

Carl Junction R-I School District

BASIC FINANCIAL STATEMENTS Year Ended June 30, 2020



Table of Contents

| | |
|---|----------|
| Independent Auditors' Report | 3 |
| Basic Financial Statements | |
| Statement of Net Position – Modified Cash Basis..... | 7 |
| Statement of Activities – Modified Cash Basis..... | 8 |
| Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis..... | 10 |
| Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis..... | 11 |
| Notes to the Financial Statements | 12 |
| Supplementary Information | |
| Budgetary Comparison Schedule – General Fund..... | 25 |
| Budgetary Comparison Schedule – Special Revenue Fund | 26 |
| Budgetary Comparison Schedule – Debt Service Fund | 27 |
| Budgetary Comparison Schedule – Capital Projects Fund | 28 |
| Notes to the Budgetary Comparison Schedules..... | 29 |
| Other Financial Information | |
| Schedule of Receipts by Source..... | 31 |
| Schedule of Disbursements by Object | 33 |
| Schedule of Transportation Costs Eligible for State Aid..... | 35 |
| Other Reporting Requirements | |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 37 |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance..... | 39 |
| Schedule of Expenditures of Federal Awards..... | 41 |
| Notes to the Schedule of Expenditures of Federal Awards | 43 |
| Summary Schedule of Findings and Questioned Costs | 44 |
| Schedule of Prior Audit Findings | 46 |
| Corrective Action Plan | 47 |
| Supplementary State Information | |
| Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations..... | 49 |
| Schedule of Selected Statistics | 50 |



Independent Auditors' Report

Board of Education
Carl Junction R-I School District
Carl Junction, Missouri

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Carl Junction R-I School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District'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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Carl Junction R-I School District as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carl Junction R-I School District's basic financial statements. The data contained under Other Financial Information, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Other Financial Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 11, 2020

Government-Wide Financial Statements

Carl Junction R-I School District

Statement of Net Position – Modified Cash Basis

June 30, 2020

| | Governmental Activities |
|-----------------------------------|------------------------------------|
| Assets | |
| Cash and investments | \$ 6,002,341 |
| Total Assets | <u><u>\$ 6,002,341</u></u> |
| Net Position | |
| Restricted for debt service | \$ 2,556,670 |
| Restricted for student activities | 306,824 |
| Unrestricted | 3,138,847 |
| Total Net Position | <u><u>\$ 6,002,341</u></u> |

See accompanying notes to the financial statements.

Carl Junction R-I School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2020

| | Program Cash Receipts | | | | Net (Disbursements) |
|---|------------------------|---------------------|---------------------|-------------------|------------------------|
| | Cash | Charges for | Operating | Capital | Receipts and |
| | Disbursements | Services | Grants and | Grants and | Changes in |
| | | | Contributions | Contributions | Net Position |
| Governmental Activities | | | | | |
| Instruction | \$ (15,526,250) | \$ 1,000,601 | \$ 1,856,901 | \$ - | \$ (12,668,748) |
| Student services | (1,831,507) | | 16,250 | - | (1,815,257) |
| Instructional staff support | (1,035,216) | - | 11,500 | - | (1,023,716) |
| Building administration | (1,708,984) | - | - | 159,090 | (1,549,894) |
| General administration | (2,179,853) | - | - | - | (2,179,853) |
| Operation of plant | (2,280,558) | - | - | - | (2,280,558) |
| Transportation | (1,510,335) | - | 241,525 | - | (1,268,810) |
| Food services | (1,187,509) | 417,960 | 546,498 | - | (223,051) |
| Community services | (688,007) | - | 119,627 | - | (568,380) |
| Facilities acquisition and construction | (605,277) | - | - | 250,000 | (355,277) |
| Debt service | (8,275,933) | - | - | - | (8,275,933) |
| Net Program | | | | | |
| (Disbursements) Receipts | <u>\$ (36,829,429)</u> | <u>\$ 1,418,561</u> | <u>\$ 2,792,301</u> | <u>\$ 409,090</u> | (32,209,477) |
| General Receipts | | | | | |
| Ad valorem tax receipts | | | | | 10,312,315 |
| Prop C sales tax receipts | | | | | 3,095,370 |
| Other tax receipts | | | | | 304,628 |
| County receipts | | | | | 696,348 |
| State receipts | | | | | 12,402,296 |
| Interest receipts | | | | | 514,266 |
| Other receipts | | | | | 112,145 |
| Total General Receipts | | | | | <u>27,437,368</u> |
| Special Items | | | | | |
| Refunding bonds | | | | | 5,940,000 |
| Net insurance recovery | | | | | 7,380 |
| Sale of school buses | | | | | 7,500 |
| Sale of other property | | | | | 246 |
| Total Special Items | | | | | <u>5,955,126</u> |
| <i>Increase in Net Position</i> | | | | | 1,183,017 |
| Net Position - Beginning of year | | | | | 4,819,324 |
| Net Position - End of year | | | | | <u>\$ 6,002,341</u> |

See accompanying notes to the financial statements.

Fund Financial Statements

Carl Junction R-I School District

Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|-----------------------------------|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|---|
| Assets | | | | | |
| Cash and investments | \$ 3,101,844 | \$ - | \$ 2,556,670 | \$ 343,827 | \$ 6,002,341 |
| Total Assets | <u>\$ 3,101,844</u> | <u>\$ -</u> | <u>\$ 2,556,670</u> | <u>\$ 343,827</u> | <u>\$ 6,002,341</u> |
| Fund Balances | | | | | |
| Restricted for debt service | \$ - | \$ - | \$ 2,556,670 | \$ - | \$ 2,556,670 |
| Restricted for student activities | 306,824 | - | - | - | 306,824 |
| Assigned for capital outlay | - | - | - | 343,827 | 343,827 |
| Unassigned | 2,795,020 | - | - | - | 2,795,020 |
| Total Fund Balances | <u>\$ 3,101,844</u> | <u>\$ -</u> | <u>\$ 2,556,670</u> | <u>\$ 343,827</u> | <u>\$ 6,002,341</u> |

See accompanying notes to the financial statements.

Carl Junction R-I School District

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---------------------|----------------------------|-------------------------|-----------------------------|--------------------------------|
| Receipts | | | | | |
| Local | \$ 9,407,000 | \$ 3,096,703 | \$ 2,925,256 | \$ 493,175 | \$ 15,922,134 |
| County | 527,070 | 70,674 | 98,604 | - | 696,348 |
| State | 486,041 | 12,454,753 | - | - | 12,940,794 |
| Federal | 1,357,774 | 785,659 | - | 250,000 | 2,393,433 |
| Other | - | 104,611 | - | - | 104,611 |
| Total Receipts | <u>11,777,885</u> | <u>16,512,400</u> | <u>3,023,860</u> | <u>743,175</u> | <u>32,057,320</u> |
| Disbursements | | | | | |
| Instruction | 2,033,012 | 13,345,017 | - | 148,221 | 15,526,250 |
| Student services | 755,892 | 1,074,089 | - | 1,526 | 1,831,507 |
| Instructional staff support | 406,025 | 618,598 | - | 10,593 | 1,035,216 |
| Building administration | 327,175 | 1,369,347 | - | 12,462 | 1,708,984 |
| General administration | 1,402,628 | 598,304 | - | 178,921 | 2,179,853 |
| Operation of plant | 2,260,734 | - | - | 19,824 | 2,280,558 |
| Transportation | 1,177,693 | 32,953 | - | 299,689 | 1,510,335 |
| Food services | 1,159,114 | 26,613 | - | 1,782 | 1,187,509 |
| Community services | 288,895 | 396,120 | - | 2,992 | 688,007 |
| Facilities acquisition and | - | - | - | 605,277 | 605,277 |
| Debt service | - | - | 7,863,692 | 412,241 | 8,275,933 |
| Total Disbursements | <u>9,811,168</u> | <u>17,461,041</u> | <u>7,863,692</u> | <u>1,693,528</u> | <u>36,829,429</u> |
| <i>Excess (Deficit) of Receipts Over Disbursements</i> | 1,966,717 | (948,641) | (4,839,832) | (950,353) | (4,772,109) |
| Other Financing Sources (Uses) | | | | | |
| Refunding bonds | - | - | 5,940,000 | - | 5,940,000 |
| Net insurance recovery | 7,380 | - | - | - | 7,380 |
| Sale of school buses | - | - | - | 7,500 | 7,500 |
| Sale of other property | 246 | - | - | - | 246 |
| Operating transfers in | - | 948,641 | - | 942,854 | 1,891,495 |
| Operating transfers (out) | (1,891,495) | - | - | - | (1,891,495) |
| Total Other Financing Sources (Uses) | <u>(1,883,869)</u> | <u>948,641</u> | <u>5,940,000</u> | <u>950,354</u> | <u>5,955,126</u> |
| <i>Excess of Receipts and Other Sources Over Disbursements and Other (Uses)</i> | 82,848 | - | 1,100,168 | 1 | 1,183,017 |
| Fund Balance, July 1, 2019 | 3,018,996 | - | 1,456,502 | 343,826 | 4,819,324 |
| Fund Balance, June 30, 2020 | <u>\$ 3,101,844</u> | <u>\$ -</u> | <u>\$ 2,556,670</u> | <u>\$ 343,827</u> | <u>\$ 6,002,341</u> |

See accompanying notes to the financial statements.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

1. Summary of Significant Accounting Policies

The District's financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts and disbursements. The District has only governmental funds. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for noncertified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund: Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Debt Service Fund: Accounts for receipts restricted, committed, or assigned for the retirement of principal and interest on the District's general obligation bonds.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund equity, receipts and disbursements when they result from cash transactions. The modification to the cash basis of accounting relates to the presentation of investments. This basis is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District used the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

Compensated Absences

Vacation time and personal business days are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination.

Teachers' Salaries

The salary payment schedule of the District for the 2019-2020 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2020 payroll checks are included in the financial statements as a disbursement paid in the month of June.

Pooled Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments with the exception of the Debt Service Fund, which is kept in a separate bank account. Investments of the pooled accounts consist primarily of money market accounts and certificates of deposit, carried at cost.

Capital Outlay

Capital outlay is recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position: All other net position that does not meet the definition of “restricted.”

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

2. Cash & Cash Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2020, all bank balances on deposit are entirely insured or collateralized with securities.

3. Investments

The District has the following investments at June 30, 2020:

| Investment Type | Maturity | Amount |
|--|---------------------|---------------------|
| Certificates of Deposit | 7/17/2020-9/23/2021 | \$ 3,560,809 |
| Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program | N/A | 980,028 |
| Missouri Securities Investment Program (MOSIP) | N/A | 2,722 |
| | | <u>\$ 4,543,559</u> |

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District's deposits be collateralized in the name of the district by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2020, all certificates of deposit are entirely insured or collateralized with securities.

Investment Contracts with BOK Financial

Funds on deposit with BOK Financial are invested in investment contracts in which the District has a pro-rata share of the investment contract. The investment contracts are in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service.

Missouri Securities Investment Program

District funds in the Missouri Securities Investment Program are invested in cash management funds in which the District has a pro-rata share. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes and the cash management fund has a current rating of AAAm by Standards and Poor's.

The District has no interest rate risk policy.

4. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

unless the voters have approved a waiver of the rollback provision. The District has voted a full waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was:

| | |
|---------------------------------|-----------------------|
| Real estate | \$ 195,454,875 |
| Personal property | 61,211,827 |
| Total Assessed Valuation | \$ 256,666,702 |

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2019 for purposes of local taxation was:

| | Unadjusted | Adjusted |
|-------------------|-------------------|------------------|
| General Fund | \$ 3.0206 | \$ 3.0206 |
| Debt Service Fund | .9924 | .9924 |
| Total Levy | \$ 4.0130 | \$ 4.0130 |

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

5. General Obligation Bonds Payable

Bonds payable at June 30, 2020, consist of:

| | |
|---|------------|
| \$919,416 taxable general obligation qualified school construction bond issue dated June 30, 2010, due on March 1, 2025; interest at 5.4%. | \$ 919,416 |
| \$80,584 taxable general obligation qualified zone academy bond issue dated July 29, 2010, due on March 1, 2025; interest at 5.4%. | 80,584 |
| \$10,000,000 general obligation bonds dated December 29, 2014, due in varying installments through March 1, 2034; interest at 3.0% to 5.0%. | 215,000 |
| \$6,500,000 general obligation bonds dated January 20, 2016, due in varying installments through March 1, 2030; interest at 2.0% to 4.0%. | 300,000 |

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

| | |
|--|----------------------|
| \$10,000,000 general obligation bonds dated August 31, 2017, due in varying installments through March 1, 2034; interest at 2.25% to 3.2%. | 10,000,000 |
| \$9,420,000 general obligation bonds dated September 17, 2017, due in varying installments through March 1, 2025; interest at 2.0%. | 7,500,000 |
| \$5,940,000 General Obligation Refunding bonds dated December 11, 2019, due in varying installments through March 1, 2029; interest at 2.0% to 3.0%. | 5,940,000 |
| | <u>\$ 24,955,000</u> |

The following is a summary of bond transactions for the year ended at June 30, 2020:

| | |
|-------------------------------------|-----------------------------|
| | Total |
| Bonds Payable, July 1, 2019 | \$ 26,040,000 |
| Bonds Issued | 5,940,000 |
| Bonds Retired | (7,025,000) |
| Bonds Payable, June 30, 2020 | <u><u>\$ 24,955,000</u></u> |

Debt service requirements are:

| Year Ending June 30, | Principal | Interest | Principal Intercepts to Sinking Fund | Principal Payments from Sinking Fund | Total |
|-------------------------|----------------------|---------------------|--|--|----------------------|
| 2021 | \$ 1,615,000 | \$ 945,872 | \$ 137,101 | \$ - | \$ 2,697,973 |
| 2022 | 1,660,000 | 875,751 | 137,101 | - | 2,672,852 |
| 2023 | 1,705,000 | 842,550 | 137,101 | - | 2,684,651 |
| 2024 | 2,045,000 | 808,451 | 137,101 | - | 2,990,552 |
| 2025 | 2,050,000 | 767,550 | 137,101 | 1,000,000 | 3,954,651 |
| 2026 | 2,400,000 | 655,800 | - | - | 3,055,800 |
| 2027 | 2,205,000 | 548,400 | - | - | 2,753,400 |
| 2028 | 2,235,000 | 444,150 | - | - | 2,679,150 |
| 2029 | 2,040,000 | 335,600 | - | - | 2,375,600 |
| 2030 | 1,200,000 | 229,800 | - | - | 1,429,800 |
| 2031 | 1,200,000 | 146,400 | - | - | 1,346,400 |
| 2032 | 1,200,000 | 111,600 | - | - | 1,311,600 |
| 2033 | 1,200,000 | 75,600 | - | - | 1,275,600 |
| 2034 | 1,200,000 | 38,400 | - | - | 1,238,400 |
| | <u>\$ 23,955,000</u> | <u>\$ 6,825,924</u> | <u>\$ 685,505</u> | <u>\$ 1,000,000</u> | <u>\$ 32,466,429</u> |

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2020, was:

| | |
|---------------------------------------|-----------------------------|
| Constitutional debt limit | \$ 38,500,005 |
| General obligation bonds payable | (24,955,000) |
| Amount available in Debt Service Fund | <u>2,556,670</u> |
| Legal Debt Margin | <u>\$ 16,101,675</u> |

The interest and principal accumulation deposits on the Series QSCB issue will be intercepted under the Missouri Direct Deposit Program guidelines. Intercepts of various amounts are made by DESE each month during the year and deposited with BOK Financial. Beginning on March 1, 2019, and then on March 1 each year after that, \$131,345 of those funds are transferred to Southwest Missouri Bank and deposited in the principal accumulation account of the bond fund. On March 1, 2025, the principal accumulation deposits will pay in full the \$919,416 Series 2010B QSCB issue.

The interest and principal accumulation deposits on the Series QZAB issue will be intercepted under the Missouri Direct Deposit Program guidelines. Intercepts of various amounts are made by DESE each month during the year and deposited with BOK Financial. Beginning on March 1, 2012, and then on March 1 each year after that, \$5,756 of those funds are transferred to Southwest Missouri Bank and deposited in the principal accumulation account of the bond fund. On March 1, 2025, the principal accumulation deposits will pay in full the \$80,584 Series 2010C QZAB issue.

6. Retirement Plans

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

Plan Description: PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Sections 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

Plan Description: PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560 - 169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided: PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Benefits Provided: PEERS is a defined benefit plan providing service retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Cost-of-Living Adjustments (COLA): The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

Contributions: PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2018, 2019, and 2020. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions: PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2018, 2019, and 2020. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$2,086,133 and \$308,909, respectively, for the year ended June 30, 2020.

7. Leases Payable

During 2016, the District entered into a lease purchase agreement with Missouri Association of Rural Education in the amount of \$1,355,000 to fund various capital projects. This lease purchase has an interest rate that varies from 1.15% to 2.20%.

During 2016, the District entered into a lease purchase agreement with Missouri Association of Rural Education in the amount of \$2,495,000 to fund various capital projects. This lease purchase has an interest rate that varies from 3.25% to 4.00%.

During 2017, the District entered into a cancelable lease as lessee to finance the purchase of three 2017 Bluebird school buses with a total cost of \$243,000, plus interest at 1.55%.

During 2018, the District entered into a cancelable lease to purchase two 2019 school buses with a total cost of \$120,000, plus interest at 1.98% for four years.

During 2018, the District entered into a cancelable lease to purchase three 2018 school buses with a total cost of \$230,000, plus interest at 2.00% for four years.

During 2018, the District entered into a cancelable lease to purchase 1,250 Chromebooks at a total cost of \$280,000 plus interest at 3.00% for three years.

During 2020, the District entered into a cancelable lease to purchase three 2020 school buses at a total cost of \$331,836, plus interest at 2.55%.

During 2020, the District entered into a cancelable lease to purchase Chromebooks at a total cost of \$180,037, plus interest at 2.9%.

Although these agreements provide for cancellation of the leases at the District's option at the renewal dates, the District does not foresee exercising its options to cancel.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

The following is a schedule of the future minimum lease payments under these direct borrowing leases (assuming noncancellation):

| Year Ending June 30, | UMB Leases | Bus Leases | 2018 Bus Leases | 2019 Bus Leases | Chromebook Lease | MARE Lease | 2020 Bus Lease | Dell Lease | Total |
|------------------------|--------------------|------------------|--------------------|--------------------|---------------------|--------------------|-------------------|-------------------|---------------------|
| 2021 | \$ 184,560 | \$ 62,850 | \$ 60,286 | \$ 31,835 | \$ 74,629 | \$ 93,178 | \$ 70,775 | \$ 48,267 | \$ 626,380 |
| 2022 | 182,085 | - | 60,286 | 31,835 | 74,629 | 93,177 | 70,775 | 48,267 | 561,054 |
| 2023 | 184,280 | - | - | 31,834 | - | 93,178 | 70,775 | 48,267 | 428,334 |
| 2024 | 186,135 | - | - | - | - | 93,177 | 70,775 | - | 350,087 |
| 2025 | 182,635 | - | - | - | - | 93,178 | - | - | 275,813 |
| 2026-2030 | 183,960 | - | - | - | - | 1,146,818 | - | - | 1,330,778 |
| 2031-2035 | - | - | - | - | - | 1,316,725 | - | - | 1,316,725 |
| 2036-2038 | - | - | - | - | - | 794,598 | - | - | 794,598 |
| Total Minimum Payments | 1,103,655 | 62,850 | 120,572 | 95,504 | 149,258 | 3,724,029 | 283,100 | 144,801 | 5,683,769 |
| Less Interest | (73,655) | (618) | (3,197) | (3,715) | (6,555) | (1,229,029) | (18,100) | (13,032) | (1,347,901) |
| Net Lease Payments | <u>\$1,030,000</u> | <u>\$ 62,232</u> | <u>\$ 117,375</u> | <u>\$ 91,789</u> | <u>\$ 142,703</u> | <u>\$2,495,000</u> | <u>\$ 265,000</u> | <u>\$ 131,769</u> | <u>\$ 4,335,868</u> |

The following represents the changes in net lease payments for the year ended June 30, 2020:

| | |
|--------------------------------------|----------------------------|
| Leases Payable, July 1, 2019 | \$ 4,380,956 |
| Principal Lease Additions | 511,873 |
| Principal Lease Payments | (556,961) |
| Leases Payable, June 30, 2020 | <u><u>\$ 4,335,868</u></u> |

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

8. Compensated Absences Payable

Compensated absences payable consists of accumulated vacation by District personnel. Upon leaving the District the employee may be paid for accrued vacation days not to exceed 20 days at the employee's hourly wage. Employees are not paid for any accumulated sick days. Compensated absences payable at June 30, 2020, is \$64,899.

9. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2020, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

10. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

11. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2020, were as follows:

| | Transfers In | Transfers Out |
|-----------------------|---------------------|---------------------|
| General Fund | \$ - | 1,891,495 |
| Special Revenue Fund | 948,641 | - |
| Capital Projects Fund | 942,854 | - |
| | <u>\$ 1,891,495</u> | <u>\$ 1,891,495</u> |

The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balance as allowed by State law. State law also allows the District to transfer funds from the General Fund to the Special Revenue Fund to cover disbursements.

12. Post-Employment Benefits

In addition to the pension benefits described in Note 6, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

Carl Junction R-I School District

Notes to the Financial Statements

June 30, 2020

13. Risks & Uncertainties

During 2020, a strain of Coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet fully determinable, but will likely continue to be significant for both the District and the overall economy. COVID-19 has been identified as a significant risk and uncertainty that could impact future operations.

14. Current Year Refunding Bond

On October 28, 2019 the District issued \$5,940,000 in General Obligation refunding bonds with interest at 2.0% to 3.0%. The District issued the bonds to pay for the majority of the Series 2016 bonds outstanding principal on March 1, 2020.

As a result the district decreased its total debt service requirements by \$1,030,378, which resulted in an economic gain (a difference between the present value of the debt service payments on the old and new debt) of \$750,265.

Supplemental Information

Carl Junction R-I School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Receipts | | | | |
| Local | \$ 8,177,257 | \$ 9,407,000 | \$ 9,407,000 | \$ - |
| County | 425,000 | 527,070 | 527,070 | - |
| State | 680,000 | 486,041 | 486,041 | - |
| Federal | 1,354,000 | 1,357,774 | 1,357,774 | - |
| Total Receipts | 10,636,257 | 11,777,885 | 11,777,885 | - |
| Disbursements | | | | |
| Instruction | 2,243,628 | 2,033,012 | 2,033,012 | - |
| Student services | 720,080 | 755,892 | 755,892 | - |
| Instructional staff support | 383,074 | 406,025 | 406,025 | - |
| Building administration | 316,315 | 327,175 | 327,175 | - |
| General administration | 1,611,594 | 1,402,628 | 1,402,628 | - |
| Operation of plant | 2,246,176 | 2,260,734 | 2,260,734 | - |
| Transportation | 1,356,826 | 1,177,693 | 1,177,693 | - |
| Food services | 1,359,054 | 1,159,114 | 1,159,114 | - |
| Community services | 295,701 | 288,895 | 288,895 | - |
| Total Disbursements | 10,532,448 | 9,811,168 | 9,811,168 | - |
| <i>Excess of Receipts Over Disbursements</i> | 103,809 | 1,966,717 | 1,966,717 | - |
| Other Financing (Uses) | | | | |
| Net insurance recovery | - | 7,380 | 7,380 | - |
| Sale of other property | - | 246 | 246 | - |
| Operating transfers (out) | - | (1,891,495) | (1,891,495) | - |
| Total Other Financing (Uses) | - | (1,883,869) | (1,883,869) | - |
| <i>Excess of Receipts Over Disbursements and Other (Uses)</i> | 103,809 | 82,848 | 82,848 | - |
| Fund Balance, July 1, 2019 | 2,750,000 | 3,018,996 | 3,018,996 | - |
| Fund Balance, June 30, 2020 | <u>\$ 2,853,809</u> | <u>\$ 3,101,844</u> | <u>\$ 3,101,844</u> | <u>\$ -</u> |

See accompanying notes to the Budgetary Comparison Schedules.

Carl Junction R-I School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Local | \$ 3,541,603 | \$ 3,096,703 | \$ 3,096,703 | \$ - |
| County | 80,000 | 70,674 | 70,674 | - |
| State | 13,389,766 | 12,454,753 | 12,454,753 | - |
| Federal | 836,000 | 785,659 | 785,659 | - |
| Other | 110,000 | 104,611 | 104,611 | - |
| Total Receipts | <u>17,957,369</u> | <u>16,512,400</u> | <u>16,512,400</u> | <u>-</u> |
| Disbursements | | | | |
| Instruction | 13,976,911 | 13,345,017 | 13,345,017 | - |
| Student services | 985,019 | 1,074,089 | 1,074,089 | - |
| Instructional staff support | 670,500 | 618,598 | 618,598 | - |
| Building administration | 1,302,354 | 1,369,347 | 1,369,347 | - |
| General administration | 550,000 | 598,304 | 598,304 | - |
| Transportation | 17,860 | 32,953 | 32,953 | - |
| Food services | 8,794 | 26,613 | 26,613 | - |
| Community services | 445,931 | 396,120 | 396,120 | - |
| Total Disbursements | <u>17,957,369</u> | <u>17,461,041</u> | <u>17,461,041</u> | <u>-</u> |
| <i>(Deficit) of Receipts Over Disbursements</i> | - | (948,641) | (948,641) | - |
| Other Financing Sources | | | | |
| Operating transfers in | <u>-</u> | <u>948,641</u> | <u>948,641</u> | <u>-</u> |
| <i>Excess of Receipts and Other Sources Over Disbursements</i> | - | - | - | - |
| Fund Balance, July 1, 2019 | - | - | - | - |
| Fund Balance, June 30, 2020 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying notes to the Budgetary Comparison Schedules.

Carl Junction R-I School District

Budgetary Comparison Schedule – Debt Service Fund

Year Ended June 30, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|----------------------------|----------------------------|----------------------------|---|
| | Original | Final | Actual | |
| Receipts | | | | |
| Local | \$ 2,443,300 | \$ 2,925,256 | \$ 2,925,256 | \$ - |
| County | 85,000 | 98,604 | 98,604 | - |
| Total Receipts | <u>2,528,300</u> | <u>3,023,860</u> | <u>3,023,860</u> | <u>-</u> |
| Disbursements | | | | |
| Debt service | <u>1,662,451</u> | <u>7,863,692</u> | <u>7,863,692</u> | <u>-</u> |
| Total Disbursements | <u>1,662,451</u> | <u>7,863,692</u> | <u>7,863,692</u> | <u>-</u> |
| <i>Excess (Deficit) of Receipts Over Disbursements</i> | 865,849 | (4,839,832) | (4,839,832) | - |
| Other Financing Sources | | | | |
| Refunding bonds | <u>-</u> | <u>5,940,000</u> | <u>5,940,000</u> | <u>-</u> |
| <i>Excess of Receipts and Other Sources Over Disbursements</i> | 865,849 | 1,100,168 | 1,100,168 | - |
| Fund Balance, July 1, 2019 | <u>1,456,502</u> | <u>1,456,502</u> | <u>1,456,502</u> | <u>-</u> |
| Fund Balance, June 30, 2020 | <u><u>\$ 2,322,351</u></u> | <u><u>\$ 2,556,670</u></u> | <u><u>\$ 2,556,670</u></u> | <u><u>\$ -</u></u> |

See accompanying notes to the Budgetary Comparison Schedules.

Carl Junction R-I School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2020

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Receipts | | | | |
| Local | \$ 1,000,433 | \$ 493,175 | \$ 493,175 | \$ - |
| State | 25,000 | - | - | - |
| Federal | - | 250,000 | 250,000 | - |
| Total Receipts | <u>1,025,433</u> | <u>743,175</u> | <u>743,175</u> | <u>-</u> |
| Disbursements | | | | |
| Instruction | 102,616 | 148,221 | 148,221 | - |
| Student services | 6,950 | 1,526 | 1,526 | - |
| Instructional staff support | 13,000 | 10,593 | 10,593 | - |
| Building level administration | 4,550 | 12,462 | 12,462 | - |
| General administration | 244,434 | 178,921 | 178,921 | - |
| Operation of plant | 25,000 | 19,824 | 19,824 | - |
| Transportation | 260,000 | 299,689 | 299,689 | - |
| Food services | 23,000 | 1,782 | 1,782 | - |
| Community Services | 1,000 | 2,992 | 2,992 | - |
| Facilities acquisition and construction | 50,000 | 605,277 | 605,277 | - |
| Debt service | 294,883 | 412,241 | 412,241 | - |
| Total Disbursements | <u>1,025,433</u> | <u>1,693,528</u> | <u>1,693,528</u> | <u>-</u> |
| <i>(Deficit) of Receipts Over Disbursements</i> | - | (950,353) | (950,353) | - |
| Other Financing Sources | | | | |
| Sale of school buses | - | 7,500 | 7,500 | - |
| Operating transfers in | - | 942,854 | 942,854 | - |
| Total Other Financing Sources | <u>-</u> | <u>950,354</u> | <u>950,354</u> | <u>-</u> |
| <i>Excess of Receipts and Other Sources Over Disbursements</i> | - | 1 | 1 | - |
| Fund Balance, July 1, 2019 | 845,394 | 343,826 | 343,826 | - |
| Fund Balance, June 30, 2020 | <u>\$ 845,394</u> | <u>\$ 343,827</u> | <u>\$ 343,827</u> | <u>\$ -</u> |

See accompanying notes to the Budgetary Comparison Schedules.

Carl Junction R-I School District

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2020

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis).

Other Financial Information

Carl Junction R-I School District

Schedule of Receipts by Source

Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total |
|--------------------------------------|-----------------|----------------------------|-------------------------|-----------------------------|--------------|
| Local | | | | | |
| Current taxes | \$ 7,401,318 | \$ - | \$ 2,431,214 | \$ - | \$ 9,832,532 |
| Delinquent taxes | 381,422 | - | 98,361 | - | 479,783 |
| School district trust fund (Prop C) | - | 3,095,370 | - | - | 3,095,370 |
| Financial institution tax | 9 | - | 3 | - | 12 |
| M & M surtax | - | - | - | 304,616 | 304,616 |
| Regular day school tuition (K - 12) | | | | | |
| from Individuals | 5,740 | - | - | - | 5,740 |
| Earnings from temporary deposits | 117,279 | 1,220 | 395,678 | 89 | 514,266 |
| Food service - sales to pupils | 292,607 | - | - | - | 292,607 |
| Food service - sales to adults | 10,562 | - | - | - | 10,562 |
| Food service - non-program | 114,791 | - | - | - | 114,791 |
| Admissions - student activities | 58,830 | - | - | - | 58,830 |
| Other pupil activity income | 657,567 | - | - | - | 657,567 |
| PK tuition from parents | 179,593 | - | - | - | 179,593 |
| Rentals | 20,000 | - | - | 10,230 | 30,230 |
| Gifts | - | - | - | 159,090 | 159,090 |
| Prior period adjustment | 40,861 | - | - | - | 40,861 |
| Miscellaneous local revenue | 126,421 | 113 | - | 19,150 | 145,684 |
| Total Local | 9,407,000 | 3,096,703 | 2,925,256 | 493,175 | 15,922,134 |
| County | | | | | |
| Fines, escheats, etc. | - | 70,674 | - | - | 70,674 |
| State assessed utilities | 527,070 | - | 98,604 | - | 625,674 |
| Total County | 527,070 | 70,674 | 98,604 | - | 696,348 |
| State | | | | | |
| Basic formula - state monies | - | 11,406,612 | - | - | 11,406,612 |
| Transportation | 236,877 | - | - | - | 236,877 |
| Early childhood special education | 88,663 | 20,000 | - | - | 108,663 |
| Basic formula - classroom trust fund | - | 995,684 | - | - | 995,684 |
| Educational screening program/PAT | 60,500 | - | - | - | 60,500 |
| Career education | 6,561 | 21,677 | - | - | 28,238 |
| Food service - state | 10,461 | - | - | - | 10,461 |
| Residential placement/excess cost | 39,946 | - | - | - | 39,946 |
| High need fund - special education | 43,033 | - | - | - | 43,033 |
| Other | - | 10,780 | - | - | 10,780 |
| Total State | 486,041 | 12,454,753 | - | - | 12,940,794 |

Carl Junction R-I School District

Schedule of Receipts by Source

Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total |
|--|----------------------|----------------------------|-------------------------|-----------------------------|----------------------|
| Federal | | | | | |
| Medicaid | 48,132 | - | - | - | 48,132 |
| IDEA grants | 2,682 | - | - | - | 2,682 |
| IDEA entitlement funds, Part B IDEA | 610,852 | - | - | - | 610,852 |
| Early childhood special education - federal | 17,029 | 46,514 | - | - | 63,543 |
| School lunch program | 431,998 | - | - | - | 431,998 |
| School breakfast program | 104,039 | - | - | - | 104,039 |
| Title I - ESEA | 14,631 | 614,394 | - | - | 629,025 |
| Title IV.A student support and academic enrichment | 23,000 | 3,101 | - | - | 26,101 |
| Title II, part A&B, ESEA - teacher & principal | 7,000 | 121,020 | - | - | 128,020 |
| CARES- school lunch program | 60,294 | - | - | - | 60,294 |
| CARES - school breakfast program | 38,117 | - | - | - | 38,117 |
| Other - federal | - | 630 | - | 250,000 | 250,630 |
| Total Federal | 1,357,774 | 785,659 | - | 250,000 | 2,393,433 |
| Other Sources | | | | | |
| Net insurance recovery | 7,380 | - | - | - | 7,380 |
| Sale of school buses | - | - | - | 7,500 | 7,500 |
| Sale of other property | 246 | - | - | - | 246 |
| Refunding bonds | - | - | 5,940,000 | - | 5,940,000 |
| Contracted educational services | - | 104,611 | - | - | 104,611 |
| Total Other Sources | 7,626 | 104,611 | 5,940,000 | 7,500 | 6,059,737 |
| Total Receipts | <u>\$ 11,785,511</u> | <u>\$ 16,512,400</u> | <u>\$ 8,963,860</u> | <u>\$ 750,675</u> | <u>\$ 38,012,446</u> |

The above presentation agrees to the Annual Secretary of the Board Report.

Carl Junction R-I School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total |
|---|-----------------|----------------------------|-------------------------|-----------------------------|---------------|
| Certificated - regular salaries | \$ - | \$ 12,630,747 | \$ - | \$ - | \$ 12,630,747 |
| Certificated - administrators salaries | - | 443,118 | - | - | 443,118 |
| Certificated - part-time salaries | - | 192,848 | - | - | 192,848 |
| Certificated - other part-time salaries | - | 37,898 | - | - | 37,898 |
| Certificated supplemental pay | 900 | 239,190 | - | - | 240,090 |
| Certificated unused leave and/or severance pay | - | 33,640 | - | - | 33,640 |
| Classified salaries regular | 3,885,633 | 142,412 | - | - | 4,028,045 |
| Classified substitute salaries | 111,019 | 1,610 | - | - | 112,629 |
| Classified salaries - part-time | 556,458 | - | - | - | 556,458 |
| Classified employees unused leave and/or severance | 13,668 | - | - | - | 13,668 |
| Teacher's retirement | 1,808 | 2,072,751 | - | - | 2,074,559 |
| Non-teacher retirement | 304,950 | 2,688 | - | - | 307,638 |
| Old age survivor and disability (OASDI) | 262,511 | 29,961 | - | - | 292,472 |
| Medicare | 61,561 | 182,765 | - | - | 244,326 |
| Employee insurance | 445,902 | 1,108,482 | - | - | 1,554,384 |
| Workers' compensation insurance | 147,094 | - | - | - | 147,094 |
| Unemployment compensation | 6,000 | - | - | - | 6,000 |
| tuition | - | 342,931 | - | - | 342,931 |
| services | 2,729 | - | - | - | 2,729 |
| Pupil services | 480 | - | - | - | 480 |
| Audit services | 19,250 | - | - | - | 19,250 |
| Data processing and technology-related services | 224,684 | - | - | - | 224,684 |
| Legal services | 2,881 | - | - | - | 2,881 |
| Election services | 15 | - | - | - | 15 |
| Other professional services | 6,646 | - | - | - | 6,646 |
| Repairs and maintenance | 152,180 | - | - | - | 152,180 |
| Rentals - land and buildings | 14,900 | - | - | - | 14,900 |
| Rentals - equipment | 25,449 | - | - | - | 25,449 |
| Water and sewer | 35,219 | - | - | - | 35,219 |
| Trash removal | 43,145 | - | - | - | 43,145 |
| Other transportation services | 184 | - | - | - | 184 |
| Travel | 68,646 | - | - | - | 68,646 |
| Property insurance | 254,113 | - | - | - | 254,113 |
| Liability insurance | 19,018 | - | - | - | 19,018 |
| Communication | 70,529 | - | - | - | 70,529 |
| Advertising | 2,711 | - | - | - | 2,711 |
| Dues and membership | 35,257 | - | - | - | 35,257 |
| Other purchased services | 1,075,445 | - | - | - | 1,075,445 |
| General supplies (excludes 6412) | 692,027 | - | - | - | 692,027 |
| Supplies - technology- related | 28,472 | - | - | - | 28,472 |
| Textbook | 139,982 | - | - | - | 139,982 |
| Library books | 34,371 | - | - | - | 34,371 |

Carl Junction R-I School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total |
|--|----------------------------|-------------------------------------|----------------------------------|--------------------------------------|----------------------------|
| Food supplies - exclude non-food supplies | 478,192 | - | - | - | 478,192 |
| Electric | 462,165 | - | - | - | 462,165 |
| Gas - natural | 43,682 | - | - | - | 43,682 |
| Gasoline/diesel | 81,292 | - | - | - | 81,292 |
| Buildings | - | - | - | 499,241 | 499,241 |
| Improvements other than buildings | - | - | - | 106,037 | 106,037 |
| Regular equipment | - | - | - | 387,336 | 387,336 |
| Pupil transportation vehicles - school buses | - | - | - | 288,673 | 288,673 |
| Principal - bonded indebtedness | - | - | 7,025,000 | - | 7,025,000 |
| Principal - lease purchase | - | - | - | 280,564 | 280,564 |
| Interest - bonded indebtedness | - | - | 754,350 | - | 754,350 |
| Interest - lease purchase | - | - | - | 131,677 | 131,677 |
| Fees - bonded indebtedness | - | - | 84,342 | - | 84,342 |
| Total Disbursements | <u><u>\$ 9,811,168</u></u> | <u><u>\$17,461,041</u></u> | <u><u>\$ 7,863,692</u></u> | <u><u>\$ 1,693,528</u></u> | <u><u>\$36,829,429</u></u> |

The above presentation agrees to the Annual Secretary of the Board Report.

Carl Junction R-I School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2020

| | District Owned | Disabled District Owned | Total |
|---------------------------------|---------------------------|--|---------------------|
| Administrative salaries | \$ 24,388 | \$ - | \$ 24,388 |
| Non-certified salaries | 711,120 | 91,423 | 802,543 |
| Employee benefits | 158,706 | 12,414 | 171,120 |
| Purchased services | 49,663 | - | 49,663 |
| Supplies | 142,280 | 8,038 | 150,318 |
| Capital outlay | 2,487 | 8,528 | 11,015 |
| Depreciation, net of adjustment | 222,979 | - | 222,979 |
| | <u>\$ 1,311,623</u> | <u>\$ 120,403</u> | <u>\$ 1,432,026</u> |
| School buses lease/purchased | | | |
| Principal | <u>\$ 288,673</u> | | |
| Interest | <u>\$ 9,613</u> | | |

Other Reporting Requirements



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Carl Junction R-I School District
Carl Junction, MO

We have audited, in accordance with the 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 accompanying financial statements of the governmental activities and each major fund of Carl Junction R-I School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carl Junction R-I School District's basic financial statements and have issued our report thereon dated December 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Carl Junction R-I School District's internal control over financial reporting (internal control) as a basis for designing 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 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 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 financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be material weakness.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Carl Junction R-I School District's financial statements are 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 financial statements. 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*.

Response to Findings

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 11, 2020



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education
Carl Junction R-I School District
Carl Junction, MO

Report on Compliance for Each Major Federal Program

We have audited Carl Junction R-I School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carl Junction R-I School District's major federal programs for the year ended June 30, 2020. The Carl Junction R-I School District's major federal 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Carl Junction R-I School 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 Carl Junction R-I School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Carl Junction R-I School 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, 2020.

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343

Report on Internal Control over Compliance

Management of the Carl Junction R-I School 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 Carl Junction R-I School 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 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 11, 2020

Carl Junction R-I School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

| <u>Federal Grantor Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Grantor's Number</u> | <u>Passed-through to Subrecipient</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|--|---|---------------------------------|
| U.S Department of Agriculture | | | | |
| Missouri Department of Elementary and Secondary Education | | | | |
| Child Nutrition Cluster | | | | |
| School Breakfast Program | 10.553 | 20199N109943 | \$ - | \$ 22,628 |
| | | 20200N109943 | - | 81,410 |
| | | | - | 104,038 |
| National School Lunch Program - Cash | 10.555 | 20199N109943 | - | 110,202 |
| National School Lunch Program - Cash | 10.555 | 20200N109943 | - | 321,796 |
| COVID-19 National School Lunch Program - Cash | 10.555 | 2020N850343 | - | 98,412 |
| National School Lunch Program - Commodities | 10.555 | 049-132 | - | 91,874 |
| | | | - | 622,284 |
| Total Child Nutrition Cluster | | | - | 726,322 |
| Total U.S Department of Agriculture | | | - | 726,322 |
| U.S. Department of Education | | | | |
| Missouri Department of Elementary and Secondary Education | | | | |
| Title I Grants to LEAs | 84.010 | S010A180025 | - | 143,257 |
| | | S010A190025 | - | 485,888 |
| | | | - | 629,145 |
| Special Education Grants Cluster | | | | |
| Special Education Grants to States | 84.027 | H027A180040 | - | 326,284 |
| | | H027A190040 | - | 339,664 |
| | | | - | 665,948 |
| Special Education Preschool Grants | 84.173 | H173A180103 | - | 4,606 |
| | | H173A190103 | - | 12,423 |
| | | | - | 17,029 |
| Total Special Education Grants Cluster | | | - | 682,977 |
| COVID-19 Education Stabilization Fund | 84.425D | S425D200021 | - | 548,960 |
| | | | - | 548,960 |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Carl Junction R-I School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

| Federal Grantor Pass Through Grantor/Program Title | Federal CFDA Number | Pass-through Grantor's Number | Passed-through to Subrecipient | Federal Expenditures |
|---|------------------------------------|--|---|---------------------------------|
| Supporting Effective Instruction State Grants | 84.367 | S367A180024 | - | 56,944 |
| | | S367A190024 | - | 71,056 |
| | | | - | 128,000 |
| Student Support and Academic Enrichment Program | 84.424 | S424A180026 | - | 20,216 |
| | | S424A190026 | - | 5,886 |
| | | | - | 26,102 |
| Total U.S. Department of Education | | | - | 2,015,184 |
| U.S Department of the Interior | | | | |
| Missouri Department of Natural Resources | | | | |
| Outdoor Recreation Acquisition, Development and | | | | |
| Planning | 15.916 | 049-132 | - | 250,630 |
| Total U.S. Department of the Interior | | | - | 250,630 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 2,992,136 |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Carl Junction R-I School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's financial statements.
2. Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
3. The District did not provide funds to subrecipients in the current year.
4. The District has not elected to use the 10% de minimis indirect cost rate.

Carl Junction R-I School District

Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I: Summary Schedule of Audit Results

| Financial Statements | | | | | | | | |
|---|---------------------------------------|---------------|----------------|------------------------------------|---------|---------------------------------------|-----------------|----------------------------------|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting: | | Unmodified | | | | | | |
| Internal Control over Financial Reporting: | | | | | | | | |
| Material weakness(es) identified? | | Yes | | | | | | |
| Significant deficiency(ies) identified? | | None Reported | | | | | | |
| Noncompliance material to financial statements noted? | | No | | | | | | |
| Federal Awards | | | | | | | | |
| Internal control over major federal programs: | | | | | | | | |
| Material weakness(es) identified? | | No | | | | | | |
| Significant deficiency(ies) identified? | | None Reported | | | | | | |
| Type of auditors' report issued on compliance for major federal programs: | | Unmodified | | | | | | |
| Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? | | No | | | | | | |
| Identification of major federal programs: <table style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">CFDA Number(s)</th> <th style="text-align: center;">Name of Federal Program or Cluster</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">84.425D</td> <td style="text-align: center;">COVID-19 Education Stabilization Fund</td> </tr> <tr> <td style="text-align: center;">84.027 & 84.173</td> <td style="text-align: center;">Special Education Grants Cluster</td> </tr> </tbody> </table> | | | CFDA Number(s) | Name of Federal Program or Cluster | 84.425D | COVID-19 Education Stabilization Fund | 84.027 & 84.173 | Special Education Grants Cluster |
| CFDA Number(s) | Name of Federal Program or Cluster | | | | | | | |
| 84.425D | COVID-19 Education Stabilization Fund | | | | | | | |
| 84.027 & 84.173 | Special Education Grants Cluster | | | | | | | |
| Dollar threshold used to distinguish between type A and type B programs: | | \$750,000 | | | | | | |
| Auditee qualified as low-risk auditee? | | No | | | | | | |

Carl Junction R-I School District

Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section II: Financial Statement Findings

2020-001 Segregation of duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The District currently has one full time bookkeeper and a payables clerk to handle the accounting needs of the District. There are some mitigating controls in place but it is not possible to have segregation in all areas.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Repeat Finding: This is a repeat finding from the previous audit, 2019-001

Section III: Federal Award Findings and Questioned Costs

None

Carl Junction R-I School District

Schedule of Prior Audit Findings

Year Ended June 30, 2020

Financial Statement Finding

2019-001 Segregation of duties

Auditors' Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Status: Uncorrected



December 11, 2020

U.S. Department of Education

Carl Junction R-I School District respectfully submits the following corrective action plan for the year ended June 30, 2020. Contact information for the individual responsible for the corrective action:

Dr. Phil Cook, Superintendent
Carl Junction R-I School District
206 S. Roney
Carl Junction, MO 64834
(417) 649-7026

Independent Public Accounting Firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804

Audit Period: Year ended June 30, 2020

The findings from the June 30, 2020, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statement Audit

Material Weakness

2020-001 Segregation of duties

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Action Taken: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Completion Date: Not applicable

Sincerely,

Dr. Phil Cook, Superintendent
Carl Junction R-I School District

Supplementary State Information



Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education
Carl Junction R-I School District
Carl Junction, Missouri

We have examined management's assertions that Carl Junction R-I School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2020. Carl Junction R-I School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, District management, and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 11, 2020

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

| School Code | Begin Grade | End Grade | Half Day Indicator | Standard Day Length | Days | Hours in Session |
|-------------|-------------|-----------|--------------------|---------------------|--------|------------------|
| 4040 | K | 1 | - | 6.66 | 128.00 | 817.50 |
| 4050 | 2 | 3 | - | 6.66 | 128.00 | 817.50 |
| 4050 | 4 | 6 | - | 6.83 | 128.00 | 838.50 |
| 2050 | 7 | 8 | - | 6.62 | 128.00 | 811.40 |
| 1050 | 9 | 12 | - | 6.58 | 128.00 | 807.17 |
| 6010 | 4 | 12 | - | 6.65 | 128.00 | 817.23 |

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

| School Code | Grade Level | Full-Time | Part-Time | Remedial Hours | Other | Summer School | Total |
|--------------------|-------------|---------------------|-----------------|-----------------|-----------------|------------------|---------------------|
| | K | 203,012.21 | 556.09 | 124.00 | 284.25 | 3,088.90 | 207,065.45 |
| | 1 | 175,431.05 | - | 35.50 | 104.00 | 8,556.90 | 184,127.45 |
| | 2 | 204,580.65 | 17.00 | 312.00 | 296.05 | 8,771.62 | 213,977.32 |
| | 3 | 181,097.00 | - | 214.00 | 549.32 | 6,124.33 | 187,984.65 |
| | 4 | 181,885.23 | - | 101.00 | - | 5,831.23 | 187,817.46 |
| | 5 | 187,644.10 | - | 228.00 | 299.33 | 6,060.28 | 194,231.71 |
| | 6 | 208,802.98 | 696.28 | 276.50 | 240.00 | 5,118.18 | 215,133.94 |
| | 7 | 178,256.41 | - | 299.00 | 222.00 | 3,517.43 | 182,294.84 |
| | 8 | 198,996.07 | - | 114.00 | 51.00 | 4,757.85 | 203,918.92 |
| | 9 | 186,948.44 | - | 196.15 | 267.00 | 1,321.67 | 188,733.26 |
| | 10 | 208,510.41 | 37.75 | 154.87 | 120.00 | 3,472.83 | 212,295.86 |
| | 11 | 170,224.12 | 370.75 | 181.65 | - | 2,894.98 | 173,671.50 |
| | 12 | 155,807.15 | - | - | 659.08 | 2,867.07 | 159,333.30 |
| Grand Total | K-12 | 2,441,195.82 | 1,677.87 | 2,236.67 | 3,092.03 | 62,383.27 | 2,510,585.66 |

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

| School Code | Grade Level | Full-Time | Part-Time | Other | Total |
|--------------------|-------------|-----------------|-------------|----------|-----------------|
| | K | 263.00 | 0.67 | - | 263.67 |
| | 1 | 227.00 | 0.20 | - | 227.20 |
| | 2 | 266.00 | 0.10 | - | 227.20 |
| | 3 | 232.00 | - | - | 232.00 |
| | 4 | 226.00 | - | - | 232.00 |
| | 5 | 235.00 | - | - | 235.00 |
| | 6 | 262.00 | 0.93 | - | 235.00 |
| | 7 | 235.00 | - | - | 235.00 |
| | 8 | 260.00 | - | - | 235.00 |
| | 9 | 247.00 | - | - | 247.00 |
| | 10 | 274.00 | 0.50 | - | 247.00 |
| | 11 | 231.00 | 0.50 | - | 231.50 |
| | 12 | 223.00 | - | - | 231.50 |
| Grand Total | K-12 | 3,181.00 | 2.90 | - | 3,183.90 |

| | |
|--------|--|
| Notes: | |
| | |
| | |
| | |

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

| School Code | Free Lunch | Reduced Lunch | DESEG In Free | DESEG In Reduced | Total |
|--------------------|---------------|---------------|---------------|------------------|-----------------|
| 4040 | 162.00 | 45.00 | - | - | 207.00 |
| 4050 | 151.00 | 38.00 | - | - | 189.00 |
| 4060 | 230.00 | 69.00 | - | - | 299.00 |
| 2050 | 157.00 | 44.00 | - | - | 201.00 |
| 1050 | 201.50 | 63.00 | - | - | 264.50 |
| 6010 | 24.25 | - | - | - | 24.25 |
| Grand Total | 925.75 | 259.00 | - | - | 1,184.75 |

5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

| Section | Question | Answer |
|---------|--|--------|
| 5.1 | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported. | True |
| 5.2 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories: | |
| | Academic Programs Off-Campus | True |
| | Career Exploration Program – Off Campus | True |
| | Cooperative Occupational Education (COE) or Supervised Occupational Experience Program | True |
| | Dual enrollment | True |
| | Homebound instruction | True |
| | Missouri Options | N/A |
| | Prekindergarten eligible to be claimed for state aid | True |
| | Remediation | True |
| | Sheltered Workshop participation | N/A |
| | Students participating in the school flex program | N/A |
| | Traditional instruction (full and part-time students) | True |
| | Virtual instruction (MOCAP or other option) | True |
| | Work Experience for Students with Disabilities | True |
| 5.3 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations. | True |

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

| | | |
|------|--|----------|
| 5.4 | The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | True |
| 5.5 | As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of: | \$50,000 |
| 5.6 | The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | True |
| 5.7 | The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools) | True |
| 5.8 | Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. | True |
| 5.9 | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools) | N/A |
| 5.10 | The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. | True |
| 5.11 | The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools) | True |
| 5.12 | The amount spent for approved professional development committee plan activities was: | \$98,499 |
| 5.13 | The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo. | True |

Notes:

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

| |
|--|
| |
| |

All above "False" answers must be supported by a finding or management letter comment.

| | |
|----------------------------|------|
| Finding: | None |
| | |
| | |
| Management Letter Comment: | None |

6. Transportation (Section 163.161, RSMo)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

| Section | Question | Answer |
|---------|--|---------|
| 6.1 | The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. | True |
| 6.2 | The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. | True |
| 6.3 | Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was: | |
| | Eligible ADT | 2,189 |
| | Ineligible ADT | 23 |
| 6.4 | The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. | True |
| 6.5 | Actual odometer records show the total district/charter-operated and contracted mileage for the year was: | 305,151 |
| 6.6 | Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was: | |
| | Eligible Miles (including food/instructional delivery miles 2019-20) | 240,663 |
| | Ineligible Miles (Non-Route/Disapproved) | 64,488 |

Carl Junction R-I School District

Schedule of Selected Statistics

Year Ended June 30, 2020

| | | |
|-----|--|-----|
| 6.7 | Number of days the district/charter school operated the school transportation system during the regular school year: | 128 |
|-----|--|-----|

Notes:

| |
|--|
| |
| |
| |
| |

All above "False" answers must be supported by a finding or management letter comment.

Finding:

None

Management Letter Comment:

None