

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
EL DORADO, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2017**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
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JUNE 30, 2017

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2017**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

**Board of Education
El Dorado Unified School District No. 490**

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **El Dorado Unified School District No. 490, El Dorado, Kansas**, 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 Accounting Principles Generally Accepted in the United States of America

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 **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2017**, 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 **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2017**, 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, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of regulatory basis cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information 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 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.

**Board of Education
El Dorado Unified School District No. 490**

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 financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated November 7, 2016. The 2016 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 2016 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 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 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 2016 comparative information is fairly stated in all material respects in relation to the 2016 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 6, 2017, on our consideration of **El Dorado Unified School District No. 490, El Dorado, Kansas**, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **El Dorado Unified School District No. 490, El Dorado, Kansas** internal control over financial reporting and compliance.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 6, 2017

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 203	\$ 12,165,089	\$ 12,165,292	\$ 0	\$ 29,777	\$ 29,777
Special Purpose Funds							
Supplemental General	326,130	624	4,088,326	4,168,515	246,565	275,648	522,213
At Risk (4 Year Old)	5,861	0	58,126	57,987	6,000	0	6,000
At Risk (K-12)	174,772	0	1,976,160	1,974,771	176,161	17,000	193,161
Bilingual Education	4,940	0	0	4	4,936	0	4,936
Virtual Education	4,515		20,300	20,263	4,552	0	4,552
Capital Outlay	2,496,364	135	918,157	643,949	2,770,707	380,004	3,150,711
Driver Training	81,877	0	12,363	13,715	80,525	0	80,525
Food Service	217,460	0	1,044,462	1,080,426	181,496	0	181,496
Professional Development	94,143	0	79,518	78,735	94,926	19,109	114,035
Summer School	35,023		49,224	48,731	35,516	182	35,698
Special Education	751,784	0	2,059,093	2,029,766	781,111	0	781,111
Vocational Education	63,108	0	274,295	272,502	64,901	0	64,901
KPERs Contribution	0	0	825,038	825,038	0	0	0
Federal Funds	0	0	524,503	597,703	(73,200)	3,345	(69,855)
Gifts and Grants	97,916	120	182,914	162,279	118,671	26,577	145,248
Contingency Reserve	1,166,320	0	0	0	1,166,320	0	1,166,320
Textbook & Student Material							
Revolving	56,087	4	89,202	68,416	76,877	6,854	83,731
District Activity Funds	27,256	0	226,673	202,076	51,853	0	51,853
Debt Service Funds							
Bond and Interest	4,506,800	0	5,459,098	4,889,297	5,076,601	0	5,076,601
Capital Projects	426,279	0	35,124,359	34,980,050	570,588	31,420,188	31,990,776
	<u>\$ 10,536,635</u>	<u>\$ 1,086</u>	<u>\$ 65,176,900</u>	<u>\$ 64,279,515</u>	<u>\$ 11,435,106</u>	<u>\$ 32,178,684</u>	<u>\$ 43,613,790</u>

Composition of Cash:

Checking Accounts	\$ (472,547)
Certificates of Deposit	74,424
Money Market Accounts	16,877,662
Investments	27,250,540
	43,730,079
Agency Funds	(116,289)
	<u>\$ 43,613,790</u>

The notes to the financial statement are an integral part of this statement.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

El Dorado Unified School District No. 490 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around El Dorado, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Projects Fund-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Budget and Tax Cycle

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 on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2017.

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 schedules 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. 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.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
District Activity Funds	

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

Note 2 - In Substance Receipt in Transit:

The District received \$885,845 subsequent to June 30, 2017, 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, 2017.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 3 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 4 - Interlocal Agreements:

Activity Center

The District entered into an Interlocal Agreement with the City of El Dorado, Kansas on April 21, 1994, to construct, furnish, equip, maintain and operate a community educational and recreational facility. It is located immediately adjacent to and connected with the El Dorado High School building. The District has completed its payment commitment toward the facility's cost. The District is obligated to pay all custodial services and 50% of all utilities and maintenance.

Community Stadium

On March 1, 2010, the District entered into an interlocal agreement with Butler Community College and the City of El Dorado for the creation and operation of Educational Facilities Authority of Butler County to facilitate the renovation of Blackmore Stadium and the future acquisition, lease, development, improvement, renovation, repair and operation of such other educational and athletic facilities as the Authority shall determine for the joint benefit of the College, the District, the City and members of the general public. As of the date of this report, the utility costs are split by the college and the school district and all three entities are responsible for an annual long-term maintenance payment based upon percentage of use.

Note 5 - Capital Projects:

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
New Elementary and Middle School Buildings and Other Improvements	\$36,112,150	\$36,110,712
Elementary School Buildings and Performance Arts Center	\$35,122,901	\$34,553,751

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 6 - Deposits & Investments:

As of June 30, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Maturity Less Than One Year	Rating
U.S. Treasury Notes	\$ 27,250,540	\$ 27,250,540	S&P AAAf/S 1+

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; 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. The rating of the District's investments is noted above.

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, 2017, is as follows:

Investment Type	Percentage of Investments
U.S. Treasury Notes	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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%. All deposits were legally secured at June 30, 2017.

At June 30, 2017, the District's carrying amount of deposits was \$16,479,539 and the bank balance was \$17,251,741. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$526,113 was covered by federal depository insurance and the remaining \$16,725,628 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.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 7 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S 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 at 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 provided 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 (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for Death and Disability Program) and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2016. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091.

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 \$825,038 for the year ended June 30, 2017.

Net Pension Liability

At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$15,467,850. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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, 2016. 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.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 8 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:									
	At Risk (4 Year Old)	At Risk (K-12)	Virtual Education	Food Service	Professional Development	Summer School	Special Education	Vocational Education	KPERS	Total
Transfer from:										
General Fund	\$ 58,126	\$ 1,711,317	\$ 20,300	\$ 2,225	\$ 75,000	\$ 45,000	\$ 1,995,419	\$ 250,059	\$ 825,038	\$ 4,982,484
Supplemental										
General Fund	0	264,843	0	0	0	0	37,140	0	0	301,983
	<u>\$ 58,126</u>	<u>\$ 1,976,160</u>	<u>\$ 20,300</u>	<u>\$ 2,225</u>	<u>\$ 75,000</u>	<u>\$ 45,000</u>	<u>\$ 2,032,559</u>	<u>\$ 250,059</u>	<u>\$ 825,038</u>	<u>\$ 5,284,467</u>

Note 9 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the 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 the 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. There is no cost to the government under this program.

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are (a) currently a full-time employee of the school district, (b) have met the KPERS early retirement eligibility requirements for full or partial retirement, (c) have 15 or more years of employment service with the school; district, or (d) have 35 years of service with the district.

Eligibility for early retirement will be determined by the Superintendent of Schools. An employee applying for early retirement shall have the responsibility of providing all facts and information necessary to prove eligibility for early retirement and to verify benefits to be paid. Part-time employees will be eligible for this plan based upon the following criteria. The benefit will be based upon their least full-time equivalence (FTE) during their last 5 years prior to retirement.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2017, was \$77,163 for former employees.

Note 10 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 11 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Note 12 - Advance Refunding of Bond Obligation:

On August 2016, the District issued \$20,720,000 of General Obligation Bonds with interest rates ranging from 2.00% to 4.00%. Of the issue \$22,669,577 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$20,605,000 of principal amount of the 2010-B Series Bonds until the redemption date of September 1, 2020 at which time the bonds will be retired.

On June 6, 2017, the District issued \$9,080,000 in General Obligation Bonds with interest rates ranging from 3.00% to 4.00%. Of the issue, \$20,605,000 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2010 Series-B bonds. As a result, this portion of the 2010 Series-B bond is considered defeased and not included in long-term debt below.

As of June 30, 2017, \$9,625,000 of bonds outstanding are considered defeased and not included in long-term debt.

On August 1, 2016, the District issued \$20,720,000 in General Obligation Bonds with interest rates ranging from 2.00% to 4.00%. Of the issue, \$9,607,573 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2007 Series bonds. As a result, this portion of the 2007 Series bonds is considered defeased and not included in long-term debt below.

as of June 30, 2017, \$9,625,000 of bonds outstanding are considered defeased and not included in long-term debt.

Note 13 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital leases are due quarterly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2017, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2007 Series	4.00 - 5.00	10/1/07	\$ 10,000,000	9/1/30
2010 Series A	2.00 - 5.00	12/30/10	\$ 3,340,000	9/1/18
2010 Series B	6.63 - 7.00	12/30/10	\$ 20,605,000	9/1/35
2010 Series C	5.67	12/30/10	\$ 12,500,000	9/1/28
2012 Series	4.00 - 5.00	6/1/12	\$ 7,570,000	9/1/24
2016 Series A	2.00 - 4.00	8/1/16	\$ 20,720,000	9/1/35
2016 Series B	3.00 - 4.00	8/1/16	\$ 33,935,000	9/1/43
2017 Series A	3.00 - 4.00	6/6/17	\$ 9,080,000	9/1/30
Capital Leases				
Computer Equipment	2.35	7/15/13	\$ 575,077	7/15/16

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2017

Changes in long-term liabilities for the District for the year ended June 30, 2017, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2007 Series	\$ 9,705,000	\$ 0	\$ 9,665,000	\$ 40,000	\$ 393,442
2010 Series A	1,500,000	0	500,000	1,000,000	62,500
2010 Series B	20,605,000	0	0	20,605,000	1,421,050
2010 Series C	12,150,000	0	250,000	11,900,000	681,818
2012 Series	7,310,000	0	655,000	6,655,000	142,720
2016 Series A	0	20,720,000	0	20,720,000	0
2016 Series B	0	33,935,000	0	33,935,000	744,712
2017 Series A	0	9,080,000	0	9,080,000	0
	<u>51,270,000</u>	<u>63,735,000</u>	<u>11,070,000</u>	<u>103,935,000</u>	<u>3,446,242</u>
Capital Leases					
Computer Equipment	145,400	0	145,400	0	3,417
	<u>145,400</u>	<u>0</u>	<u>145,400</u>	<u>0</u>	<u>3,417</u>
	<u>\$ 51,415,400</u>	<u>\$ 63,735,000</u>	<u>\$ 11,215,400</u>	<u>\$ 103,935,000</u>	<u>\$ 3,449,659</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Principal	Interest	
	General Obligation Bonds	General Obligation Bonds	Total Principal and Interest
2018	\$ 1,630,000	\$ 3,751,348	\$ 5,381,348
2019	1,675,000	3,769,391	5,444,391
2020	1,850,000	3,702,077	5,552,077
2021	22,515,000	3,278,271	25,793,271
2022	2,115,000	2,850,898	4,965,898
2023 - 2027	11,915,000	12,911,505	24,826,505
2028 - 2032	14,220,000	10,270,714	24,490,714
2033 - 2037	17,640,000	7,401,475	25,041,475
2038 - 2042	20,650,000	3,923,625	24,573,625
2043 - 2044	9,725,000	393,500	10,118,500
	<u>\$ 103,935,000</u>	<u>\$ 52,252,804</u>	<u>\$ 156,187,804</u>

Note 14 - Subsequent Events:

The District has evaluated subsequent events through November 6, 2017, the date which the financial statement was available to be issued.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 12,903,603	\$ (766,328)	\$ 28,017	\$ 12,165,292	\$ 12,165,292	\$ 0
Special Purpose Funds						
Supplemental General	4,168,515	0	0	4,168,515	4,168,515	0
At Risk (4 Year Old)	65,861	0	0	65,861	57,987	(7,874)
At Risk (K-12)	1,974,771	0	0	1,974,771	1,974,771	0
Bilingual Education	4,940	0	0	4,940	4	(4,936)
Virtual Education	72,504	0	0	72,504	20,263	(52,241)
Capital Outlay	2,900,000	0	0	2,900,000	643,949	(2,256,051)
Driver Training	58,000	0	0	58,000	13,715	(44,285)
Food Service	1,156,000	0	0	1,156,000	1,080,426	(75,574)
Professional Development	85,000	0	0	85,000	78,735	(6,265)
Summer School	64,023	0	0	64,023	48,731	(15,292)
Special Education	2,330,170	0	0	2,330,170	2,029,766	(300,404)
Vocational Education	256,751	0	15,751	272,502	272,502	0
KPERS Contribution	1,183,575	0	0	1,183,575	825,038	(358,537)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	597,703	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	162,279	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	68,416	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	202,076	XXXXXXXXXX
Debt Service Funds						
Bond and Interest	4,891,343	0	0	4,891,343	4,889,297	(2,046)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	34,980,050	XXXXXXXXXX
	<u>\$ 32,115,056</u>	<u>\$ (766,328)</u>	<u>\$ 43,768</u>	<u>\$ 31,392,496</u>	<u>\$ 64,279,515</u>	<u>\$ (3,123,505)</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 64,332	\$ 35,273	\$ 0	\$ 35,273
State Sources	13,418,983	12,129,816	12,903,603	(773,787)
	<u>13,483,315</u>	<u>12,165,089</u>	<u>\$ 12,903,603</u>	<u>\$ (738,514)</u>
Expenditures				
Instruction	5,388,403	4,928,324	\$ 5,330,000	\$ (401,676)
Student Support Services	1,983	919	0	919
Instructional Support Staff	3,020	3,022	3,000	22
General Administration	32,363	22,400	30,000	(7,600)
School Administration	937,143	916,714	925,200	(8,486)
Operations & Maintenance	1,321,750	1,298,130	1,421,000	(122,870)
Student Transportation Services	11,438	13,299	0	13,299
Transfers	5,787,215	4,982,484	5,194,403	(211,919)
Adjustment to Comply with Legal Max	0	0	(766,328)	766,328
Adjustment for Qualifying Budget Credits	0	0	28,017	(28,017)
	<u>13,483,315</u>	<u>12,165,292</u>	<u>\$ 12,165,292</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	(203)		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>203</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,369,339	\$ 2,714,879	\$ 2,493,840	\$ 221,039
County Sources	235,858	230,440	205,540	24,900
State Sources	0	1,143,007	1,143,007	0
Transfers	762,578	0	0	0
	<u>4,367,775</u>	<u>4,088,326</u>	<u>\$ 3,842,387</u>	<u>\$ 245,939</u>
Expenditures				
Instruction	415,411	456,481	\$ 461,650	\$ (5,169)
Student Support Services	670,598	740,460	710,000	30,460
Instructional Support Staff	796,257	853,563	825,000	28,563
General Administration	333,131	388,742	346,000	42,742
School Administration	21,655	21,547	23,000	(1,453)
Central Services	167,102	170,617	174,000	(3,383)
Operations & Maintenance	788,310	858,019	861,000	(2,981)
Student Transportation Services	332,933	326,314	299,500	26,814
Other Supplemental Services	68,805	50,789	75,000	(24,211)
Transfers	567,839	301,983	393,365	(91,382)
	<u>4,162,041</u>	<u>4,168,515</u>	<u>\$ 4,168,515</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	205,734	(80,189)		
Unencumbered Cash, Beginning	113,871	326,130		
Prior Year Canceled Encumbrances	<u>6,525</u>	<u>624</u>		
Unencumbered Cash, Ending	<u>\$ 326,130</u>	<u>\$ 246,565</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>At Risk (4 Year Old) Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Transfers	\$ 62,520	\$ 58,126	\$ 60,000	\$ (1,874)
	<u>62,520</u>	<u>58,126</u>	<u>\$ 60,000</u>	<u>\$ (1,874)</u>
Expenditures				
Instruction	62,041	57,987	\$ 65,861	\$ (7,874)
	<u>62,041</u>	<u>57,987</u>	<u>\$ 65,861</u>	<u>\$ (7,874)</u>
Receipts Over (Under) Expenditures	479	139		
Unencumbered Cash, Beginning	5,382	5,861		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 5,861</u>	<u>\$ 6,000</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	1,842,217	\$ 1,976,160	\$ 1,800,000	176,160
	<u>1,842,217</u>	<u>1,976,160</u>	<u>\$ 1,800,000</u>	<u>\$ 176,160</u>
Expenditures				
Instruction	1,809,974	1,954,114	\$ 1,951,071	\$ 3,043
Student Support Services	0	0	7,600	(7,600)
Instructional Support Staff	19,615	19,620	13,100	6,520
School Administration	3,070	1,037	3,000	(1,963)
	<u>1,832,659</u>	<u>1,974,771</u>	<u>\$ 1,974,771</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	9,558	1,389		
Unencumbered Cash, Beginning	165,214	174,772		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
	<u>\$ 174,772</u>	<u>\$ 176,161</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Bilingual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 0	\$ 0	\$ 0	\$ 0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction	5	4	\$ 4,940	\$ (4,936)
	<u>5</u>	<u>4</u>	<u>\$ 4,940</u>	<u>\$ (4,936)</u>
Receipts Over (Under) Expenditures	(5)	(4)		
Unencumbered Cash, Beginning	4,945	4,940		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,940</u>	<u>\$ 4,936</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Virtual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,920	\$ 0	\$ 0	\$ 0
Transfers	<u>71,256</u>	<u>20,300</u>	<u>67,990</u>	<u>(47,690)</u>
	<u>73,176</u>	<u>20,300</u>	<u>\$ 67,990</u>	<u>\$ (47,690)</u>
Expenditures				
Instruction	<u>73,341</u>	<u>20,263</u>	<u>\$ 72,504</u>	<u>\$ (52,241)</u>
	<u>73,341</u>	<u>20,263</u>	<u>\$ 72,504</u>	<u>\$ (52,241)</u>
Receipts Over (Under) Expenditures	(165)	37		
Unencumbered Cash, Beginning	4,680	4,515		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,515</u>	<u>\$ 4,552</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 940,499	\$ 795,185	\$ 627,686	\$ 167,499
County Sources	50,146	50,047	44,773	5,274
State Sources	0	72,925	73,592	(667)
	<u>990,645</u>	<u>918,157</u>	<u>\$ 746,051</u>	<u>\$ 172,106</u>
Expenditures				
Instruction	331,299	423,657	\$ 1,200,000	\$ (776,343)
Student Support Services	0	0	100,000	(100,000)
Instructional Support Services	0	0	60,000	(60,000)
General Administration	37,785	34,155	0	34,155
Central Services	0	146,203	0	146,203
Operations & Maintenance	0	0	180,000	(180,000)
Transportation	54,726	0	60,000	(60,000)
Facility Acquisition & Construction Services	<u>283,200</u>	<u>39,934</u>	<u>1,300,000</u>	<u>(1,260,066)</u>
	<u>707,010</u>	<u>643,949</u>	<u>\$ 2,900,000</u>	<u>\$ (2,256,051)</u>
Receipts Over (Under) Expenditures	283,635	274,208		
Unencumbered Cash, Beginning	2,212,729	2,496,364		
Prior Year Canceled Encumbrances	<u>0</u>	<u>135</u>		
Unencumbered Cash, Ending	<u>\$ 2,496,364</u>	<u>\$ 2,770,707</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 8,035	\$ 5,835	\$ 4,000	\$ 1,835
State Sources	3,060	6,528	4,320	2,208
	<u>11,095</u>	<u>12,363</u>	<u>\$ 8,320</u>	<u>\$ 4,043</u>
Expenditures				
Instruction	8,144	12,449	\$ 58,000	\$ (45,551)
Central Services	29	0	0	0
Vehicle Operations, Maintenance Services	38	831	0	831
Other Supplemental Services	0	435	0	435
	<u>8,211</u>	<u>13,715</u>	<u>\$ 58,000</u>	<u>\$ (44,285)</u>
Receipts Over (Under) Expenditures	2,884	(1,352)		
Unencumbered Cash, Beginning	78,993	81,877		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 81,877</u>	<u>\$ 80,525</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 297,031	\$ 304,052	\$ 411,924	\$ (107,872)
State Sources	11,080	10,858	11,200	(342)
Federal Sources	730,605	727,327	709,370	17,957
Transfers	3,592	2,225	0	2,225
	<u>1,042,308</u>	<u>1,044,462</u>	<u>\$ 1,132,494</u>	<u>\$ (88,032)</u>
Expenditures				
Operations & Maintenance	60,158	59,896	\$ 79,000	\$ (19,104)
Food Service Operation	990,790	1,020,530	1,077,000	(56,470)
	<u>1,050,948</u>	<u>1,080,426</u>	<u>\$ 1,156,000</u>	<u>\$ (75,574)</u>
Receipts Over (Under) Expenditures	(8,640)	(35,964)		
Unencumbered Cash, Beginning	226,100	217,460		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 217,460</u>	<u>\$ 181,496</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,202	\$ 4,518	\$ 0	\$ 4,518
Transfers	75,000	75,000	20,000	55,000
	<u>77,202</u>	<u>79,518</u>	<u>\$ 20,000</u>	<u>\$ 59,518</u>
Expenditures				
Instructional Support Staff	57,703	78,735	\$ 85,000	\$ (6,265)
	<u>57,703</u>	<u>78,735</u>	<u>\$ 85,000</u>	<u>\$ (6,265)</u>
Receipts Over (Under) Expenditures	19,499	783		
Unencumbered Cash, Beginning	74,644	94,143		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 94,143</u>	<u>\$ 94,926</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Summer School Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,910	\$ 4,224	\$ 0	\$ 4,224
Transfers	56,339	45,000	50,000	(5,000)
	<u>60,249</u>	<u>49,224</u>	<u>\$ 50,000</u>	<u>\$ (776)</u>
Expenditures				
Instruction	48,699	48,731	\$ 64,023	\$ (15,292)
	<u>48,699</u>	<u>48,731</u>	<u>\$ 64,023</u>	<u>\$ (15,292)</u>
Receipts Over (Under) Expenditures	11,550	493		
Unencumbered Cash, Beginning	23,473	35,023		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 35,023</u>	<u>\$ 35,516</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,399	\$ 26,534	\$ 0	\$ 26,534
Transfers	2,390,381	2,032,559	2,221,203	(188,644)
	<u>2,392,780</u>	<u>2,059,093</u>	<u>\$ 2,221,203</u>	<u>\$ (162,110)</u>
Expenditures				
Instruction	1,826,784	1,767,399	\$ 2,026,970	\$ (259,571)
Student Support Services	58,180	69,693	83,700	(14,007)
Operations & Maintenance	1,639	(368)	1,500	(1,868)
Student Transportation Services	194,126	193,042	218,000	(24,958)
	<u>2,080,729</u>	<u>2,029,766</u>	<u>\$ 2,330,170</u>	<u>\$ (300,404)</u>
Receipts Over (Under) Expenditures	312,051	29,327		
Unencumbered Cash, Beginning	439,733	751,784		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 751,784</u>	<u>\$ 781,111</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 169	\$ 8,485	\$ 8,644	\$ (159)
Federal Sources	17,488	15,751	0	15,751
Transfers	257,391	250,059	185,000	65,059
	<u>275,048</u>	<u>274,295</u>	<u>\$ 193,644</u>	<u>\$ 80,651</u>
Expenditures				
Instruction	264,642	272,502	\$ 256,751	\$ 15,751
Adjustment for Qualifying Budget Credits	0	0	15,751	(15,751)
	<u>264,642</u>	<u>272,502</u>	<u>\$ 272,502</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	10,406	1,793		
Unencumbered Cash, Beginning	52,702	63,108		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 63,108</u>	<u>\$ 64,901</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers	\$ 833,780	\$ 825,038	\$ 1,183,575	\$ (358,537)
	<u>833,780</u>	<u>825,038</u>	<u>\$ 1,183,575</u>	<u>\$ (358,537)</u>
Expenditures				
Instruction	601,156	594,853	\$ 880,575	\$ (285,722)
Student Support Services	112,560	111,380	125,000	(13,620)
Instructional Support Staff	18,343	18,151	24,000	(5,849)
General Administration	24,179	23,926	36,000	(12,074)
School Administration	25,014	24,751	37,000	(12,249)
Other Supplemental Services	4,169	4,125	6,000	(1,875)
Operations & Maintenance	29,182	28,876	45,000	(16,124)
Student Transportation Services	9,172	9,075	15,000	(5,925)
Food Service Operation	10,005	9,901	15,000	(5,099)
	<u>833,780</u>	<u>825,038</u>	<u>\$ 1,183,575</u>	<u>\$ (358,537)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Bond and Interest Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 2,676,534	\$ 3,810,280	\$ 829,762	\$ 2,980,518
County Sources	224,762	222,165	298,780	(76,615)
State Sources	206,228	336,165	460,160	(123,995)
Federal Tax Credit	1,111,838	1,090,488	1,721,162	(630,674)
	<u>4,219,362</u>	<u>5,459,098</u>	<u>\$ 3,309,864</u>	<u>\$ 2,149,234</u>
Expenditures				
Debt Service	4,109,556	4,889,297	\$ 4,891,343	\$ (2,046)
	<u>4,109,556</u>	<u>4,889,297</u>	<u>\$ 4,891,343</u>	<u>\$ (2,046)</u>
Receipts Over (Under) Expenditures	109,806	569,801		
Unencumbered Cash, Beginning	4,396,994	4,506,800		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,506,800</u>	<u>\$ 5,076,601</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

<u>Federal Funds</u>			
		Prior Year Actual	Current Year Actual
Cash Receipts			
Federal Sources		\$ 438,132	\$ 524,503
		<u>438,132</u>	<u>524,503</u>
Expenditures			
Instruction		392,143	509,898
Student Support Services		1,338	1,617
Instructional Support Services		48,343	86,188
		<u>441,824</u>	<u>597,703</u>
Receipts Over (Under) Expenditures		(3,692)	(73,200)
Unencumbered Cash, Beginning		3,692	0
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ 0</u>	<u>\$ (73,200)</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 112,476	\$ 182,914
	<u>112,476</u>	<u>182,914</u>
Expenditures		
Instruction	101,813	137,778
	0	24,501
	<u>101,813</u>	<u>162,279</u>
Receipts Over (Under) Expenditures	10,663	20,635
Unencumbered Cash, Beginning	87,198	97,916
Prior Year Canceled Encumbrances	<u>55</u>	<u>120</u>
Unencumbered Cash, Ending	<u>\$ 97,916</u>	<u>\$ 118,671</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Other	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	1,166,320	1,166,320
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,166,320</u>	<u>\$ 1,166,320</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 103,819	\$ 89,202
	<u>103,819</u>	<u>89,202</u>
Expenditures		
Instruction	220,349	68,416
	<u>220,349</u>	<u>68,416</u>
Receipts Over (Under) Expenditures	(116,530)	20,786
Unencumbered Cash, Beginning	172,617	56,087
Prior Year Canceled Encumbrances	<u>0</u>	<u>4</u>
Unencumbered Cash, Ending	<u>\$ 56,087</u>	<u>\$ 76,877</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 1,000	\$ 35,124,359
	<u>1,000</u>	<u>35,124,359</u>
Expenditures		
Architectural & Engineering Services	0	1,756,232
New Building Acquisition and Construction	<u>10,357</u>	<u>33,223,818</u>
	<u>10,357</u>	<u>34,980,050</u>
Receipts Over (Under) Expenditures	(9,357)	144,309
Unencumbered Cash, Beginning	435,636	426,279
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 426,279</u>	<u>\$ 570,588</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado High School				
ARAT	\$ 500	\$ 23	\$ 0	\$ 523
Bookworm Club	1,027	19	0	1,046
Circle of Friends	327	234	119	442
Class of 2017	4,170	1,734	5,404	500
Class of 2018	1,519	3,793	1,856	3,456
Class of 2019	1,026	736	9	1,753
Class of 2020	0	21	(26)	47
College Bowl	241	585	725	101
Communications Club	454	0	0	454
Crier - Ad Business	86	0	0	86
Debate Club	102	2,546	2,511	137
Earth Care Club	626	0	0	626
FCA	550	0	0	550
FCCLA	1,479	1,147	1,480	1,146
Forensics	108	4,490	3,081	1,517
Instrumental Music	222	75	280	17
Kaleidoscope	6,931	(2,022)	(343)	5,252
Kay	1,294	3,407	2,982	1,719
Math Club	273	0	0	273
Media Technology Club	295	209	39	465
National Honor Society	143	483	101	525
Orchestra Club	528	963	(239)	1,730
SADD	2,336	4,304	5,272	1,368
World Cultures Club	574	68	276	366
Student Council	1,892	85	553	1,424
Robotics Club	478	250	0	728
Vocal Music Club	1,524	15,038	13,600	2,962
DECA	1,402	15,397	16,365	434
In House Training	222	344	(123)	689
JAG	17	2,091	1,020	1,088
Safety Council	613	2,680	2,138	1,155
Art Club	86	0	0	86
Sales Tax	53	11,491	11,501	43
Concessions	0	28,636	28,636	0
	<u>31,098</u>	<u>98,827</u>	<u>97,217</u>	<u>32,708</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado Middle School				
Cheerleading	47	0	47	0
Kay	395	384	442	337
String Fling	40	2,310	2,060	290
Student Council	13,063	12,003	12,548	12,518
	<u>13,545</u>	<u>14,697</u>	<u>15,097</u>	<u>13,145</u>
Other				
Employee Trust/HR Reserve	20,736	2,786	0	23,522
Dr. John Horner	1,689	0	0	1,689
Wiedeman	24,359	265	200	24,424
Broers Special Education	21,141	90	430	20,801
	<u>67,925</u>	<u>3,141</u>	<u>630</u>	<u>70,436</u>
Total Agency Funds	<u>\$ 112,568</u>	<u>\$ 116,665</u>	<u>\$ 112,944</u>	<u>\$ 116,289</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
El Dorado High School							
Gate Receipts							
Athletics - High School	\$ 4,174	\$ 0	\$ 136,938	\$ 117,632	\$ 23,480	\$ 0	\$ 23,480
Dramatics - High School	1,579	0	5592	6391	780	0	780
School Projects							
El Doradoan	2,790	0	11306	11421	2,675	0	2,675
Lillian Benson	1,854	0	0	0	1,854	0	1,854
Crime Stoppers	361	0	0	0	361	0	361
Science Olympiad	199	0	0	(192)	391	0	391
Student Services	73	0	0	0	73	0	73
Lifeguard Training	28	0	750	141	637	0	637
	<u>11,058</u>	<u>0</u>	<u>154,586</u>	<u>135,393</u>	<u>30,251</u>	<u>0</u>	<u>30,251</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
El Dorado Middle School							
School Projects							
Box Tops	407	0	212	0	619	0	619
Circle of Friends	119	0	858	682	295	0	295
Concessions	0	0	30,831	30,831	0	0	0
Cross Country	102	0	0	102	0	0	0
EMS Activities	2,589	0	8,658	8,570	2,677	0	2,677
EMS Scarecrow	630	0	0	630	0	0	0
Fundraiser	2,178	0	4,669	3,145	3,702	0	3,702
Musical	3,460	0	3,293	2,373	4,380	0	4,380
Pop Machines	0	0	970	970	0	0	0
Yearbook	1,259	0	1,317	0	2,576	0	2,576
Ticket Gate	5,454	0	21,279	19,380	7,353	0	7,353
	<u>16,198</u>	<u>0</u>	<u>72,087</u>	<u>66,683</u>	<u>21,602</u>	<u>0</u>	<u>21,602</u>
Total District Activity Funds	<u>\$ 27,256</u>	<u>\$ 0</u>	<u>\$ 226,673</u>	<u>\$ 202,076</u>	<u>\$ 51,853</u>	<u>\$ 0</u>	<u>\$ 51,853</u>

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**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**

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2017**, and the related notes to the financial statement, which collectively comprise **El Dorado Unified School District No. 490, El Dorado, Kansas'** basic financial statement, and have issued our report thereon dated November 6, 2017. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education
El Dorado Unified School District No. 490**

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 **El Dorado Unified School District No. 490, El Dorado, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 6, 2017



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

**Board of Education
Reno County Education Cooperative No. 610
Hutchinson, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **El Dorado Unified School District No. 490, El Dorado, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs for the year ended **June 30, 2017**. **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal financial programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** 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; 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 **El Dorado Unified School District No. 490, El Dorado, Kansas'** 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 of **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance.

Board of Education
El Dorado Unified School District No. 490

Opinion on Each Major Federal Program

In our opinion, **El Dorado Unified School District No. 490, El Dorado, Kansas** 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, 2017**.

Report on Internal Control Over Compliance

Management of **El Dorado Unified School District No. 490, El Dorado, Kansas** 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 **El Dorado Unified School District No. 490, El Dorado, Kansas'** 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 **El Dorado Unified School District No. 490, El Dorado, Kansas'** 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness 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.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
November 6, 2017

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-16	Receipts	Expenditures	Unencumbered Cash 6-30-17
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 171,890				
National School Lunch Program	10.555	539,247				
Summer Food Service Program for Children	10.559	16,190				
		<u>727,327</u>	\$ 0	\$ 727,327	\$ 727,327	\$ 0
Department of Education						
Title I Grants to Local Educational Agencies	84.010	495,190	0	421,990	495,190	(73,200)
Improving Teacher Quality State Grants	84.367	102,513	0	102,513	102,513	0
		<u>597,703</u>	0	<u>524,503</u>	<u>597,703</u>	<u>(73,200)</u>
<u>(Passes Through SCKESC)</u>						
Career and Technical Education - Basic Grants to States	84.048	15,751	0	15,751	15,751	0
Total Federal Awards		<u>\$ 1,340,781</u>	<u>\$ 0</u>	<u>\$ 1,267,581</u>	<u>\$ 1,340,781</u>	<u>\$ (73,200)</u>

The accompanying notes are an integral part of this schedule.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **El Dorado Unified School District No. 490, El Dorado, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the 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*.
3. No instances of noncompliance material to the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **El Dorado Unified School District No. 490, El Dorado, Kansas**, was determined not to be a low-risk auditee.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

There are no prior audit findings.