 44,500
Vehicle operating and maintenance services	7,844	11,293	20,500	9,207
Transfer out	-	10,000	-	[10,000]
Total Expenditures and Transfers Subject to Budget	<u>47,910</u>	<u>56,573</u>	<u>\$ 100,280</u>	<u>\$ 43,707</u>
Receipts Over [Under] Expenditures	8,918	3,988		
Unencumbered Cash, Beginning	<u>32,812</u>	<u>41,730</u>		
Unencumbered Cash, Ending	<u>\$ 41,730</u>	<u>\$ 45,718</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Extraordinary School Program Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services - all day kindergarten	\$ 269,814	\$ 303,059	\$ 430,000	\$ [126,941]
Charges for services - preschool peer models	<u>77,193</u>	<u>76,209</u>	-	<u>76,209</u>
Total Cash Receipts and Transfers	<u>347,007</u>	<u>379,268</u>	<u>\$ 430,000</u>	<u>\$ [50,732]</u>
Expenditures and Transfers Subject to Budget				
Instruction	<u>402,736</u>	<u>378,272</u>	<u>\$ 430,000</u>	<u>\$ 51,728</u>
Total Expenditures and Transfers Subject to Budget	<u>402,736</u>	<u>378,272</u>	<u>\$ 430,000</u>	<u>\$ 51,728</u>
Receipts Over [Under] Expenditures	[55,729]	996		
Unencumbered Cash, Beginning	<u>55,729</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 996</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 1,078,623	\$ 1,114,227	\$1,046,605	\$ 67,622
State aid	28,898	24,129	24,480	[351]
Charges for services	1,267,098	1,201,929	1,315,458	[113,529]
Miscellaneous	37,457	43,751	40,000	3,751
Investment income	405	478	500	[22]
Total Cash Receipts and Transfers	<u>2,412,481</u>	<u>2,384,514</u>	<u>\$2,427,043</u>	<u>\$ [42,529]</u>
Expenditures and Transfers Subject to Budget				
Operations and maintenance	39,745	45,774	\$ 100,000	\$ 54,226
Food service operation	<u>2,272,217</u>	<u>2,204,614</u>	<u>2,500,000</u>	<u>295,386</u>
Total Expenditures and Transfers Subject to Budget	<u>2,311,962</u>	<u>2,250,388</u>	<u>\$2,600,000</u>	<u>\$ 349,612</u>
Receipts Over [Under] Expenditures	100,519	134,126		
Unencumbered Cash, Beginning	<u>280,790</u>	<u>381,309</u>		
Unencumbered Cash, Ending	<u>\$ 381,309</u>	<u>\$ 515,435</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 20	\$ -	\$ -	\$ -
Transfers in	<u>50,000</u>	<u>53,000</u>	<u>30,000</u>	<u>23,000</u>
Total Cash Receipts and Transfers	<u>50,020</u>	<u>53,000</u>	<u>\$ 30,000</u>	<u>\$ 23,000</u>
Expenditures and Transfers Subject to Budget				
Instructional support	<u>44,381</u>	<u>19,960</u>	<u>\$ 37,791</u>	<u>\$ 17,831</u>
Total Expenditures and Transfers Subject to Budget	<u>44,381</u>	<u>19,960</u>	<u>\$ 37,791</u>	<u>\$ 17,831</u>
Receipts Over [Under] Expenditures	5,639	33,040		
Unencumbered Cash, Beginning	<u>2,152</u>	<u>7,791</u>		
Unencumbered Cash, Ending	<u>\$ 7,791</u>	<u>\$ 40,831</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 95,397	\$ 65,191	\$ 95,397	\$ [30,206]
Miscellaneous	8,218	4,168	10,000	[5,832]
Transfer in	58,593	193,500	53,500	140,000
Total Cash Receipts and Transfers	<u>162,208</u>	<u>262,859</u>	<u>\$ 158,897</u>	<u>\$ 103,962</u>
Expenditures and Transfers Subject to Budget				
Student support services	158,158	153,540	\$ 162,947	\$ 9,407
Total Expenditures and Transfers Subject to Budget	<u>158,158</u>	<u>153,540</u>	<u>\$ 162,947</u>	<u>\$ 9,407</u>
Receipts Over [Under] Expenditures	4,050	109,319		
Unencumbered Cash, Beginning	-	4,050		
Unencumbered Cash, Ending	<u>\$ 4,050</u>	<u>\$ 113,369</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Summer School Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 39,004	\$ 33,305	\$ 40,000	\$ [6,695]
Transfer in	<u>53,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total Cash Receipts and Transfers	<u>92,004</u>	<u>40,305</u>	<u>\$ 40,000</u>	<u>\$ 305</u>
Expenditures and Transfers Subject to Budget				
Instruction	82,063	42,460	\$ 39,686	\$ [2,774]
Student support services	<u>7,648</u>	<u>2,500</u>	<u>5,000</u>	<u>2,500</u>
Total Expenditures and Transfers Subject to Budget	<u>89,711</u>	<u>44,960</u>	<u>\$ 44,686</u>	<u>\$ [274]</u>
Receipts Over [Under] Expenditures	2,293	[4,655]		
Unencumbered Cash, Beginning	<u>2,393</u>	<u>4,686</u>		
Unencumbered Cash, Ending	<u>\$ 4,686</u>	<u>\$ 31</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 785,903	\$ 794,836	\$ 774,788	\$ 20,048
Medicaid reimbursement	76,850	156,649	75,000	81,649
Local aid	1,757	-	20,048	[20,048]
Investment income	25,360	11,557	25,000	[13,443]
Miscellaneous	169	-	200	[200]
Transfers in	<u>7,585,652</u>	<u>7,044,073</u>	<u>7,929,600</u>	<u>[885,527]</u>
Total Cash Receipts and Transfers	<u>8,475,691</u>	<u>8,007,115</u>	<u>\$ 8,824,636</u>	<u>\$ [817,521]</u>
Expenditures and Transfers Subject to Budget				
Instruction	6,699,856	6,097,852	\$ 6,812,996	\$ 715,144
Instructional support staff	2,103	2,000	2,000	-
General administration	339,625	314,943	382,000	67,057
Transportation	<u>1,361,816</u>	<u>1,563,726</u>	<u>1,700,000</u>	<u>136,274</u>
Total Expenditures and Transfers Subject to Budget	<u>8,403,400</u>	<u>7,978,521</u>	<u>\$ 8,896,996</u>	<u>\$ 918,475</u>
Receipts Over [Under] Expenditures	72,291	28,594		
Unencumbered Cash, Beginning	<u>69</u>	<u>72,360</u>		
Unencumbered Cash, Ending	<u>\$ 72,360</u>	<u>\$ 100,954</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Vocational Education Fund
 For the Year Ended June 30, 2013
 (With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 17,575	\$ 24,175	\$ 24,175	\$ -
Miscellaneous	137	1,019	150	869
Transfers in	<u>505,171</u>	<u>720,000</u>	<u>520,000</u>	<u>200,000</u>
Total Cash Receipts and Transfers	<u>522,883</u>	<u>745,194</u>	<u>\$ 544,325</u>	<u>\$ 200,869</u>
Expenditures and Transfers Subject to Budget				
Instruction	<u>522,883</u>	<u>525,932</u>	<u>\$ 544,325</u>	<u>\$ 18,393</u>
Total Expenditures and Transfers Subject to Budget	<u>522,883</u>	<u>525,932</u>	<u>\$ 544,325</u>	<u>\$ 18,393</u>
Receipts Over [Under] Expenditures	-	219,262		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 219,262</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
KPERs Special Retirement Contribution Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 3,640,743	\$ 3,045,139	\$ 3,448,066	\$ [402,927]
Total Cash Receipts and Transfers	<u>3,640,743</u>	<u>3,045,139</u>	<u>\$ 3,448,066</u>	<u>\$ [402,927]</u>
Expenditures and Transfers Subject to Budget				
Instruction	2,631,547	2,426,645	\$ 2,546,066	\$ 119,421
Student support services	156,821	119,203	140,000	20,797
Instructional support staff	104,086	83,455	95,000	11,545
General administration	109,463	68,502	97,000	28,498
School administration	225,051	138,603	200,000	61,397
Operations and maintenance	210,720	101,767	195,000	93,233
Transportation	7,328	496	5,000	4,504
Other supplemental services	116,167	66,361	100,000	33,639
Food service	<u>79,560</u>	<u>40,107</u>	<u>70,000</u>	<u>29,893</u>
Total Expenditures and Transfers Subject to Budget	<u>3,640,743</u>	<u>3,045,139</u>	<u>\$ 3,448,066</u>	<u>\$ 402,927</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Liability Fund
For the Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current	\$ 204,794	\$ 192,936	\$ 11,858
Delinquent	<u>43</u>	<u>-</u>	<u>43</u>
Total Cash Receipts and Transfers	<u>204,837</u>	<u>\$ 192,936</u>	<u>\$ 11,901</u>
Expenditures and Transfers Subject to Budget			
Instruction	<u>25,905</u>	<u>\$ 100,000</u>	<u>\$ 74,095</u>
Total Expenditures and Transfers Subject to Budget	<u>25,905</u>	<u>\$ 100,000</u>	<u>\$ 74,095</u>
Receipts Over [Under] Expenditures	178,932		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 178,932</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
For the Year Ended June 30, 2013

	<u>Drug and Alcoholism</u>	<u>Miscellaneous Grants</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive [Negative]</u>
Cash Receipts					
Local source	\$ 24,635	\$ 3,588	\$ 28,223	\$ 95,000	\$ [66,777]
Total Cash Receipts	<u>24,635</u>	<u>3,588</u>	<u>28,223</u>	<u>\$ 95,000</u>	<u>\$ [66,777]</u>
Expenditures					
Instruction	24,843	2,810	27,653	\$ 119,503	\$ 91,850
Student support services	1,741	-	1,741	-	[1,741]
Total Expenditures	<u>26,584</u>	<u>2,810</u>	<u>29,394</u>	<u>\$ 119,503</u>	<u>\$ 90,109</u>
Receipts Over [Under] Expenditures	[1,949]	778	[1,171]		
Unencumbered Cash, Beginning	<u>20,851</u>	<u>3,652</u>	<u>24,503</u>		
Unencumbered Cash, Ending	<u>\$ 18,902</u>	<u>\$ 4,430</u>	<u>\$ 23,332</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund*
For the Years Ended June 30, 2013

Cash Receipts	
Transfer in	\$ 325,000
Total Cash Receipts	<u>325,000</u>
Expenditures	
Instruction	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	325,000
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 325,000</u>

* This fund is not required to be budgeted.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual
Textbook and Student Material Revolving Fund*
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Fines and fees	\$ 267,009	\$ 301,059
Investment income	<u>44</u>	<u>105</u>
Total Cash Receipts	<u>267,053</u>	<u>301,164</u>
 Expenditures		
Instruction	<u>252,223</u>	<u>166,260</u>
Total Expenditures	<u>252,223</u>	<u>166,260</u>
 Receipts Over [Under] Expenditures	14,830	134,904
 Unencumbered Cash, Beginning	<u>1,828</u>	<u>16,658</u>
 Unencumbered Cash, Ending	<u>\$ 16,658</u>	<u>\$ 151,562</u>

* This fund is not required to be budgeted.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Federal Grants Fund
For the Year Ended June 30, 2013

	Title II, Part A Teacher <u>Quality</u>	Title I Low <u>Income</u>
Cash Receipts		
Federal aid	\$ 62,037	\$ 363,098
Total Cash Receipts	<u>62,037</u>	<u>363,098</u>
Expenditures		
Instruction	62,037	344,805
Instructional support staff	-	18,293
Total Expenditures	<u>62,037</u>	<u>363,098</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

<u>Title VI-B</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
\$ 24,887	\$ 450,022	\$ 481,135	\$ [31,113]
<u>24,887</u>	<u>450,022</u>	<u>\$ 481,135</u>	<u>\$ [31,113]</u>
24,887	431,729	\$ 455,022	\$ 23,293
-	18,293	26,113	7,820
<u>24,887</u>	<u>450,022</u>	<u>\$ 481,135</u>	<u>\$ 31,113</u>
-	-		
-	-		
<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes:				
Current	\$ 7,249,417	\$ 7,296,229	\$ 6,897,667	\$ 398,562
Delinquent	338,118	95,975	65,716	30,259
Motor vehicle tax	660,333	766,016	677,498	88,518
Recreation vehicle tax	7,634	6,081	7,696	[1,615]
Excise tax	99	-	-	-
Bond proceeds	5	-	-	-
State aid	<u>4,001,017</u>	<u>5,001,775</u>	<u>5,001,775</u>	<u>-</u>
Total Cash Receipts and Transfers	<u>12,256,623</u>	<u>13,166,076</u>	<u>\$ 12,650,352</u>	<u>\$ 515,724</u>
Expenditures and Transfers Subject to Budget				
Principal	7,515,000	7,465,000	\$ 7,465,000	\$ -
Bond costs	-	-	5,000	5,000
Interest	<u>3,916,478</u>	<u>4,734,450</u>	<u>4,734,450</u>	<u>-</u>
Total Expenditures and Transfers Subject to Budget	<u>11,431,478</u>	<u>12,199,450</u>	<u>\$ 12,204,450</u>	<u>\$ 5,000</u>
Receipts Over [Under] Expenditures	825,145	966,626		
Unencumbered Cash, Beginning	<u>10,292,684</u>	<u>11,117,829</u>		
Unencumbered Cash, Ending	<u>\$11,117,829</u>	<u>\$12,084,455</u>		

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Assessment Fund
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes:				
Current	\$ 102,084	\$ 449,566	\$ 423,699	\$ 25,867
Delinquent	3,364	1,239	928	311
Motor vehicle tax	5,665	9,303	8,255	1,048
Recreation vehicle tax	64	74	94	[20]
Total Cash Receipts and Transfers	<u>111,177</u>	<u>460,182</u>	<u>\$ 432,976</u>	<u>\$ 27,206</u>
Expenditures and Transfers Subject to Budget				
Site improvement services	<u>101,563</u>	<u>100,211</u>	<u>\$ 400,000</u>	<u>\$ 299,789</u>
Total Expenditures and Transfers Subject to Budget	<u>101,563</u>	<u>100,211</u>	<u>\$ 400,000</u>	<u>\$ 299,789</u>
Receipts Over [Under] Expenditures	9,614	359,971		
Unencumbered Cash, Beginning	<u>93,892</u>	<u>103,506</u>		
Unencumbered Cash, Ending	<u>\$ 103,506</u>	<u>\$ 463,477</u>		

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual
2011 Capital Outlay Fund*
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 229	\$ -
Total Cash Receipts	<u>229</u>	<u>-</u>
Expenditures		
Land acquisition	<u>802,557</u>	<u>-</u>
Total Expenditures	<u>802,557</u>	<u>-</u>
Receipts Over [Under] Expenditures	[802,328]	-
Unencumbered Cash, Beginning	<u>802,328</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Cash Receipts and Expenditures - Actual
2012 Bond Construction Fund*
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Bond proceeds	\$ 40,265,000	\$ 50,795,000
Bond premium	2,413,604	5,671,181
Investment income	<u>711</u>	<u>4,649</u>
Total Cash Receipts	<u>42,679,315</u>	<u>56,470,830</u>
Expenditures		
Construction costs	6,485,459	48,837,893
Election costs	23,786	-
Payment to escrow agent	12,595,884	9,351,361
Bond costs	<u>246,738</u>	<u>245,790</u>
Total Expenditures	<u>19,351,867</u>	<u>58,435,044</u>
Receipts Over [Under] Expenditures	23,327,448	[1,964,214]
Unencumbered Cash, Beginning	<u>-</u>	<u>23,327,448</u>
Unencumbered Cash, Ending	<u>\$ 23,327,448</u>	<u>\$ 21,363,234</u>

* This fund is not required to be budgeted.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Summary of Receipts and Expenditures
Student Organization and Other Agency Funds
For the Year Ended June 30, 2013

	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Gardner High School				
Clubs and Organizations	\$ 38,750	\$ 240,273	\$ 214,262	\$ 64,761
Classes	21,397	23,785	22,955	22,227
Student Council	<u>5,746</u>	<u>10,180</u>	<u>10,044</u>	<u>5,882</u>
Subtotal Gardner High School	<u>65,893</u>	<u>274,238</u>	<u>247,261</u>	<u>92,870</u>
Pioneer Ridge Middle School				
Clubs and Organizations	2,312	7,005	6,146	3,171
Classes	2,891	8,676	8,657	2,910
Athletic Support Groups	3,247	12,904	14,168	1,983
Library	<u>2,089</u>	<u>7,812</u>	<u>5,789</u>	<u>4,112</u>
Subtotal Pioneer Ridge Middle School	<u>10,539</u>	<u>36,397</u>	<u>34,760</u>	<u>12,176</u>
Wheatridge Middle School				
Clubs and Organizations	3,727	8,616	7,485	4,858
Classes	7,582	11,996	11,287	8,291
Athletic Support Groups	13,870	22,218	26,990	9,098
Library	<u>2,234</u>	<u>7,317</u>	<u>8,802</u>	<u>749</u>
Subtotal Wheatridge Middle School	<u>27,413</u>	<u>50,147</u>	<u>54,564</u>	<u>22,996</u>
Nike Elementary School				
Classes	-	10,598	10,598	-
Library	5,424	5,521	4,425	6,520
Student Council	<u>2,336</u>	<u>606</u>	<u>921</u>	<u>2,021</u>
Subtotal Nike Elementary School	<u>7,760</u>	<u>16,725</u>	<u>15,944</u>	<u>8,541</u>
Gardner Elementary School				
Student Council	643	528	356	815
Library	<u>1,157</u>	<u>188</u>	<u>41</u>	<u>1,304</u>
Subtotal Gardner Elementary School	<u>1,800</u>	<u>716</u>	<u>397</u>	<u>2,119</u>
Edgerton Elementary School				
Student Council	737	1,520	1,517	740
Library	<u>127</u>	<u>1,073</u>	<u>1,078</u>	<u>122</u>
Subtotal Edgerton Elementary School	<u>864</u>	<u>2,593</u>	<u>2,595</u>	<u>862</u>

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Summary of Receipts and Expenditures
Student Organization and Other Agency Funds
For the Year Ended June 30, 2013

	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
Sunflower Elementary School				
Student Council	\$ 327	\$ 354	\$ 351	\$ 330
Library	2,258	105	1,091	1,272
Music	971	578	508	1,041
Subtotal Sunflower Elementary School	<u>3,556</u>	<u>1,037</u>	<u>1,950</u>	<u>2,643</u>
Moonlight Elementary School				
Student Council	1,706	2,254	1,837	2,123
Library	367	7,038	6,926	479
Donations, Grants and Scholarships	4	43	47	-
Subtotal Moonlight Elementary School	<u>2,077</u>	<u>9,335</u>	<u>8,810</u>	<u>2,602</u>
Madison Elementary School				
Student Council	340	257	-	597
Library	2,673	1,444	3,972	145
Subtotal Edgerton Elementary School	<u>3,013</u>	<u>1,701</u>	<u>3,972</u>	<u>742</u>
Board Agency Funds				
Vacation Reserve	-	51,130	-	51,130
Scholarships	171,537	57,896	48,873	180,560
Subtotal Board Agency Funds	<u>171,537</u>	<u>109,026</u>	<u>48,873</u>	<u>231,690</u>
Total District Agency Funds	<u>\$ 294,452</u>	<u>\$ 501,915</u>	<u>\$ 419,126</u>	<u>\$ 377,241</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts, Expenditures and Unencumbered Cash
 District Activity Funds
 For the Year Ended June 30, 2013

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS						
High School	\$ 17,609	\$ 89,922	\$ 73,649	\$ 33,882	\$ -	\$ 33,882
Pioneer Ridge Middle School	882	22,368	21,782	1,468	-	1,468
Wheatridge Middle School	<u>6,785</u>	<u>23,960</u>	<u>20,088</u>	<u>10,657</u>	<u>264</u>	<u>10,921</u>
TOTAL GATE RECEIPTS	<u>25,276</u>	<u>136,250</u>	<u>115,519</u>	<u>46,007</u>	<u>264</u>	<u>46,271</u>
SCHOOL PROJECTS						
District	1,196	52,625	50,736	3,085	-	3,085
High School	33,972	238,695	246,387	26,280	1,347	27,627
Pioneer Ridge Middle School	31,565	84,481	93,993	22,053	-	22,053
Wheatridge Middle School	14,243	91,779	72,731	33,291	-	33,291
Nike Elementary School	14,362	14,178	10,836	17,704	-	17,704
Gardner Elementary School	9,443	26,866	27,673	8,636	-	8,636
Edgerton Elementary School	9,012	27,182	24,055	12,139	-	12,139
Sunflower Elementary School	4,014	35,240	32,706	6,548	-	6,548
Moonlight Elementary School	18,710	81,509	77,579	22,640	-	22,640
Madison Elementary School	<u>17,476</u>	<u>61,238</u>	<u>54,569</u>	<u>24,145</u>	<u>-</u>	<u>24,145</u>
TOTAL SCHOOL PROJECTS	<u>153,993</u>	<u>713,793</u>	<u>691,265</u>	<u>176,521</u>	<u>1,347</u>	<u>177,868</u>
TOTAL DISTRICT ACTIVITY FUNDS	<u>\$ 179,269</u>	<u>\$ 850,043</u>	<u>\$ 806,784</u>	<u>\$ 222,528</u>	<u>\$ 1,611</u>	<u>\$ 224,139</u>

See independent auditor's report on the financial statements.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 363,098	\$ 363,098	\$ -
Vocational Education Basic Grants to State	84.048	-	24,175	24,175	-
Title VI-B Special Education	84.027	-	774,788	774,788	-
Title VI-B Special Education - Disc	84.027	-	24,887	24,887	-
Early Childhood Act	84.173	-	20,048	20,048	-
Title II-A Teacher Quality	84.367	-	62,037	62,037	-
Title VI - State Assessments	84.369	-	115	115	-
Total U.S. Department of Education			<u>1,269,148</u>	<u>1,269,148</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	190,022	190,022	-
National School Lunch Program	10.555	-	845,749	845,749	-
Summer Food Service Program for Children	10.559	-	64,835	64,835	-
State Administrative Expenses for Child Nutrition	10.560	-	300	300	-
Team Nutrition	10.574	-	2,235	2,235	-
Child Nutrition Discretionary Grants	10.579	-	13,197	13,197	-
Total U.S. Department of Agriculture			<u>1,116,338</u>	<u>1,116,338</u>	
Total Expenditures of Federal Awards			<u>\$ 2,385,486</u>	<u>\$ 2,385,486</u>	

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of the District. All expenditures of federal financial assistance received directly from federal agencies, if any, as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas regulatory basis of accounting which includes accounts payable and encumbrances.

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Unmodified (Regulatory Basis)

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 84.027, 84.173	Title I Grants to Local Educational Agencies Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

GARDNER - EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted



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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
Gardner - Edgerton Unified School District No. 231
Gardner, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting, the financial statements of the Unified School District No. 231, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions on the financial statements, 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 controls 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 financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

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 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 statements are 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*.

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However, we noted certain other matters that we reported to management of the District in a separate letter dated November 20, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

November 20, 2013



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Education
Gardner - Edgerton Unified School District No. 231
Gardner, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 231, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mike Houser: Company PA

November 20, 2013