

**GARDNER EDGERTON
UNIFIED SCHOOL DISTRICT NO. 231
Gardner, Kansas
Financial Statements
For the Year Ended June 30, 2019**

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GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Financial Statements
 For the Year Ended June 30, 2019

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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

Report on the Financial Statements

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, 2019 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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.

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, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *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 basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, and the schedule of 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 statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019, 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 effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matter

The 2018 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we rendered an unmodified opinion dated November 15, 2018. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv>. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The 2018 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statements or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly presented in all material respects in relation to the 2018 basic financial statements as a whole, on the basis of accounting described in Note 1.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
November 7, 2019

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ -	\$ -	\$ 38,260,232	\$ 38,260,232	\$ -	\$ -	\$ -
Supplemental General	1,188,318	-	12,742,189	13,247,524	682,983	-	682,983
Special Purpose Funds:							
At Risk (K-12)	-	-	2,470,701	2,470,701	-	-	-
Bilingual Education	-	-	214,075	214,075	-	-	-
Capital Outlay	6,078,144	24,205	4,432,036	3,222,781	7,311,604	108,781	7,420,385
Driver Training	38,141	-	108,854	63,045	83,950	-	83,950
Extraordinary School Program	-	-	277,526	277,526	-	-	-
Food Service	498,156	-	2,956,614	3,035,480	419,290	-	419,290
Professional Development	222,183	-	64,329	167,224	119,288	-	119,288
Parent Education Program	-	-	123,539	123,539	-	-	-
Summer School	11,391	-	47,209	52,063	6,537	-	6,537
Special Education	-	-	13,096,130	13,096,130	-	-	-
Cost of Living	23,113	-	449,176	425,449	46,840	-	46,840
Career and Postsecondary Education	-	-	1,008,729	1,008,729	-	-	-
KPERs Special Retirement Contribution	-	-	2,915,729	2,915,729	-	-	-
Special Liability	36,526	-	30,020	31,893	34,653	-	34,653
Extraordinary Growth	104,587	-	1,514,078	1,540,199	78,466	-	78,466
Gifts and Grants	4,799	-	106	4,905	-	-	-
Contingency Reserve	3,600,000	-	-	-	3,600,000	-	3,600,000
Textbook and Student Material Revolving	714,140	-	935,198	264,710	1,384,628	-	1,384,628
Special Reserve	1,001,621	-	5,653,889	5,654,141	1,001,369	-	1,001,369
Federal Grants	-	-	459,891	459,891	-	-	-
District Activity	399,687	-	1,498,757	1,544,291	354,153	-	354,153
Bond and Interest Funds:							
Bond and Interest	12,160,204	-	13,455,159	12,831,509	12,783,854	-	12,783,854
Special Assessment	155,362	-	190,112	200,660	144,814	-	144,814
Capital Project Fund:							
Bond Construction	3,972,541	100,220	74,809	2,955,707	1,191,863	941,394	2,133,257
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 30,208,913</u>	<u>\$ 124,425</u>	<u>\$ 102,979,087</u>	<u>\$ 104,068,133</u>	<u>\$ 29,244,292</u>	<u>\$ 1,050,175</u>	<u>\$ 30,294,467</u>

Composition of Cash and Investments:

Central Bank of the Midwest	Checking	\$ 3,357,772
	Total Central Bank of the Midwest	<u>3,357,772</u>
Kansas Municipal Investment Pool	Investment Pool	27,055,241
	Total Kansas Municipal Investment Pool	<u>27,055,241</u>
Arvest Bank	Checking	100,415
	Total Arvest Bank	<u>100,415</u>
	Total Cash and Investments	30,513,428
	Less Agency Funds per Schedule 3	<u>[218,961]</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 30,294,467</u>

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial 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 related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$514,919 are classified as reimbursed expenses in the General Fund. 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.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements 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.

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, 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 receipts 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 municipality 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 of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

General Fund - the chief operating fund. 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 regulatory receipts 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, transfers from other funds and payment of general long-term debt.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

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), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts 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, 2019 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 regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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.

A legal operating budget is not required for capital project funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve, Textbook and Student Material Revolving, Special Reserve 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.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, 2019, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>	<u>Rating</u>
		<u>Less than 1 year</u>	
Kansas Municipal Investment Pool	\$ 27,055,241	\$ 27,055,241	S&P AAf/S1+
Total	<u>\$ 27,055,241</u>	<u>\$ 27,055,241</u>	

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2019, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

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, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$3,458,187 and the bank balance was \$5,156,422. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$350,511 was covered by federal depository insurance and the balance of \$4,805,911 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.

At June 30, 2019, the District had invested \$27,055,241 in the State's municipal investment pool. 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.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - Substance Receipt in Transit

The District received \$2,383,008 subsequent to June 30, 2019 and as required by K.S.A. 72-6466 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 4 - 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 liabilities at June 30, 2019:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
G.O. Bonds To Be Paid With Tax Levies:					
Series 2011-A	03/01/11	10/01/22	2.75 - 4.07%	\$ 14,640,000	\$ 5,015,000
Series 2012-A	04/25/12	10/01/32	3.00 - 5.00%	40,265,000	35,525,000
Series 2013-A	05/15/13	10/01/33	3.00 - 5.00%	50,795,000	47,480,000
Series 2015-A	3/26/2015	10/01/27	2.125 - 3.00%	8,880,000	7,350,000
Series 2016-A	5/17/2016	10/01/36	1.50 - 5.00%	38,130,000	37,770,000
Series 2016-B	10/20/2016	10/01/27	2.00 - 5.00%	<u>9,180,000</u>	<u>6,075,000</u>
				<u>\$ 161,890,000</u>	<u>\$ 139,215,000</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

Type of Issue	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
G.O. Bonds To Be Paid With Tax Levies:					
Series 2009-A	\$ 415,000	\$ -	\$ 415,000	\$ -	\$ 6,225
Series 2011-A	7,000,000	-	1,985,000	5,015,000	225,846
Series 2012-A	36,510,000	-	985,000	35,525,000	1,513,613
Series 2013-A	48,640,000	-	1,160,000	47,480,000	2,045,650
Series 2015-A	7,855,000	-	505,000	7,350,000	192,100
Series 2016-A	38,130,000	-	360,000	37,770,000	1,546,175
Series 2016-B	<u>7,655,000</u>	<u>-</u>	<u>1,580,000</u>	<u>6,075,000</u>	<u>311,900</u>
Total	<u>\$ 146,205,000</u>	<u>\$ -</u>	<u>\$ 6,990,000</u>	<u>\$ 139,215,000</u>	<u>\$ 5,841,509</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

Year Ended	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
June 30,			
2020	\$ 7,855,000	\$ 5,563,159	\$ 13,418,159
2021	8,450,000	5,233,895	13,683,895
2022	8,675,000	4,870,606	13,545,606
2023	9,050,000	4,492,813	13,542,813
2024	8,975,000	4,092,638	13,067,638
2025 to 2029	38,285,000	15,278,388	53,563,388
2030 to 2034	36,955,000	8,059,519	45,014,519
2035 to 2037	<u>20,970,000</u>	<u>1,279,998</u>	<u>22,249,998</u>
Total	<u>\$ 139,215,000</u>	<u>\$ 48,871,016</u>	<u>\$ 188,086,016</u>

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6478	\$ 1,670,701
General	Bilingual Education	K.S.A. 72-6478	174,075
General	Food Service	K.S.A. 72-6478	1,760
General	Parent Education Program	K.S.A. 72-6478	44,813
General	Special Education	K.S.A. 72-6478	11,626,576
General	Career and Postsecondary Education	K.S.A. 72-6478	984,541
General	Textbook and Student Material Revolving	K.S.A. 72-6478	500,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6478	800,000
Supplemental General	Bilingual Education	K.S.A. 72-6478	40,000
Total			<u>\$ 15,842,466</u>

NOTE 6 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2, or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009 and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate of 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERs 1, KPERs 2 and KPERs 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

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

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

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - Defined Benefit Pension Plan (Continued)

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$2,915,729 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$57,925,159. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 7 - 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 negative effect on the financial statements of the District as of June 30, 2019.

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 8 - Termination Benefits

The District has a plan which covers personnel who voluntarily take early retirement. An employee is eligible for early retirement if the employee is not less than 54 years of age and has twenty years or more of service with the District. The District pays for the single monthly premium in the current health insurance plan for employees who elect to take early retirement. The cost of early retirement benefits paid during the year ended June 30, 2019 was \$33,320.

The annual estimated costs of the single monthly premiums for health insurance plan coverage under this program are as follows:

Year <u>Ended</u>		
6/30/2020	\$	48,664
6/30/2021		49,280
6/30/2022		34,804
6/30/2023		29,568
6/30/2024		20,328
6/30/25-6/30/26		<u>14,784</u>
	\$	<u>197,428</u>

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 9 - Compensated Absences

Certified employees receive ten days of discretionary leave per year. Subject to eligibility requirements in the negotiated agreement, unused discretionary leave can either be rolled over as sick leave or eligible for sell back at a rate of sixty percent (60%) of a daily substitute teacher rate of pay.

The District also has a sell back policy for unused sick leave for certified staff. Certified employees will have the opportunity to sell back unused sick leave at the rate of sixty percent (60%) of a daily substitute teacher rate of pay per day as follows:

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, 2019, the District purchased unused sick and discretionary leave according to the provisions of the respective sell back policies at a cost of \$22,531.

For certified employees who retire with 85 or more points, a minimum of 20 years of service to the District, and 50 days minimum accumulated unused sick leave, certified staff will have the opportunity to sell back unused sick leave to the District at the rate of \$10.00 per day up to a maximum of 150 days.

Eligible non-certified employees who work a minimum of 630 hours per year will accrue sick leave benefits monthly based on the number of hours worked daily. Full time 12-month non-certified employees will accrue 8 hours of sick leave per month. Unused sick leave benefits will be allowed to accumulate indefinitely.

Eligible non-certified employees may also accrue vacation leave monthly based on the number of hours worked daily as follows below. Any unused vacation leave will not be allowed to accumulate.

<u>Years of Service</u>	<u>Days Per Year</u>	<u>Monthly Vacation Accrual Rate</u>
0 thru 9 years	10 days	6.67 hours
10 thru 20 years	15 days	10.00 hours
21 thru 25 years	16 days	10.67 hours
26+ years	17 days	11.33 hours

For non-certified employees who retire with a minimum of 20 years of service to the District, and 50 days minimum accumulated unused sick leave, non-certified staff will have the opportunity to see back unused sick leave to the District at the rate of \$10.00 per day up to a maximum of 150 days.

The District has estimated the accumulated unpaid vacation and sick leave for all employees at June 30, 2019 to be \$4,342,484. 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.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 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.

NOTE 11 - Capital Projects

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

	Project Authorization	Expenditures To Date
Series 2016 Bonds	<u>\$ 32,899,349</u>	<u>\$ 31,707,486</u>

NOTE 12 - Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of 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 government 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. Under the current group health plan contract, the District is responsible for actual claims incurred under this program up to maximum claim liability limits under the contract.

NOTE 13 - Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2019

<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>
General Funds:						
General Fund	\$ 39,625,394	\$ [1,880,081]	\$ 514,919	\$ 38,260,232	\$ 38,260,232	\$ -
Supplemental General	13,902,469	[654,945]	-	13,247,524	13,247,524	-
Special Purpose Funds:						
At Risk (4 Year Old)	60,000	-	-	60,000	-	60,000
At Risk (K-12)	3,300,000	-	-	3,300,000	2,470,701	829,299
Bilingual Education	240,000	-	-	240,000	214,075	25,925
Capital Outlay	11,670,003	-	-	11,670,003	3,222,781	8,447,222
Driver Training	123,891	-	-	123,891	63,045	60,846
Extraordinary School Program	400,000	-	-	400,000	277,526	122,474
Food Service	3,368,000	-	-	3,368,000	3,035,480	332,520
Professional Development	403,433	-	-	403,433	167,224	236,209
Parent Education Program	160,000	-	-	160,000	123,539	36,461
Summer School	111,391	-	-	111,391	52,063	59,328
Special Education	13,879,000	-	-	13,879,000	13,096,130	782,870
Cost of Living	446,640	-	-	446,640	425,449	21,191
Career and Postsecondary Education	1,450,000	-	-	1,450,000	1,008,729	441,271
KPERs Special Retirement Contribution	7,789,952	-	-	7,789,952	2,915,729	4,874,223
Special Liability	55,000	-	-	55,000	31,893	23,107
Extraordinary Growth	1,540,199	-	-	1,540,199	1,540,199	-
Gifts and Grants	50,000	-	-	50,000	4,905	45,095
Federal Grants	492,000	-	-	492,000	459,891	32,109
Bond and Interest Funds:						
Bond and Interest	12,836,510	-	-	12,836,510	12,831,509	5,001
Special Assessment	220,000	-	-	220,000	200,660	19,340

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State Aid:				
Equalization aid	\$ 29,396,281	\$30,796,321	\$ 32,140,194	\$ [1,343,873]
Special Education aid	6,115,307	6,948,992	7,485,200	[536,208]
Reimbursed expense	<u>568,265</u>	<u>514,919</u>	<u>-</u>	<u>514,919</u>
Total Receipts	<u>36,079,853</u>	<u>38,260,232</u>	<u>\$ 39,625,394</u>	<u>\$ [1,365,162]</u>
Expenditures				
Instruction	9,434,045	10,953,322	\$ 11,884,394	\$ 931,072
Student support services	537,245	758,332	552,000	[206,332]
Instructional support staff	1,472,494	1,564,291	1,554,000	[10,291]
General administration	530,729	576,388	537,000	[39,388]
School administration	3,034,191	3,000,862	3,074,000	73,138
Operations and maintenance	3,388,729	3,704,844	3,456,000	[248,844]
Other supplemental services	1,359,391	1,357,773	1,404,000	46,227
Transportation	1,312,464	1,341,954	1,340,000	[1,954]
Transfers out	15,010,565	15,002,466	15,824,000	821,534
Adjustment for qualifying budget credit	-	-	514,919	514,919
Adjustment to comply with legal max budget	-	-	<u>[1,880,081]</u>	<u>[1,880,081]</u>
Total Expenditures	<u>36,079,853</u>	<u>38,260,232</u>	<u>\$ 38,260,232</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Supplemental General Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current taxes	\$ 5,976,775	\$ 4,274,873	\$ 3,847,068	\$ 427,805
Delinquent taxes	13,352	-	30,381	[30,381]
Motor vehicle tax	507,455	515,727	504,395	11,332
Recreational vehicle tax	5,685	5,939	5,413	526
Commercial vehicle tax	17,869	26,280	15,998	10,282
State Aid:				
Equalization aid	<u>6,874,547</u>	<u>7,919,370</u>	<u>8,310,896</u>	<u>[391,526]</u>
Total Receipts	<u>13,395,683</u>	<u>12,742,189</u>	<u>\$ 12,714,151</u>	<u>\$ 28,038</u>
Expenditures				
Instruction	12,889,432	12,407,524	\$ 12,527,469	\$ 119,945
Transfers out	-	840,000	1,375,000	535,000
Adjustment to comply with legal max budget	-	-	[654,945]	[654,945]
Total Expenditures	<u>12,889,432</u>	<u>13,247,524</u>	<u>\$ 13,247,524</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	506,251	[505,335]		
Unencumbered Cash, Beginning	<u>682,067</u>	<u>1,188,318</u>		
Unencumbered Cash, Ending	<u>\$ 1,188,318</u>	<u>\$ 682,983</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 49,000	\$ -	\$ 60,000	\$ [60,000]
Total Receipts	<u>49,000</u>	<u>-</u>	<u>\$ 60,000</u>	<u>\$ [60,000]</u>
Expenditures				
Instruction	<u>49,000</u>	<u>-</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Total Expenditures	<u>49,000</u>	<u>-</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 At Risk (K-12) Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 2,502,027	\$ 2,470,701	\$ 3,300,000	\$ [829,299]
Total Receipts	<u>2,502,027</u>	<u>2,470,701</u>	<u>\$ 3,300,000</u>	<u>\$ [829,299]</u>
Expenditures				
Instruction	1,348,247	1,461,189	\$ 1,995,000	\$ 533,811
Student support services	<u>1,153,780</u>	<u>1,009,512</u>	<u>1,305,000</u>	<u>295,488</u>
Total Expenditures	<u>2,502,027</u>	<u>2,470,701</u>	<u>\$ 3,300,000</u>	<u>\$ 829,299</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 120,381	\$ 214,075	\$ 240,000	\$ [25,925]
Total Receipts	<u>120,381</u>	<u>214,075</u>	<u>\$ 240,000</u>	<u>\$ [25,925]</u>
Expenditures				
Instruction	<u>120,381</u>	<u>214,075</u>	<u>\$ 240,000</u>	<u>\$ 25,925</u>
Total Expenditures	<u>120,381</u>	<u>214,075</u>	<u>\$ 240,000</u>	<u>\$ 25,925</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes				
Current	\$ 2,575,718	\$ 2,777,641	\$ 2,521,017	\$ 256,624
Delinquent	6,758	161	13,070	[12,909]
Motor vehicle tax	245,096	254,800	249,671	5,129
Recreational vehicle tax	2,753	2,933	2,679	254
Commercial vehicle tax	9,220	12,092	7,918	4,174
State equalization aid	1,241,362	1,298,366	1,300,203	[1,837]
Federal aid	-	-	50,000	[50,000]
Reimbursements	200,456	86,043	50,000	36,043
Total Receipts	<u>4,281,363</u>	<u>4,432,036</u>	<u>\$ 4,194,558</u>	<u>\$ 237,478</u>
Expenditures				
Instruction	1,064,048	478,222	\$ 7,570,003	\$ 7,091,781
Student support services	4,634	4,689	-	[4,689]
Instructional support staff	-	1,485	-	[1,485]
General administration	67,243	76,863	-	[76,863]
Operations and maintenance	2,611,212	2,052,768	3,400,000	1,347,232
Transportation	25,409	51,839	100,000	48,161
Other support services	-	-	200,000	200,000
Facility acquisition and construction	450,323	556,915	400,000	[156,915]
Total Expenditures	<u>4,222,869</u>	<u>3,222,781</u>	<u>\$ 11,670,003</u>	<u>\$ 8,447,222</u>
Receipts Over [Under] Expenditures	58,494	1,209,255		
Unencumbered Cash, Beginning	6,019,650	6,078,144		
Prior Year Cancelled Encumbrances	-	24,205		
Unencumbered Cash, Ending	<u>\$ 6,078,144</u>	<u>\$ 7,311,604</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 25,088	\$ 27,783	\$ 35,750	\$ [7,967]
Charges for services	<u>35,713</u>	<u>81,071</u>	<u>50,000</u>	<u>31,071</u>
Total Receipts	<u>60,801</u>	<u>108,854</u>	<u>\$ 85,750</u>	<u>\$ 23,104</u>
Expenditures				
Instruction	52,354	51,819	\$ 104,891	\$ 53,072
Vehicle operating and maintenance services	<u>12,608</u>	<u>11,226</u>	<u>19,000</u>	<u>7,774</u>
Total Expenditures	<u>64,962</u>	<u>63,045</u>	<u>\$ 123,891</u>	<u>\$ 60,846</u>
Receipts Over [Under] Expenditures	[4,161]	45,809		
Unencumbered Cash, Beginning	<u>42,302</u>	<u>38,141</u>		
Unencumbered Cash, Ending	<u>\$ 38,141</u>	<u>\$ 83,950</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Extraordinary School Program Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 80,309	\$ 150,212	\$ 261,000	\$ [110,788]
Investment income	-	127,314	-	127,314
Transfers in	<u>203,905</u>	<u>-</u>	<u>139,000</u>	<u>[139,000]</u>
Total Receipts	<u>284,214</u>	<u>277,526</u>	<u>\$ 400,000</u>	<u>\$ [122,474]</u>
Expenditures				
Instruction	-	-	\$ 399,000	\$ 399,000
Operations and maintenance	1,000	1,000	1,000	-
Other supplemental services	<u>283,214</u>	<u>276,526</u>	<u>-</u>	<u>[276,526]</u>
Total Expenditures	<u>284,214</u>	<u>277,526</u>	<u>\$ 400,000</u>	<u>\$ 122,474</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 1,260,622	\$ 1,256,845	\$ 1,259,366	\$ [2,521]
State aid	29,000	29,497	26,400	3,097
Charges for services	1,495,855	1,599,132	1,915,950	[316,818]
Miscellaneous	27,842	56,154	75,000	[18,846]
Investment income	4,658	13,226	-	13,226
Transfers in	-	1,760	-	1,760
Total Receipts	<u>2,817,977</u>	<u>2,956,614</u>	<u>\$ 3,276,716</u>	<u>\$ [320,102]</u>
Expenditures				
Operations and maintenance	74,000	75,560	\$ 82,000	\$ 6,440
Food service operation	<u>2,776,239</u>	<u>2,959,920</u>	<u>3,286,000</u>	<u>326,080</u>
Total Expenditures	<u>2,850,239</u>	<u>3,035,480</u>	<u>\$ 3,368,000</u>	<u>\$ 332,520</u>
Receipts Over [Under] Expenditures	[32,262]	[78,866]		
Unencumbered Cash, Beginning	<u>530,418</u>	<u>498,156</u>		
Unencumbered Cash, Ending	<u>\$ 498,156</u>	<u>\$ 419,290</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Professional Development Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State professional development aid	\$ 12,157	\$ 9,590	\$ 31,250	\$ [21,660]
Investment income	-	54,739	-	54,739
Transfers in	<u>290,036</u>	<u>-</u>	<u>150,000</u>	<u>[150,000]</u>
Total Receipts	<u>302,193</u>	<u>64,329</u>	<u>\$ 181,250</u>	<u>\$ [116,921]</u>
Expenditures				
Instructional support	79,274	153,184	\$ 403,433	\$ 250,249
General administration	<u>736</u>	<u>14,040</u>	<u>-</u>	<u>[14,040]</u>
Total Expenditures	<u>80,010</u>	<u>167,224</u>	<u>\$ 403,433</u>	<u>\$ 236,209</u>
Receipts Over [Under] Expenditures	222,183	[102,895]		
Unencumbered Cash, Beginning	<u>-</u>	<u>222,183</u>		
Unencumbered Cash, Ending	<u>\$ 222,183</u>	<u>\$ 119,288</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Parent Education Program Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 79,342	\$ 78,726	\$ 100,000	\$ [21,274]
Miscellaneous	400	-	-	-
Transfers in	45,134	44,813	60,000	[15,187]
Total Receipts	<u>124,876</u>	<u>123,539</u>	<u>\$ 160,000</u>	<u>\$ [36,461]</u>
Expenditures				
Student support services	124,876	123,539	\$ 160,000	\$ 36,461
Total Expenditures	<u>124,876</u>	<u>123,539</u>	<u>\$ 160,000</u>	<u>\$ 36,461</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Summer School Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 37,821	\$ 47,209	\$ 100,000	\$ [52,791]
Total Receipts	<u>37,821</u>	<u>47,209</u>	<u>\$ 100,000</u>	<u>\$ [52,791]</u>
Expenditures				
Instruction	<u>41,424</u>	<u>52,063</u>	<u>\$ 111,391</u>	<u>\$ 59,328</u>
Total Expenditures	<u>41,424</u>	<u>52,063</u>	<u>\$ 111,391</u>	<u>\$ 59,328</u>
Receipts Over [Under] Expenditures	[3,603]	[4,854]		
Unencumbered Cash, Beginning	<u>14,994</u>	<u>11,391</u>		
Unencumbered Cash, Ending	<u>\$ 11,391</u>	<u>\$ 6,537</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 942,662	\$ 910,305	\$ 1,025,000	\$ [114,695]
State aid	1,922	-	4,000	[4,000]
Investment income	231,407	237,000	300,000	[63,000]
Medicaid reimbursement	263,864	322,249	300,000	22,249
Transfers in	<u>10,341,139</u>	<u>11,626,576</u>	<u>12,250,000</u>	<u>[623,424]</u>
Total Receipts	<u>11,780,994</u>	<u>13,096,130</u>	<u>\$ 13,879,000</u>	<u>\$ [782,870]</u>
Expenditures				
Instruction	9,265,487	10,327,276	\$ 11,101,000	\$ 773,724
Instructional support staff	9,204	8,531	12,000	3,469
General administration	416,188	483,527	480,000	[3,527]
Transportation	<u>2,090,115</u>	<u>2,276,796</u>	<u>2,286,000</u>	<u>9,204</u>
Total Expenditures	<u>11,780,994</u>	<u>13,096,130</u>	<u>\$ 13,879,000</u>	<u>\$ 782,870</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Cost of Living Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current taxes	\$ 200,907	\$ 429,664	\$ 403,705	\$ 25,959
Delinquent taxes	303	-	1,021	[1,021]
Motor vehicle tax	6,071	19,300	18,035	1,265
Recreational vehicle tax	79	212	194	18
Commercial vehicle tax	-	-	572	[572]
Total Receipts	<u>207,360</u>	<u>449,176</u>	<u>\$ 423,527</u>	<u>\$ 25,649</u>
Expenditures				
State payment	<u>201,270</u>	<u>425,449</u>	<u>\$ 446,640</u>	<u>\$ 21,191</u>
Total Expenditures	<u>201,270</u>	<u>425,449</u>	<u>\$ 446,640</u>	<u>\$ 21,191</u>
Receipts Over [Under] Expenditures	6,090	23,727		
Unencumbered Cash, Beginning	<u>17,023</u>	<u>23,113</u>		
Unencumbered Cash, Ending	<u>\$ 23,113</u>	<u>\$ 46,840</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Career and Postsecondary Education Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 26,089	\$ 23,673	\$ 349,310	\$ [325,637]
Miscellaneous	572	515	100,690	[100,175]
Transfers in	<u>945,169</u>	<u>984,541</u>	<u>1,000,000</u>	<u>[15,459]</u>
Total Receipts	<u>971,830</u>	<u>1,008,729</u>	<u>\$ 1,450,000</u>	<u>\$ [441,271]</u>
Expenditures				
Instruction	971,830	1,008,729	\$ 1,448,000	\$ 439,271
School administration	-	-	2,000	2,000
Total Expenditures	<u>971,830</u>	<u>1,008,729</u>	<u>\$ 1,450,000</u>	<u>\$ 441,271</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 KPERS Special Retirement Contribution Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 5,111,517	\$ 2,915,729	\$ 7,789,952	\$ [4,874,223]
Total Receipts	<u>5,111,517</u>	<u>2,915,729</u>	<u>\$ 7,789,952</u>	<u>\$ [4,874,223]</u>
Expenditures				
Instruction	3,703,806	2,112,738	\$ 5,684,952	\$ 3,572,214
Student support services	202,927	115,754	300,000	184,246
Instructional support staff	146,189	83,390	230,000	146,610
General administration	103,764	59,189	200,000	140,811
School administration	330,204	188,356	500,000	311,644
Operations and maintenance	295,446	168,529	400,000	231,471
Other supplemental services	162,546	92,720	250,000	157,280
Food service	<u>166,635</u>	<u>95,053</u>	<u>225,000</u>	<u>129,947</u>
Total Expenditures	<u>5,111,517</u>	<u>2,915,729</u>	<u>\$ 7,789,952</u>	<u>\$ 4,874,223</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Special Liability Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current	\$ 256	\$ 29,112	\$ 26,419	\$ 2,693
Delinquent	226	169	1	168
Motor vehicle tax	11,797	713	696	17
Recreational vehicle tax	127	26	7	19
Commerical vehicle tax	-	-	22	[22]
Total Receipts	<u>12,406</u>	<u>30,020</u>	<u>\$ 27,145</u>	<u>\$ 2,875</u>
Expenditures				
General administration	-	31,893	\$ 55,000	\$ 23,107
Total Expenditures	-	<u>31,893</u>	<u>\$ 55,000</u>	<u>\$ 23,107</u>
Receipts Over [Under] Expenditures	12,406	[1,873]		
Unencumbered Cash, Beginning	<u>24,120</u>	<u>36,526</u>		
Unencumbered Cash, Ending	<u>\$ 36,526</u>	<u>\$ 34,653</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Extraordinary Growth Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes				
Current	\$ 1,307,344	\$ 1,348,628	\$ 1,269,116	\$ 79,512
Delinquent	4,011	819	6,617	[5,798]
Motor vehicle tax	183,250	162,834	153,369	9,465
Recreational vehicle tax	1,984	1,797	1,646	151
Commerical vehicle tax	-	-	4,864	[4,864]
Total Receipts	<u>1,496,589</u>	<u>1,514,078</u>	<u>\$ 1,435,612</u>	<u>\$ 78,466</u>
Expenditures				
State payment	<u>1,540,199</u>	<u>1,540,199</u>	<u>\$ 1,540,199</u>	<u>\$ -</u>
Total Expenditures	<u>1,540,199</u>	<u>1,540,199</u>	<u>\$ 1,540,199</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[43,610]	[26,121]		
Unencumbered Cash, Beginning	<u>148,197</u>	<u>104,587</u>		
Unencumbered Cash, Ending	<u>\$ 104,587</u>	<u>\$ 78,466</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Local source	\$ 4,999	\$ 106	\$ 45,201	\$ [45,095]
Total Receipts	<u>4,999</u>	<u>106</u>	<u>\$ 45,201</u>	<u>\$ [45,095]</u>
Expenditures				
Instruction	<u>200</u>	<u>4,905</u>	<u>\$ 50,000</u>	<u>\$ 45,095</u>
Total Expenditures	<u>200</u>	<u>4,905</u>	<u>\$ 50,000</u>	<u>\$ 45,095</u>
Receipts Over [Under] Expenditures	4,799	[4,799]		
Unencumbered Cash, Beginning	<u>-</u>	<u>4,799</u>		
Unencumbered Cash, Ending	<u>\$ 4,799</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund*
For the Years Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>3,600,000</u>	<u>3,600,000</u>
Unencumbered Cash, Ending	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>

* This fund is not required to be budgeted.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual
Textbook and Student Material Revolving Fund*
For the Years Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Fines and fees	\$ 376,962	\$ 435,134
Investment income	93	64
Transfers in	<u>470,774</u>	<u>500,000</u>
Total Receipts	<u>847,829</u>	<u>935,198</u>
Expenditures		
Instruction	<u>399,204</u>	<u>264,710</u>
Total Expenditures	<u>399,204</u>	<u>264,710</u>
Receipts Over [Under] Expenditures	448,625	670,488
Unencumbered Cash, Beginning	<u>265,515</u>	<u>714,140</u>
Unencumbered Cash, Ending	<u>\$ 714,140</u>	<u>\$ 1,384,628</u>

* This fund is not required to be budgeted.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual
Special Reserve Fund*
For the Years Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 4,607,951	\$ 5,653,889
Transfer in	<u>43,000</u>	<u>-</u>
Total Receipts	<u>4,650,951</u>	<u>5,653,889</u>
Expenditures		
Instruction	<u>4,378,315</u>	<u>5,654,141</u>
Total Expenditures	<u>4,378,315</u>	<u>5,654,141</u>
Receipts Over [Under] Expenditures	272,636	[252]
Unencumbered Cash, Beginning	<u>728,985</u>	<u>1,001,621</u>
Unencumbered Cash, Ending	<u>\$ 1,001,621</u>	<u>\$ 1,001,369</u>

* This fund is not required to be budgeted.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Federal Grants Fund
For the Year Ended June 30, 2019

	Title II, Part A Teacher <u>Quality</u>	Title I Low <u>Income</u>
Receipts		
Federal aid	\$ 85,777	\$ 325,359
Total Receipts	<u>85,777</u>	<u>325,359</u>
Expenditures		
Instruction	85,777	323,859
Transportation	-	1,500
Total Expenditures	<u>85,777</u>	<u>325,359</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

ESSA Student Support Academic Enrichment	Title VI-B	Actual	Budget	Variance Positive [Negative]
\$ 23,868	\$ 24,887	\$ 459,891	\$ 492,000	\$ [32,109]
<u>23,868</u>	<u>24,887</u>	<u>459,891</u>	<u>\$ 492,000</u>	<u>\$ [32,109]</u>
23,868	24,887	458,391	\$ 490,500	\$ 32,109
-	-	1,500	1,500	-
<u>23,868</u>	<u>24,887</u>	<u>459,891</u>	<u>\$ 492,000</u>	<u>\$ 32,109</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes:				
Current	\$ 4,851,280	\$ 6,921,790	\$ 6,268,994	\$ 652,796
Delinquent	16,865	3,713	24,492	[20,779]
Motor vehicle tax	523,134	559,354	549,279	10,075
Recreation vehicle tax	5,891	6,441	5,894	547
Commercial vehicle tax	21,053	24,650	17,422	7,228
State aid	<u>6,115,554</u>	<u>5,939,211</u>	<u>5,939,211</u>	-
Total Receipts	<u>11,533,777</u>	<u>13,455,159</u>	<u>\$ 12,805,292</u>	<u>\$ 649,867</u>
Expenditures				
Principal	6,420,000	6,990,000	\$ 5,841,510	\$ [1,148,490]
Bond costs	-	-	5,000	5,000
Interest	<u>6,085,765</u>	<u>5,841,509</u>	<u>6,990,000</u>	<u>1,148,491</u>
Total Expenditures	<u>12,505,765</u>	<u>12,831,509</u>	<u>\$ 12,836,510</u>	<u>\$ 5,001</u>
Receipts Over [Under] Expenditures	[971,988]	623,650		
Unencumbered Cash, Beginning	<u>13,132,192</u>	<u>12,160,204</u>		
Unencumbered Cash, Ending	<u>\$ 12,160,204</u>	<u>\$ 12,783,854</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts and Expenditures - Actual and Budget
 Special Assessment Fund
 For the Year Ended June 30, 2019
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes:				
Current	\$ 224,312	\$ 181,411	\$ 165,175	\$ 16,236
Delinquent	257	-	1,149	[1,149]
Motor vehicle tax	22,966	7,895	7,539	356
Recreation vehicle tax	252	91	81	10
Commercial vehicle tax	307	715	239	476
Total Receipts	<u>248,094</u>	<u>190,112</u>	<u>\$ 174,183</u>	<u>\$ 15,929</u>
Expenditures				
Site improvement services	<u>226,652</u>	<u>200,660</u>	<u>\$ 220,000</u>	<u>\$ 19,340</u>
Total Expenditures	<u>226,652</u>	<u>200,660</u>	<u>\$ 220,000</u>	<u>\$ 19,340</u>
Receipts Over [Under] Expenditures	21,442	[10,548]		
Unencumbered Cash, Beginning	<u>133,920</u>	<u>155,362</u>		
Unencumbered Cash, Ending	<u>\$ 155,362</u>	<u>\$ 144,814</u>		

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Receipts and Expenditures - Actual
Bond Construction Fund*
For the Years Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 90,560	\$ 74,809
Total Receipts	<u>90,560</u>	<u>74,809</u>
Expenditures		
Construction costs	<u>5,870,438</u>	<u>2,955,707</u>
Total Expenditures	<u>5,870,438</u>	<u>2,955,707</u>
Receipts Over [Under] Expenditures	[5,779,878]	[2,880,898]
Unencumbered Cash, Beginning	9,505,490	3,972,541
Prior Year Cancelled Encumbrances	<u>246,929</u>	<u>100,220</u>
Unencumbered Cash, Ending	<u>\$ 3,972,541</u>	<u>\$ 1,191,863</u>

* This fund is not required to be budgeted.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Summary of Receipts and Disbursements
Agency Funds
For the Year Ended June 30, 2019

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Gardner High School				
Clubs and Organizations	\$ 156,029	\$ 410,500	\$ 448,483	\$ 118,046
Classes	19,721	31,846	28,734	22,833
Student Council	6,452	13,607	14,878	5,181
Subtotal Gardner High School	<u>182,202</u>	<u>455,953</u>	<u>492,095</u>	<u>146,060</u>
Pioneer Ridge Middle School				
Clubs and Organizations	1,602	4,173	3,932	1,843
Classes	1,046	11,328	11,225	1,149
Athletic Support Groups	1,377	5,437	6,206	608
Library	2,612	1,532	564	3,580
Subtotal Pioneer Ridge Middle School	<u>6,637</u>	<u>22,470</u>	<u>21,927</u>	<u>7,180</u>
Trail Ridge Middle School				
Clubs and Organizations	6,624	9,836	10,023	6,437
Classes	7,412	16,783	17,881	6,314
Athletic Support Groups	11,513	12,539	18,707	5,345
Student Council	615	109	537	187
Library	2,734	4,850	4,743	2,841
Subtotal Trail Ridge Middle School	<u>28,898</u>	<u>44,117</u>	<u>51,891</u>	<u>21,124</u>
Wheatridge Middle School				
Clubs and Organizations	8,869	8,056	7,219	9,706
Classes	5,174	17,579	17,697	5,056
Athletic Support Groups	4,972	9,863	5,723	9,112
Library	1,508	4,159	4,412	1,255
Subtotal Wheatridge Middle School	<u>20,523</u>	<u>39,657</u>	<u>35,051</u>	<u>25,129</u>
Nike Elementary School				
Library	3,470	7,203	8,325	2,348
Student Council	1,187	3,463	3,132	1,518
Subtotal Nike Elementary School	<u>4,657</u>	<u>10,666</u>	<u>11,457</u>	<u>3,866</u>
Gardner Elementary School				
Classes	-	24	24	-
Student Council	2,999	1,312	533	3,778
Library	1,098	429	52	1,475
Subtotal Gardner Elementary School	<u>4,097</u>	<u>1,765</u>	<u>609</u>	<u>5,253</u>
Edgerton Elementary School				
Student Council	673	943	982	634
Library	358	40	23	375
Subtotal Edgerton Elementary School	<u>1,031</u>	<u>983</u>	<u>1,005</u>	<u>1,009</u>

See independent auditor's report on the financial statements.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Summary of Receipts and Disbursements
Agency Funds
For the Year Ended June 30, 2019

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Sunflower Elementary School				
Student Council	\$ 369	\$ 879	\$ 687	\$ 561
Library	206	5,443	3,525	2,124
Music	108	-	80	28
Subtotal Sunflower Elementary School	<u>683</u>	<u>6,322</u>	<u>4,292</u>	<u>2,713</u>
Moonlight Elementary School				
Student Council	127	806	198	735
Library	423	6,519	6,492	450
Subtotal Moonlight Elementary School	<u>550</u>	<u>7,325</u>	<u>6,690</u>	<u>1,185</u>
Madison Elementary School				
Student Council	554	-	-	554
Library	5,897	506	2,548	3,855
Subtotal Madison Elementary School	<u>6,451</u>	<u>506</u>	<u>2,548</u>	<u>4,409</u>
Grand Star Elementary School				
Student Council	1,524	1,789	2,579	734
Library	221	171	93	299
Subtotal Grand Star Elementary School	<u>1,745</u>	<u>1,960</u>	<u>2,672</u>	<u>1,033</u>
Total District Agency Funds	<u>\$ 257,474</u>	<u>\$ 591,724</u>	<u>\$ 630,237</u>	<u>\$ 218,961</u>

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Receipts, Expenditures and Unencumbered Cash
 District Activity Funds
 For the Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS						
High School	\$ 3,343	\$ 129,193	\$ 121,253	\$ 11,283	\$ -	\$ 11,283
Pioneer Ridge Middle School	2,732	15,457	12,404	5,785	-	5,785
Trail Ridge Middle School	3,660	25,791	24,466	4,985	-	4,985
Wheatridge Middle School	4,708	14,712	16,308	3,112	-	3,112
TOTAL GATE RECEIPTS	<u>14,443</u>	<u>185,153</u>	<u>174,431</u>	<u>25,165</u>	<u>-</u>	<u>25,165</u>
SCHOOL PROJECTS						
District	10,717	6,826	7,086	10,457	-	10,457
High School	102,342	449,409	465,429	86,322	-	86,322
Pioneer Ridge Middle School	51,407	145,240	163,715	32,932	-	32,932
Trail Ridge Middle School	25,898	148,859	159,977	14,780	-	14,780
Wheatridge Middle School	43,079	118,909	121,370	40,618	-	40,618
Nike Elementary School	26,302	56,206	64,916	17,592	-	17,592
Gardner Elementary School	22,654	43,551	36,097	30,108	-	30,108
Edgerton Elementary School	15,310	43,800	47,768	11,342	-	11,342
Sunflower Elementary School	11,768	75,436	76,112	11,092	-	11,092
Moonlight Elementary School	25,248	67,576	65,907	26,917	-	26,917
Madison Elementary School	30,739	104,890	104,752	30,877	-	30,877
Grand Star Elementary School	19,780	52,902	56,731	15,951	-	15,951
TOTAL SCHOOL PROJECTS	<u>385,244</u>	<u>1,313,604</u>	<u>1,369,860</u>	<u>328,988</u>	<u>-</u>	<u>328,988</u>
TOTAL DISTRICT ACTIVITY FUNDS	<u>\$ 399,687</u>	<u>\$ 1,498,757</u>	<u>\$ 1,544,291</u>	<u>\$ 354,153</u>	<u>\$ -</u>	<u>\$ 354,153</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, 2019

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:					
Special Education (IDEA) Cluster:					
Title VI-B Special Education	84.027	\$ -	\$ 888,516	\$ 888,516	\$ -
Title VI-B Special Education - Disc	84.027	-	24,887	24,887	-
Early Childhood Act	84.173	-	21,789	21,789	-
Subtotal Special Education (IDEA) Cluster		-	935,192	935,192	-
Title I Grants to Local Educational Agencies	84.010	-	325,359	325,359	-
Vocational Education Basic Grants to State	84.048	-	23,673	23,673	-
Title II-A Teacher Quality	84.367	-	85,777	85,777	-
ESSA Student Support Academic Enrichment	84.424	-	23,868	23,868	-
Total U.S. Department of Education		-	1,393,869	1,393,869	-
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	183,567	183,567	-
National School Lunch Program	10.555	-	982,876	982,876	-
Summer Food Service Program for Children	10.559	-	90,001	90,001	-
Subtotal Child Nutrition Cluster		-	1,256,444	1,256,444	-
CACFP Meal Services Training	10.534	-	150	150	-
State Administrative Expenses for Child Nutrition	10.560	-	201	201	-
Team Nutrition Training	10.574	-	50	50	-
Total U.S. Department of Agriculture		-	1,256,845	1,256,845	-
<u>U.S. Department of Health and Human Services</u>					
Youth Risk Behavior Survey	93.079	-	314	314	-
Total U.S. Department of Health and Human Services		-	314	314	-
Total Expenditures of Federal Awards		\$ -	\$ 2,651,028	\$ 2,651,028	\$ -

The accompanying notes are an integral part of this schedule.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 231, Gardner, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2019.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2019.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Unmodified (Regulatory Basis)
Adverse (GAAP)

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X 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 Uniform Guidance _____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

GARDNER EDGERTON UNIFIED SCHOOL DISTRICT NO. 231
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



MIZE & HOUSER
COMPANY P.A.

**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 Guide*, the financial statements of the Unified School District No. 231, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2019.

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 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*.

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

Certified Public Accountants

November 7, 2019
Lawrence, KS



MIZE HOUSER
COMPANY P.A.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance 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, 2019.

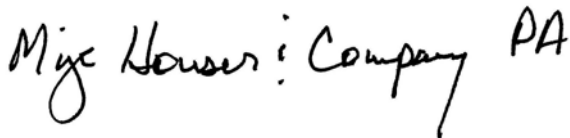
Report on Internal Control Over Compliance

The 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

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 charged 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

November 7, 2019
Lawrence, KS