

**BOURBON COUNTY
UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory-Required Supplemental Information
and Federal Compliance Section
For the Fiscal Year Ended June 30, 2017

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

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**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

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Diehl Banwart Bolton

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #234
Fort Scott, Kansas 66701

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Unified School District #234, Fort Scott, Kansas as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statement, which comprises the financial statement of the District as listed in the Table of Contents.

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 applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards and the *Kansas Municipal Audit and Accounting Guide* 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, 2017 or changes in financial position and cash flows thereof for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2017, and the aggregate receipts and expenditures for the fiscal 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 June 30, 2017 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and expenditures – agency funds – regulatory basis and the schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (Schedules 1, 2, 3 and 4 as listed in the table of contents), are presented for purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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.

Board of Education
Unified School District #234
Fort Scott, Kansas

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 the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Prior Year Comparative Numbers

The 2016 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2016 financial statement upon which we rendered an unqualified opinion dated November 8, 2016. The 2016 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://admin.ks.gov/offices/chief-financial-officer/municipal-services>. 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.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 6, 2017
Fort Scott, Kansas

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2017
General Funds						
General Fund	\$ 604.10	\$ 12,384,709.50	\$ 12,385,313.60	\$ -	\$ 1,186,887.53	\$ 1,186,887.53
Supplemental General	16,390.82	3,590,788.18	3,607,179.00	-	60,403.10	60,403.10
Special Purpose Funds						
At Risk 4 Year Old	105,031.09	110,546.62	105,577.71	110,000.00	16,974.42	126,974.42
At Risk K-12	225,000.00	2,671,808.92	2,646,808.92	250,000.00	349,365.60	599,365.60
Bilingual Education	11,912.99	18,987.13	15,900.12	15,000.00	2,363.80	17,363.80
Virtual Education	-	31,719.88	1,719.88	30,000.00	-	30,000.00
Capital Outlay	875,647.29	1,165,849.49	1,165,849.78	875,647.00	187,770.35	1,063,417.35
Driver Training	17,988.72	15,739.82	17,450.04	16,278.50	372.50	16,651.00
Extraordinary School Program	33,234.51	30,198.26	23,028.18	40,404.59	-	40,404.59
Food Service	201,372.85	811,654.03	813,026.88	200,000.00	60,678.76	260,678.76
Professional Development	12,940.02	10,066.61	8,006.63	15,000.00	-	15,000.00
Special Education	501,378.00	2,647,341.16	2,548,719.16	600,000.00	349,778.92	949,778.92
Vocational Education	200,000.00	323,178.09	273,178.09	250,000.00	33,632.59	283,632.59
KPERS Retirement	-	1,002,576.42	1,002,576.42	-	-	-
Contingency Reserve	903,824.06	49,760.54	49,760.54	903,824.06	-	903,824.06
Textbook Rental	157,938.67	225,305.39	133,244.06	250,000.00	27,475.07	277,475.07
Children's Block Grant	15,883.11	51,495.86	67,378.97	-	-	-
Recreation	83,622.02	333,454.27	325,157.91	91,918.38	23,571.41	115,489.79
Recreation Employee Benefit	19,930.52	34,758.62	32,655.20	22,033.94	-	22,033.94
Title I	(136,428.84)	758,170.00	589,686.67	32,054.49	30,338.44	62,392.93
Save the Children Grant	811.91	48,673.59	45,259.04	4,226.46	26.86	4,253.32
Title VI B	-	34,952.00	34,952.00	-	-	-
Title II A	-	110,189.00	110,189.00	-	305.66	305.66
Carl Perkins	-	24,114.00	24,114.00	-	79.95	79.95

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

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2017
Special Purpose Funds (Continued)						
Gate Receipts	\$ 40,654.11	\$ 51,187.00	\$ 66,506.22	\$ 25,334.89	\$ -	\$ 25,334.89
School Projects	2,957.53	18,984.79	17,169.50	4,772.82	-	4,772.82
Capital Projects						
Bond Project	5,071,749.26	74,820.60	2,330,844.37	2,815,725.49	3,960,631.01	6,776,356.50
Bond and Interest Fund						
Bond and Interest	2,859,725.13	2,625,825.67	2,321,900.00	3,163,650.80	-	3,163,650.80
Expendable Trusts						
Special Gifts	174,028.70	87,764.34	89,240.08	172,552.96	6,537.56	179,090.52
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 11,396,196.57</u>	<u>\$ 29,344,619.78</u>	<u>\$ 30,852,391.97</u>	<u>\$ 9,888,424.38</u>	<u>\$ 6,297,193.53</u>	<u>\$ 16,185,617.91</u>

Composition of Cash

General Checking, Payroll and Money Market Account	\$ 9,363,947.47
Other Checking Accounts.....	395.81
Capital Project Trust Account.....	6,699,668.82
School Activity Funds:	
Winfield Scott, NOW Checking Account.....	8,394.65
Eugene Ware, NOW Checking Account.....	11,287.60
Middle School, NOW Checking Account.....	32,628.43
High School, NOW Checking Account.....	290,978.01
Investments:	
Certificates of Deposit.....	89,129.51
Repurchase Agreements.....	2,012,000.00
Total Cash	18,508,430.30
Agency Funds	2,322,812.39
Total Reporting Entity	<u>\$ 16,185,617.91</u>

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

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS

NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #234, Fort Scott, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District #234, Fort Scott, Kansas (the municipality) and related municipal entities. The following related municipal entity is included in the District's reporting entity because it was created to benefit the USD and/or its constituents.

1. Recreation Commission. USD #234 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the USD levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the District:

- General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
- Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
- Capital Project 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.
- Bond and Interest Funds –used to account for the accumulation of resources, including tax levies and transfers from other funds to be used for the payment of general long-term debt.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Basis of Presentation - Fund Accounting (Continued)

- Trust Funds – funds used to report assets held by the District for the benefit of the reporting entity.
- Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Regulatory Basis of Accounting and Departures 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 for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special purpose funds (unless specifically exempted by statute), and bond and interest 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 fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

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. No fund budgets were amended this year. The General Fund budget was reduced to the legal maximum budget based upon statutory requirements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Budgetary Information (Continued)

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 cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and the following special revenue funds:

- Grant Funds (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)
- Textbook Rental Fund (K.S.A. 72-8250)

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.

Compensated Absences

Employees may accrue from 10 to 12 days of sick leave and personal time off each year. There is no limit to the number of credits an employee may accumulate. Payment of accrued benefits upon termination ranges from 0% to 30% of the daily gross wage times the number of days of accumulated credits depending upon years of service with the District. Payment of accumulated benefits due to death, social security disability, or KPERS retirement ranges from 25% to 30% of the accumulated credits accrued.

Full time, twelve-month employees accrue two to four weeks of vacation each year on June 30, which is to be taken within twelve months after year end.

The District determines a liability for compensated absences when the following conditions are met:

1. The District's obligation relating to the employee's rights to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the District has determined a liability for sick pay totaling \$482,772, based upon the minimum potential liability to the District if all employees were terminated at June 30, 2017. The District has determined a vacation liability of \$103,654. These amounts are not recorded as liabilities in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Termination and Post Employment Benefits

No termination benefits are provided to District employees when employment with the District ends except for the accrued compensated absences as discussed in Note 1 and early retirement 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 these financial statements.

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 District under this program.

Early Retirement

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District and is currently an active member of the Kansas Public Employees Retirement System (KPERs); (b) will be at least 56 years of age and not more than 64 years of age on or before June 30 of the retiring year or has a combined age and KPERs service which equals 85 "points"; (c) has 15 years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERs). Early retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are \$5,000 each year for 5 years until age-- 65. The District funds these benefits on a pay as you go basis. Seventeen retired employees are receiving early retirement benefits as of June 30, 2017, with a total liability to the District of \$225,000. Twenty-eight employees were eligible but had not applied for early retirement as of June 30, 2017, resulting in a contingent liability of \$945,000.

Retirement 403(b) Plan

The District maintains an "Employer Contribution 403(b) Plan". The Plan is limited to those employees participating in the District's early retirement plan discussed in Note 1. Participating employees must contribute all of their early retirement pay into the plan. All amounts contributed are 100% vested. There are no matching contributions by the District to the Plan.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The financial statement and regulatory-required supplemental information is prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas. The negative cash balance in the Title I Fund is not actual violation due to grant money receivable at June 30.

3. CASH IN BANK AND DEPOSITORY SECURITY

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 Government is located 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 Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government'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 does not have any "peak periods" designated.

At June 30, 2017 the District's carrying amount of deposits was \$9,796,761.48 and the bank balance was \$9,385,428.21. The bank balance was held by five banks resulting in a diversification of credit risk. Of the bank balance, \$639,465.02 was covered by federal depository insurance, and the remaining \$8,745,963.19 was collateralized with securities totaling \$10,552,693.90 held by the pledging financial institutions' agents in the District's name.

The District has purchased repurchase agreements totaling \$2,012,000.00, secured by U.S. Treasury Obligations totaling \$2,012,000.07 held in a repurchase trust account for the District. The repurchase agreement matures daily.

Proceeds from the bond issue discussed in Note 4 were placed in the Trust department of a bank. The proceeds were invested in a money market account backed by Federal government obligations as well as short term U.S. Government and Agency obligations with maturity dates set to match the anticipated uses of the money for the capital projects. Investments and market value as of June 30, 2017 were as follows:

3. **CASH IN BANK AND DEPOSITORY SECURITY** (Continued)

	<u>Cost</u>	<u>Market Value</u>
Federated Government Money Market Accounts	\$ 5,587,898.95	\$ 5,587,898.95
U.S. Government & Agency Obligations	<u>1,111,769.87</u>	<u>1,108,821.53</u>
Totals	\$ <u>6,699,668.82</u>	\$ <u>6,696,720.48</u>

4. **LONG-TERM DEBT OBLIGATIONS**

The District has outstanding the following long-term obligations at June 30, 2017:

PRINCIPAL

General Obligation Bonds

General Obligation Bonds, Series 2014, payable in annual installments ranging from \$950,000 to \$2,700,000 plus interest at 3.0% to 5.0% beginning March 1, 2016, and maturing September 2040. The bonds are dated December 22, 2014.

\$ 40,805,000

Total General Obligation Bonds

\$ 40,805,000

Changes in long term debt and future maturities of long term debt are disclosed in Note 12.

5. **IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$1,012,370 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 fiscal year ended June 30, 2017.

6. **PENSION PLAN**

General Information about the 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.

6. PENSION PLAN (Continued)

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 (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the 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 expanded 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 \$1,002,576.42 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 \$18,403,676. The total net pension liability for all of KPERS was \$9,218,105,439. 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.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District manages these risks of loss through various insurance policies.

8. CONTINGENCIES

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The 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.

9. CAPITAL PROJECTS

As stated in Note 4, the District issued general obligation bonds to pay for major capital improvements within the District. Capital Project authorizations with approved change orders compared to expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
2014 Capital Project:		
Cost of Issuance	\$ 521,180	\$ 508,089
Debt Service	5,000	2,208,139
Project Costs	43,858,139	39,339,716
Totals	<u>\$ 44,384,319</u>	<u>\$ 42,055,944</u>

10. INTERFUND TRANSFERS

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Capital Outlay	K.S.A. 72-6426	\$ 627,090.84
General	At Risk 4 Year Old	K.S.A. 72-6426	110,546.62
General	At Risk K-12	K.S.A. 72-6428	615,307.35
General	Bilingual Education	K.S.A. 72-6426	18,987.13
General	Virtual Education	K.S.A. 72-6426	31,719.88
General	Food Service	K.S.A. 72-6426	31,284.92
General	Special Education	K.S.A. 72-6428	1,924,514.70
General	Vocational Education	K.S.A. 72-6428	323,175.09
General	KPERS	K.S.A. 72-6428	1,002,576.42
General	Contingency Reserve	K.S.A. 72-6426	49,760.54
Supplemental General	At Risk K-12	K.S.A. 72-6433	2,056,501.57
Supplemental General	Professional Development	K.S.A. 72-6433	6,072.11
Supplemental General	Special Education	K.S.A. 72-6433	212,539.48
Supplemental General	Textbook Rental	K.S.A. 72-6433	175,045.46

11. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2017 through November 6, 2017, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statements.

12. LONG-TERM OBLIGATIONS

Details about the District's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

Changes in Long Term Obligations									
Issue	Interest Rates	Date of Issue	Date of Final Maturity	Amount of Issue	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
<u>General Obligation Bonds</u>									
General Obligation Refunding Bonds									
Series 2014	3.0 to 5.0%	12/22/2014	9/1/2040	40,805,000	\$ 40,805,000	\$ -	\$ -	\$ 40,805,000	\$ 1,859,600
Series 2013	1.0 to 2.0%	6/5/2013	9/1/2016	2,420,000	<u>460,000</u>	<u>-</u>	<u>460,000</u>	<u>-</u>	<u>2,300</u>
Total General Obligation Bonds					<u>\$ 41,265,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 40,805,000</u>	<u>\$ 1,861,900</u>

12. LONG TERM OBLIGATIONS (Continued)

Statement of Maturities of Long Term Obligations - For the Fiscal Year Ending										
Issue	2018	2019	2020	2021	2022	2023 2027	2028 2032	2033 2037	2038 2042	Totals
<u>Principal</u>										
<u>General Obligation Bonds</u>										
Series 2014	\$ 950,000	\$ 980,000	\$ 1,025,000	\$ 1,080,000	\$ 1,130,000	\$ 6,570,000	\$ 8,305,000	\$ 10,575,000	\$ 10,190,000	\$ 40,805,000
Total Principal	\$ 950,000	\$ 980,000	\$ 1,025,000	\$ 1,080,000	\$ 1,130,000	\$ 6,570,000	\$ 8,305,000	\$ 10,575,000	\$ 10,190,000	\$ 40,805,000
<u>Interest</u>										
<u>General Obligation Bonds</u>										
Series 2014	\$ 1,845,350	\$ 1,806,600	\$ 1,756,475	\$ 1,703,850	\$ 1,648,600	\$ 7,319,475	\$ 5,533,375	\$ 3,227,975	\$ 835,200	\$ 25,676,900
Total Interest	\$ 1,845,350	\$ 1,806,600	\$ 1,756,475	\$ 1,703,850	\$ 1,648,600	\$ 7,319,475	\$ 5,533,375	\$ 3,227,975	\$ 835,200	\$ 25,676,900
Total Debt Payments	\$ 2,795,350	\$ 2,786,600	\$ 2,781,475	\$ 2,783,850	\$ 2,778,600	\$ 13,889,475	\$ 13,838,375	\$ 13,802,975	\$ 11,025,200	\$ 66,481,900

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2017

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Summary of Expenditures - Actual and Budget (Budgeted Funds Only) - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Current Year Budget	Variance - Over (Under)
GOVERNMENTAL TYPE FUNDS						
General Fund	\$ 12,638,951.00	\$ (406,795.00)	\$ 154,783.35	\$ 12,386,939.35	\$ 12,385,313.60	\$ (1,625.75)
Special Revenue Funds						
Supplemental General	3,607,179.00	-	-	3,607,179.00	3,607,179.00	-
Capital Outlay	1,754,326.00	-	-	1,754,326.00	1,165,849.78	(588,476.22)
At Risk 4 Year Old	124,303.00	-	-	124,303.00	105,577.71	(18,725.29)
At Risk K-12	2,680,149.00	-	-	2,680,149.00	2,646,808.92	(33,340.08)
Bilingual Education	21,913.00	-	-	21,913.00	15,900.12	(6,012.88)
Virtual Education	15,000.00	-	-	15,000.00	1,719.88	(13,280.12)
Driver Training	22,633.00	-	-	22,633.00	17,450.04	(5,182.96)
Food Service	958,772.00	-	-	958,772.00	813,026.88	(145,745.12)
Professional Development	12,940.00	-	-	12,940.00	8,006.63	(4,933.37)
Special Education	2,675,361.00	-	-	2,675,361.00	2,548,719.16	(126,641.84)
Vocational Education	389,439.00	-	-	389,439.00	273,178.09	(116,260.91)
KPERS Retirement	1,464,180.00	-	-	1,464,180.00	1,002,576.42	(461,603.58)
Recreation	360,000.00	-	-	360,000.00	325,157.91	(34,842.09)
Recreation Employee Benefit	40,000.00	-	-	40,000.00	32,655.20	(7,344.80)
Extraordinary School Program	58,235.00	-	-	58,235.00	23,028.18	(35,206.82)
Debt Service Funds						
Bond and Interest	2,321,900.00	-	-	2,321,900.00	2,321,900.00	-
	<u>\$ 29,145,281.00</u>					

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Delinquent tax	-	-	-	-
Interest	-	1,850.73	-	1,850.73
Other	134,421.36	153,483.35	-	153,483.35
County Sources				
In lieu of tax	-	-	-	-
State Sources				
Special Education aid	1,151,863.00	1,224,520.00	1,184,718.00	39,802.00
General aid	9,974,449.00	10,000,979.00	9,989,449.00	11,530.00
Supplemental General aid	2,428,259.00	-	-	-
KPERs aid	1,043,290.51	1,002,576.42	1,464,180.00	(461,603.58)
Capital Outlay aid	178,957.00	-	-	-
Mineral tax	604.10	-	-	-
Federal Sources				
Other Federal aid	-	1,300.00	-	1,300.00
Total Cash Receipts	14,911,843.97	12,384,709.50	\$ 12,638,347.00	\$ (253,637.50)

Expenditures				
Instruction	5,278,799.61	5,011,029.91	\$ 5,405,188.00	\$ (394,158.09)
Support Services				
Student Support	508,581.84	463,217.84	546,987.00	(83,769.16)
Instructional Support	24,916.18	224,061.96	93,050.00	131,011.96
General Administration	102,957.36	225,197.92	81,712.00	143,485.92
School Administration	392,200.75	356,262.36	377,500.00	(21,237.64)
Other Supplemental Services	350,686.90	225,433.20	347,500.00	(122,066.80)
Operations and Maintenance	1,322,126.06	414,126.64	453,545.00	(39,418.36)
Transportation Services	748,248.01	731,020.58	650,100.00	80,920.58

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to Other Funds				
Supplemental General	\$ 2,428,259.00	\$ -	\$ -	\$ -
Capital Outlay	178,957.00	627,090.84	382,123.00	244,967.84
At Risk 4 Year Old	90,000.00	110,546.62	-	110,546.62
At Risk K - 12	447,852.62	615,307.35	745,627.00	(130,319.65)
Bilingual Education	10,000.00	18,987.13	10,000.00	8,987.13
Virtual Education	-	31,719.88	2,500.00	29,219.88
Driver Training	-	-	-	-
Food Service	75,000.00	31,284.92	140,000.00	(108,715.08)
Professional Development	-	-	-	-
Special Education	1,682,434.08	1,924,514.40	1,677,500.00	247,014.40
Vocational Education	226,930.44	323,175.09	261,439.00	61,736.09
KPERs	1,043,290.51	1,002,576.42	1,464,180.00	(461,603.58)
Contingency Reserve	-	49,760.54	-	49,760.54
Textbook Rental	-	-	-	-
Adjustment to Comply with Legal Maximum Budget	-	-	(406,795.00)	406,795.00
Legal General Fund Budget	14,911,240.36	12,385,313.60	12,232,156.00	
Adjustments to Budget for Qualifying Budget Credits				
Other Reimbursed Expenditures	-	-	153,483.35	(153,483.35)
Unbudgeted Grants	-	-	1,300.00	(1,300.00)
Total Expenditures	14,911,240.36	12,385,313.60	\$ 12,386,939.35	\$ (1,626.00)
Receipts Over(Under) Expenditures	603.61	(604.10)		
Unencumbered Cash, Beginning	0.49	604.10		
Unencumbered Cash, Ending	\$ 604.10	\$ -		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SUPPLEMENTAL GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Under (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 975,494.08	\$ 1,057,072.43	\$ 1,001,045.00	\$ 56,027.43
Delinquent tax	37,352.94	20,698.07	13,330.00	7,368.07
County Sources				
Motor vehicle tax	168,982.49	120,033.14	148,153.00	(28,119.86)
In lieu of tax	-	-	-	-
State Sources				
State aid	-	2,343,224.00	2,343,223.00	1.00
Operating Transfer from Other Funds				
General	2,428,259.00	-	-	-
Contingency Reserve	-	49,760.54	85,037.00	-
Total Cash Receipts	3,610,088.51	3,590,788.18	\$ 3,590,788.00	\$ 35,276.64
Expenditures				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Instructional Support	-	600.00	600.00	-
General Administration	133,372.38	136,474.75	132,919.00	3,555.75
School Administration	604,591.13	633,660.31	644,130.00	(10,469.69)
Operations and Maintenance	343,964.19	386,285.32	477,642.00	(91,356.68)
Operating Transfers to Other Funds				
At Risk 4 Year Old	-	-	75,000.00	(75,000.00)
At Risk K - 12	2,171,238.04	2,056,501.57	1,825,000.00	231,501.57
Bilingual Education	6,202.19	-	-	-
Food Service	-	-	-	-
Professional Development	-	6,072.11	-	6,072.11
Special Education	315,818.81	212,539.48	450,000.00	(237,460.52)
Vocational Education	31,992.26	-	-	-
Textbook Rental	-	175,045.46	1,888.00	173,157.46
Adjustment to Comply with Legal Maximum Budget	-	-	-	-
Total Expenditures	3,607,179.00	3,607,179.00	\$ 3,607,179.00	\$ 0.00
Receipts Over(Under) Expenditures	2,909.51	(16,390.82)		
Unencumbered Cash, Beginning	13,481.31	16,390.82		
Unencumbered Cash, Ending	\$ 16,390.82	\$ -		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AT RISK 4 YEAR OLD FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General	\$ 90,000.00	\$ 110,546.62	\$ -	\$ 110,546.62
Supplemental General	-	-	75,000.00	(75,000.00)
Total Cash Receipts	90,000.00	110,546.62	\$ 75,000.00	\$ 35,546.62
Expenditures				
Instruction	51,380.22	70,388.50	\$ 83,693.00	\$ (13,304.50)
Support Services				
Instructional Support	5,620.00	100.43	1,000.00	(899.57)
Student Transport	30,274.47	35,088.78	39,610.00	(4,521.22)
Total Expenditures	87,274.69	105,577.71	\$ 124,303.00	\$ (18,725.29)
Receipts Over(Under) Expenditures	2,725.31	4,968.91		
Unencumbered Cash, Beginning	102,305.78	105,031.09		
Unencumbered Cash, Ending	\$ 105,031.09	\$ 110,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AT RISK K - 12 FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
General	447,852.62	615,307.35	745,627.00	(130,319.65)
Supplemental General	2,171,238.04	2,056,501.57	1,825,000.00	231,501.57
Total Cash Receipts	2,619,090.66	2,671,808.92	\$ 2,570,627.00	\$ 101,181.92
Expenditures				
Instruction	2,620,863.32	2,646,483.07	\$ 2,680,049.00	\$ (33,565.93)
Support Services				
Student Support Services	-	31.70	-	31.70
Student Transport	309.12	294.15	100.00	194.15
Total Expenditures	2,621,172.44	2,646,808.92	\$ 2,680,149.00	\$ (33,340.08)
Receipts Over(Under) Expenditures	(2,081.78)	25,000.00		
Unencumbered Cash, Beginning	227,081.78	225,000.00		
Unencumbered Cash, Ending	\$ 225,000.00	\$ 250,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
BILINGUAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Other	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
General	10,000.00	18,987.13	10,000.00	8,987.13
Supplemental General	6,202.19	-	-	-
Total Cash Receipts	16,202.19	18,987.13	\$ 10,000.00	\$ 8,987.13
Expenditures				
Instruction	16,461.00	15,900.12	\$ 21,913.00	\$ (6,012.88)
Support Services				
Student Support	-	-	-	-
Total Expenditures	16,461.00	15,900.12	\$ 21,913.00	\$ (6,012.88)
Receipts Over(Under) Expenditures	(258.81)	3,087.01		
Unencumbered Cash, Beginning	12,171.80	11,912.99		
Unencumbered Cash, Ending	\$ 11,912.99	\$ 15,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
VIRTUAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ -	\$ -	\$ 12,500.00	\$ (12,500.00)
Operating Transfer from Other Funds				
General	-	31,719.88	2,500.00	29,219.88
Supplemental General	-	-	-	-
Total Cash Receipts	-	31,719.88	\$ 15,000.00	\$ 16,719.88
Expenditures				
Instruction	-	1,719.88	\$ 15,000.00	\$ (13,280.12)
Support Services				
Student Support	-	-	-	-
Total Expenditures	-	1,719.88	\$ 15,000.00	\$ (13,280.12)
Receipts Over(Under) Expenditures	-	30,000.00		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 30,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CAPITAL OUTLAY FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 260,642.91	\$ 278,330.38	\$ 261,727.00	\$ 16,603.38
Delinquent tax	8,142.55	3,600.49	3,413.00	187.49
Interest on idle funds	1,675.99	-	-	-
Rentals	375.00	185.00	-	185.00
Other	61,251.70	55,763.44	-	55,763.44
County Sources				
Motor vehicle tax	38,102.21	45,516.34	74,292.00	(28,775.66)
In lieu of tax	-	-	-	-
State Sources				
State aid	-	155,363.00	157,124.00	(1,761.00)
Operating Transfer from Other Funds				
General	178,957.00	627,090.84	382,123.00	244,967.84
Total Cash Receipts	549,147.36	1,165,849.49	\$ 878,679.00	\$ 287,170.49
Expenditures				
Instruction	13,272.53	8,406.97	\$ 20,000.00	\$ (11,593.03)
Support Services	108,496.19	939,836.75	1,006,871.00	(67,034.25)
Facility Acquisition and Construction Services	292,221.35	217,606.06	727,455.00	(509,848.94)
Total Expenditures	413,990.07	1,165,849.78	\$ 1,754,326.00	\$ (588,476.22)
Receipts Over(Under) Expenditures	135,157.29	(0.29)		
Unencumbered Cash, Beginning	740,490.00	875,647.29		
Unencumbered Cash, Ending	\$ 875,647.29	\$ 875,647.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
DRIVER TRAINING FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Other	\$ 13,147.00	\$ 9,083.82	\$ -	\$ 9,083.82
State Sources				
State aid	4,216.00	6,656.00	6,120.00	536.00
Operating Transfer from General Fund	-	-	-	-
Total Cash Receipts	<u>17,363.00</u>	<u>15,739.82</u>	<u>\$ 6,120.00</u>	<u>\$ 9,619.82</u>
Expenditures				
Instruction	10,380.75	12,337.03	\$ 18,820.00	\$ (6,482.97)
Support Services	<u>2,650.25</u>	<u>5,113.01</u>	<u>3,813.00</u>	<u>1,300.01</u>
Total Expenditures	<u>13,031.00</u>	<u>17,450.04</u>	<u>\$ 22,633.00</u>	<u>\$ (5,182.96)</u>
Receipts Over(Under) Expenditures	4,332.00	(1,710.22)		
Unencumbered Cash, Beginning	<u>13,656.72</u>	<u>17,988.72</u>		
Unencumbered Cash, Ending	<u>\$ 17,988.72</u>	<u>\$ 16,278.50</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
EXTRAORDINARY SCHOOL PROGRAM (ASCC) FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Student fees	\$ 31,051.95	\$ 30,198.26	\$ 25,000.00	\$ 5,198.26
Total Cash Receipts	<u>31,051.95</u>	<u>30,198.26</u>	<u>\$ 25,000.00</u>	<u>\$ 5,198.26</u>
Expenditures				
Instruction	23,703.61	23,028.18	\$ 50,235.00	\$ (27,206.82)
Support Services	-	-	8,000.00	(8,000.00)
Total Expenditures	<u>23,703.61</u>	<u>23,028.18</u>	<u>\$ 58,235.00</u>	<u>\$ (35,206.82)</u>
Receipts Over(Under) Expenditures	7,348.34	7,170.08		
Unencumbered Cash, Beginning	<u>25,886.17</u>	<u>33,234.51</u>		
Unencumbered Cash, Ending	<u>\$ 33,234.51</u>	<u>\$ 40,404.59</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Under
Cash Receipts				
Local Sources				
Students	\$ 125,523.44	\$ 122,583.77	\$ 125,307.00	\$ (2,723.23)
Adults	22,799.62	14,295.45	21,864.00	(7,568.55)
Other	1,845.30	4,976.71	1,600.00	3,376.71
State Sources				
Food service aid	7,388.70	6,829.67	6,318.00	511.67
Other State grants	300.00	450.00	-	450.00
Federal Sources				
Child nutrition aid	613,407.64	626,020.01	581,067.00	44,953.01
Summer school program	4,247.78	4,258.50	-	4,258.50
Nutrition grant	250.00	955.00	550.00	405.00
Operating Transfer from Other Funds				
General Fund	75,000.00	31,284.92	140,000.00	(108,715.08)
Supplemental General	-	-	-	-
Total Cash Receipts	850,762.48	811,654.03	\$ 876,706.00	\$ (65,051.97)
Expenditures				
Support Services				
Operations and Maintenance	-	10,283.14	\$ 53,455.00	\$ (43,171.86)
Operation of Non instructional Services				
Food Service Operations	847,921.51	802,743.74	905,317.00	(102,573.26)
Total Expenditures	847,921.51	813,026.88	\$ 958,772.00	\$ (145,745.12)
Receipts Over(Under) Expenditures	2,840.97	(1,372.85)		
Unencumbered Cash, Beginning	198,531.88	201,372.85		
Unencumbered Cash, Ending	\$ 201,372.85	\$ 200,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Other	\$ 255.00	\$ 2,044.50	\$ -	\$ 2,044.50
Federal Sources				
Homeless Children grant	-	1,950.00	-	
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Supplemental General	-	6,072.11		6,072.11
Total Cash Receipts	<u>255.00</u>	<u>10,066.61</u>	<u>\$ -</u>	<u>\$ 8,116.61</u>
Expenditures				
Instruction	-	-	\$ 12,940.00	\$ (12,940.00)
Support Services	<u>3,888.69</u>	<u>8,006.63</u>	<u>-</u>	<u>8,006.63</u>
Total Expenditures	<u>3,888.69</u>	<u>8,006.63</u>	<u>\$ 12,940.00</u>	<u>\$ (4,933.37)</u>
Receipts Over(Under) Expenditures	(3,633.69)	2,059.98		
Unencumbered Cash, Beginning	<u>16,573.71</u>	<u>12,940.02</u>		
Unencumbered Cash, Ending	<u>\$ 12,940.02</u>	<u>\$ 15,000.00</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SPECIAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 50,828.09	\$ 113,167.86	\$ -	\$ 113,167.86
Federal Sources				
Early Childhood Flo-Thru	349,280.00	381,026.42	360,000.00	21,026.42
Early Childhood Flo-Thru Disc	18,986.00	16,093.00	50,000.00	(33,907.00)
Early Childhood Aid	15,483.00	-	18,986.00	(18,986.00)
Operating Transfer from other Funds				
General	1,682,434.08	1,924,514.40	1,677,500.00	247,014.40
Supplemental General	315,818.81	212,539.48	450,000.00	(237,460.52)
Total Cash Receipts	<u>2,432,829.98</u>	<u>2,647,341.16</u>	<u>\$ 2,556,486.00</u>	<u>\$ 90,855.16</u>
Expenditures				
Instruction	2,167,658.62	2,065,943.85	\$ 2,303,908.00	\$ (237,964.15)
Support Services				
Student Support	67,146.93	177,910.29	70,382.00	107,528.29
Instructional Support	67,649.66	80,728.14	68,200.00	12,528.14
General Administration	110,406.30	109,503.37	113,773.00	(4,269.63)
Operations and Maintenance	29,178.48	22,139.87	31,477.00	(9,337.13)
Transportation Services	84,023.74	92,493.64	87,621.00	4,872.64
Other Supplemental Services	-	-	-	-
Total Expenditures	<u>2,526,063.73</u>	<u>2,548,719.16</u>	<u>\$ 2,675,361.00</u>	<u>\$ (126,641.84)</u>
Receipts Over(Under) Expenditures	(93,233.75)	98,622.00		
Unencumbered Cash, Beginning	<u>594,611.75</u>	<u>501,378.00</u>		
Unencumbered Cash, Ending	<u>\$ 501,378.00</u>	<u>\$ 600,000.00</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
VOCATIONAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Other	\$ -	\$ 3.00	\$ -	\$ 3.00
Operating Transfer from Other Funds				
General Fund	226,930.44	323,175.09	261,439.00	61,736.09
Supplemental General	31,992.26	-	-	-
Total Cash Receipts	258,922.70	323,178.09	\$ 261,439.00	\$ 61,739.09
Expenditures				
Instruction	259,660.58	258,396.40	\$ 367,146.00	\$ (108,749.60)
Support Services				
Student Support	-	-	-	-
Instructional Support	10,179.67	9,689.48	10,000.00	(310.52)
Operations and Maintenance	13,438.54	5,092.21	12,293.00	(7,200.79)
Total Expenditures	283,278.79	273,178.09	\$ 389,439.00	\$ (116,260.91)
Receipts Over(Under) Expenditures	(24,356.09)	50,000.00		
Unencumbered Cash, Beginning	224,356.09	200,000.00		
Unencumbered Cash, Ending	\$ 200,000.00	\$ 250,000.00		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
KPERS RETIREMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Operating Transfer from Other Funds				
General	\$ 1,043,290.51	\$ 1,002,576.42	\$ 1,464,180.00	\$ (461,603.58)
Total Cash Receipts	<u>1,043,290.51</u>	<u>1,002,576.42</u>	<u>\$ 1,464,180.00</u>	<u>\$ (461,603.58)</u>
Expenditures				
Instruction	751,169.16	721,855.04	\$ 909,911.00	\$ (188,055.96)
Support Services				
Student Support	31,298.71	30,077.29	53,755.00	(23,677.71)
Instructional Support	1,043.28	1,002.58	10,625.00	(9,622.42)
General Administration	35,471.88	34,087.59	56,202.00	(22,114.41)
School Administration	62,597.43	60,154.58	100,922.00	(40,767.42)
Operations and Maintenance	58,439.02	34,087.59	86,173.00	(52,085.41)
Transportation Services	57,261.08	67,172.62	108,754.00	(41,581.38)
Other Support Services	20,970.96	30,077.29	62,713.00	(32,635.71)
Operation and Non instructional Services				
Food Service Operations	<u>25,038.99</u>	<u>24,061.84</u>	<u>75,125.00</u>	<u>(51,063.16)</u>
Total Expenditures	<u>1,043,290.51</u>	<u>1,002,576.42</u>	<u>\$ 1,464,180.00</u>	<u>\$ (461,603.58)</u>
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CONTINGENCY RESERVE FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers from Other Funds		
General	\$ -	\$ 49,760.54
Total Cash Receipts	<u>-</u>	<u>49,760.54</u>
Expenditures		
Support Services		
Operations and Maintenance	-	-
Operating Transfers to Other Funds		
Supplemental General	<u>-</u>	<u>49,760.54</u>
Total Expenditures	<u>-</u>	<u>49,760.54</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>903,824.06</u>	<u>903,824.06</u>
Unencumbered Cash, Ending	<u>\$ 903,824.06</u>	<u>\$ 903,824.06</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TEXTBOOK RENTAL FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Textbook rental	\$ 40,192.92	\$ 50,259.93
Textbook sales	-	-
Operating Transfer from Other Funds		
General	-	-
Supplemental General	-	175,045.46
Total Cash Receipts	<u>40,192.92</u>	<u>225,305.39</u>
Expenditures		
Instruction	<u>15,766.15</u>	<u>133,244.06</u>
Total Expenditures	<u>15,766.15</u>	<u>133,244.06</u>
Receipts Over(Under) Expenditures	24,426.77	92,061.33
Unencumbered Cash, Beginning	<u>133,511.90</u>	<u>157,938.67</u>
Unencumbered Cash, Ending	<u>\$ 157,938.67</u>	<u>\$ 250,000.00</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CHILDREN'S BLOCK GRANT FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Other	\$ 59,168.42	\$ 51,495.86
Total Cash Receipts	<u>59,168.42</u>	<u>51,495.86</u>
Expenditures		
Instruction	58,485.31	57,232.14
Support Services	<u>-</u>	<u>10,146.83</u>
Total Expenditures	<u>58,485.31</u>	<u>67,378.97</u>
Receipts Over(Under) Expenditures	683.11	(15,883.11)
Unencumbered Cash, Beginning	<u>15,200.00</u>	<u>15,883.11</u>
Unencumbered Cash, Ending	<u>\$ 15,883.11</u>	<u>\$ -</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 156,456.34	\$ 169,560.46	\$ 162,305.00	\$ 7,255.46
Delinquent tax	5,646.13	2,944.72	2,116.00	828.72
Other	148,133.27	138,658.75	126,000.00	12,658.75
County Sources				
Motor vehicle tax	26,410.64	22,290.34	28,125.00	(5,834.66)
In lieu of tax	-	-	-	-
Total Cash Receipts	<u>336,646.38</u>	<u>333,454.27</u>	<u>\$ 318,546.00</u>	<u>\$ 14,908.27</u>
Expenditures				
Community Service Operations	<u>325,717.92</u>	<u>325,157.91</u>	<u>\$ 360,000.00</u>	<u>\$ (34,842.09)</u>
Total Expenditures	<u>325,717.92</u>	<u>325,157.91</u>	<u>\$ 360,000.00</u>	<u>\$ (34,842.09)</u>
Receipts Over(Under) Expenditures	10,928.46	8,296.36		
Unencumbered Cash, Beginning	<u>72,693.56</u>	<u>83,622.02</u>		
Unencumbered Cash, Ending	<u>\$ 83,622.02</u>	<u>\$ 91,918.38</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
RECREATION EMPLOYEE BENEFIT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 29,689.56	\$ 31,608.84	\$ 30,845.00	\$ 763.84
Delinquent tax	1,020.63	536.48	402.00	134.48
Other	-	-	-	-
County Sources				
Motor vehicle tax	2,196.62	2,613.30	5,336.00	(2,722.70)
In lieu of tax	-	-	-	-
Total Cash Receipts	<u>32,906.81</u>	<u>34,758.62</u>	<u>\$ 36,583.00</u>	<u>\$ (1,824.38)</u>
Expenditures				
Community Service Operations	<u>29,089.64</u>	<u>32,655.20</u>	<u>\$ 40,000.00</u>	<u>\$ (7,344.80)</u>
Total Expenditures	<u>29,089.64</u>	<u>32,655.20</u>	<u>\$ 40,000.00</u>	<u>\$ (7,344.80)</u>
Receipts Over(Under) Expenditures	3,817.17	2,103.42		
Unencumbered Cash, Beginning	<u>16,113.35</u>	<u>19,930.52</u>		
Unencumbered Cash, Ending	<u>\$ 19,930.52</u>	<u>\$ 22,033.94</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE I FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Title I	\$ 746,237.00	\$ 758,170.00
Title I School	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>746,237.00</u>	<u>758,170.00</u>
Expenditures		
Instruction	627,120.13	529,162.69
Support Services	<u>31,058.99</u>	<u>60,523.98</u>
Total Expenditures	<u>658,179.12</u>	<u>589,686.67</u>
Receipts Over(Under) Expenditures	88,057.88	168,483.33
Unencumbered Cash, Beginning	<u>(224,486.72)</u>	<u>(136,428.84)</u>
Unencumbered Cash, Ending	<u>\$ (136,428.84)</u>	<u>\$ 32,054.49</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SAVE THE CHILDREN GRANT FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Other	\$ 38,608.74	\$ 48,673.59
Total Cash Receipts	38,608.74	48,673.59
Expenditures		
Instruction	42,106.35	45,259.04
Support Services	11,582.72	-
Total Expenditures	53,689.07	45,259.04
Receipts Over(Under) Expenditures	(15,080.33)	3,414.55
Unencumbered Cash, Beginning	15,892.24	811.91
Unencumbered Cash, Ending	\$ 811.91	\$ 4,226.46

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE VI B FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal aid	\$ 33,205.00	\$ 34,952.00
Total Cash Receipts	<u>33,205.00</u>	<u>34,952.00</u>
Expenditures		
Instruction	33,205.00	34,952.00
Support Services	<u>-</u>	<u>-</u>
Total Expenditures	<u>33,205.00</u>	<u>34,952.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE II A FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Title II A	\$ 120,985.00	\$ 110,189.00
Total Cash Receipts	<u>120,985.00</u>	<u>110,189.00</u>
Expenditures		
Instruction	5,693.02	5,773.41
Support Services	<u>106,269.98</u>	<u>104,415.59</u>
Total Expenditures	<u>111,963.00</u>	<u>110,189.00</u>
Receipts Over(Under) Expenditures	9,022.00	-
Unencumbered Cash, Beginning	<u>(9,022.00)</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CARL PERKINS FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Other	\$ -	\$ -
Federal Sources		
Federal aid	<u>25,930.00</u>	<u>24,114.00</u>
Total Cash Receipts	<u>25,930.00</u>	<u>24,114.00</u>
Expenditures		
Instruction	13,209.32	11,808.00
Support Services	<u>12,294.68</u>	<u>12,306.00</u>
Total Expenditures	<u>25,504.00</u>	<u>24,114.00</u>
Receipts Over(Under) Expenditures	426.00	-
Unencumbered Cash, Beginning	<u>(426.00)</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
BOND PROJECT FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Interest from idle funds	\$ 321,913.88	\$ 74,820.60
Total Cash Receipts	<u>321,913.88</u>	<u>74,820.60</u>
Expenditures		
Project costs	34,017,464.47	2,330,844.37
Debt Service	-	-
Bond issue costs	-	-
Operating Transfers to Other Funds		
Bond and Interest	<u>2,203,139.00</u>	<u>-</u>
Total Expenditures	<u>36,220,603.47</u>	<u>2,330,844.37</u>
Receipts Over(Under) Expenditures	(35,898,689.59)	(2,256,023.77)
Unencumbered Cash, Beginning	<u>40,970,438.85</u>	<u>5,071,749.26</u>
Unencumbered Cash, Ending	<u>\$ 5,071,749.26</u>	<u>\$ 2,815,725.49</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 1,102,173.14	\$ 1,199,542.58	\$ 1,157,757.00	\$ 41,785.58
Delinquent tax	16,552.45	8,205.32	15,095.00	(6,889.68)
Other	-	-	-	-
County Sources				
Motor vehicle tax	62,114.11	117,813.77	122,141.00	(4,327.23)
In lieu of tax	-	-	-	-
State Sources				
State aid	1,728,290.00	1,300,264.00	1,300,264.00	-
Operating Transfer from Other Funds				
Bond Project Fund	2,203,139.00	-	-	-
Total Cash Receipts	5,112,268.70	2,625,825.67	\$ 2,595,257.00	\$ 30,568.67
Expenditures				
Debt Service				
Principal	1,030,000.00	460,000.00	\$ 460,000.00	\$ -
Interest	2,230,923.35	1,861,900.00	1,861,900.00	-
Other	-	-	-	-
Total Expenditures	3,260,923.35	2,321,900.00	\$ 2,321,900.00	\$ -
Receipts Over(Under) Expenditures	1,851,345.35	303,925.67		
Unencumbered Cash, Beginning	1,008,379.78	2,859,725.13		
Unencumbered Cash, Ending	\$ 2,859,725.13	\$ 3,163,650.80		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SPECIAL GIFTS FUND

Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Other	\$ 95,468.78	\$ 87,764.34
State Sources		
Other	800.00	-
Federal Sources		
Youth risky behavior	300.00	-
Total Cash Receipts	<u>96,568.78</u>	<u>87,764.34</u>
Expenditures		
Instructional	-	52,016.47
Operation and Non Instructional Services	<u>70,930.93</u>	<u>37,223.61</u>
Total Expenditures	<u>70,930.93</u>	<u>89,240.08</u>
Receipts Over(Under) Expenditures	25,637.85	(1,475.74)
Unencumbered Cash, Beginning	<u>148,390.85</u>	<u>174,028.70</u>
Unencumbered Cash, Ending	<u>\$ 174,028.70</u>	<u>\$ 172,552.96</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AGENCY FUNDS

Schedule of Receipts and Disbursements - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Revolving Benefits	\$ 932.93	\$ 7,247.10	\$ 6,084.83	\$ 2,095.20
Sales Tax	-	12,246.35	10,831.41	1,414.94
Self Funded Health	1,816,046.80	2,060,608.43	1,864,259.42	2,012,395.81
Student Organizations				
High School	222,324.64	393,999.75	353,187.29	263,137.10
Middle School	26,261.91	17,779.11	15,972.51	28,068.51
Winfield Scott Grade School	8,177.83	9,895.67	10,654.81	7,418.69
Eugene Ware Grade School	13,132.21	11,041.43	15,891.50	8,282.14
Total Agency Funds	<u>\$ 2,086,876.32</u>	<u>\$ 2,512,817.84</u>	<u>\$ 2,276,881.77</u>	<u>\$ 2,322,812.39</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
DISTRICT ACTIVITY FUNDS

Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2017
Gate Receipts						
High School	\$ 35,772.13	\$ 46,849.08	\$ 59,959.30	\$ 22,661.91	\$ -	\$ 22,661.91
Middle School	4,881.98	4,337.92	6,546.92	2,672.98	-	2,672.98
Total Gate Receipts	40,654.11	51,187.00	66,506.22	25,334.89	-	25,334.89
School Projects						
Middle School	970.29	263.48	357.72	876.05	-	876.05
Winfield Scott Grade School	568.66	3,022.10	2,627.50	963.26	-	963.26
Eugene Ware Grade School	1,418.58	15,699.21	14,184.28	2,933.51	-	2,933.51
Total School Projects	2,957.53	18,984.79	17,169.50	4,772.82	-	4,772.82
Totals	<u>\$ 43,611.64</u>	<u>\$ 70,171.79</u>	<u>\$ 83,675.72</u>	<u>\$ 30,107.71</u>	<u>\$ -</u>	<u>\$ 30,107.71</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234

FEDERAL COMPLIANCE SECTION

For the Fiscal Year Ended June 30, 2017

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas Department of Education:			
School Breakfast Program	10.553	\$ 189,239.67 *	\$ 189,239.67
National School Lunch Program	10.555	408,141.62 *	408,141.62
Cash for Commodities	10.558	28,638.72	28,638.72
Summer Food Service Program	10.559	4,258.50 *	4,258.50
Nutrition Grant	10.574	955.00	955.00
		631,233.51	631,233.51
<u>U.S. Department of Education</u>			
Passed Through the State of Kansas Department of Education:			
Title I	84.010	760,120.00	591,636.67
Special Education Grants to States	84.027	381,026.42	381,026.42
Career and Tech aid	84.048	24,114.00	24,114.00
Special Education Preschool Grant	84.173	16,093.00	16,093.00
Rural Low Income Schools Program	84.358	34,952.00	34,952.00
Title II Improving Teacher Quality Program	84.367	110,189.00	110,189.00
		1,326,494.42	1,158,011.09
<u>U.S. Department of Health and Human Services</u>			
Passed Through the State of Kansas Department of Education:			
Risky Behavior	93.079	1,300.00	1,300.00
TOTALS		\$ 1,959,027.93	\$ 1,790,544.60

Notes to the Schedule of Expenditures of Federal Awards:

This Schedule has been prepared using the regulatory basis of accounting. Revenues are recorded when received and not when earned. Expenses include amounts paid, plus encumbrances and accounts payable for the current year, less encumbrances and accounts payable for the prior year.

Expenses for the Child Nutrition Cluster: these are expenses marked with * above. \$ 601,639.79

There were no subrecipients from the District.

Pass thru entities did not assign a specific identifying number.

The District did not use the 10% de minimus rate for indirect costs.

Diehl Banwart Bolton

Certified Public Accountants P.A.

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

To the Board of Education
Bourbon County Unified School District #234
Fort Scott, Kansas 66701

Report on Compliance for Each Major Federal Program

We have audited the Unified School District #234's (District) compliance 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, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibilities

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). 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 of 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, 2017.

Report on Internal Control Over Compliance

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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 6, 2017
Fort Scott, Kansas

Diehl Banwart Bolton

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Bourbon County Unified School District #234
Fort Scott, Kansas 66701

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 statements of Bourbon County Unified School District #234 as of the year ended June 30, 2017, and have issued our report thereon dated November 6, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, 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 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 6, 2017

Fort Scott, Kansas

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

SECTION I: SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

The auditors' report was adverse for departures from accounting principles generally accepted in the United State of America due to the preparation of the financial statements in accordance with the Kansas regulatory basis of accounting. An unqualified opinion on the regulatory basis of accounting financial statement of the government was issued.

Internal control over financial reporting:

- | | | | | |
|---|-------|-----|--------------|---------------|
| • Material weakness identified? | _____ | Yes | <u> X </u> | No |
| • Significant deficiency identified? | _____ | Yes | <u> X </u> | None reported |
| • Noncompliance material to financial statements noted? | _____ | Yes | <u> X </u> | No |

FEDERAL AWARDS

Internal control over major programs:

- | | | | | |
|--------------------------------------|-------|-----|--------------|---------------|
| • Material weakness identified? | _____ | Yes | <u> X </u> | No |
| • Significant deficiency identified? | _____ | Yes | <u> X </u> | None reported |

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?

_____ Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.553, 10.555, & 10.559	Child Nutrition Cluster
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs required to be disclosed under the Uniform Guidance.

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2017

No audit findings relative to the federal award programs.