

Laclede County C-5 School District
Lebanon, Missouri

BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

KPM
CPAS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Education
Laclede County C-5 School District
Lebanon, Missouri

We have audited the basic financial statements of the governmental activities and each major fund of the Laclede County C-5 School District as of and for the year ended June 30, 2018, 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 A; 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.

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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 Laclede County C-5 School District as of June 30, 2018, and the respective changes in the modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A 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 on pages 25-28, 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 Laclede County C-5 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Board of Education
Laclede County C-5 School District
Lebanon, Missouri

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 November 30, 2018, 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
November 30, 2018

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 64,913
Investments	<u>2,926,309</u>
TOTAL ASSETS	<u><u>\$ 2,991,222</u></u>
NET POSITION	
Restricted for student activities	\$ 4,772
Restricted for professional development	3,105
Unrestricted	<u>2,983,345</u>
TOTAL NET POSITION	<u><u>\$ 2,991,222</u></u>

See accompanying notes

LACLEDE COUNTY C-5 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended June 30, 2018

	Cash Disbursements	Program Cash Receipts			Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:					
Instruction	\$ (3,709,884)	\$ 58,698	\$ 314,472	\$ -	\$ (3,336,714)
Student services	(106,970)	-	-	-	(106,970)
Instructional staff support	(54,710)	-	23,899	-	(30,811)
Building administration	(191,295)	-	-	-	(191,295)
General administration	(156,611)	-	-	-	(156,611)
Operation of plant	(357,480)	-	-	-	(357,480)
Transportation	(226,379)	-	52,797	-	(173,582)
Food service	(325,288)	2,092	252,939	-	(70,257)
Community services	(151,063)	-	87,074	-	(63,989)
Facilities acquisition and construction	(1,393,446)	-	-	936,560	(456,886)
Debt service	(91,081)	-	-	-	(91,081)
NET PROGRAM (DISBURSEMENTS) RECEIPTS	<u>\$ (6,764,207)</u>	<u>\$ 60,790</u>	<u>\$ 731,181</u>	<u>\$ 936,560</u>	(5,035,676)
General Receipts:					
Ad valorem tax receipts					992,963
Prop C sales tax receipts					594,436
Other tax receipts					1,236
County receipts					100,546
State receipts					2,594,542
Interest receipts					41,524
Other receipts					16,637
TOTAL GENERAL RECEIPTS					4,341,884
Special Items:					
Sale of school buses					1,669
Sale of other property					401
TOTAL SPECIAL ITEMS					2,070
(DECREASE) IN NET POSITION					(691,722)
NET POSITION - Beginning of year					3,682,944
NET POSITION - End of year					<u>\$ 2,991,222</u>

See accompanying notes

FUND FINANCIAL STATEMENTS

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS
 June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 64,913	\$ -	\$ -	\$ 64,913
Investments	1,525,264	-	1,401,045	2,926,309
TOTAL ASSETS	<u>\$ 1,590,177</u>	<u>\$ -</u>	<u>\$ 1,401,045</u>	<u>\$ 2,991,222</u>
FUND BALANCES				
Restricted for:				
Student activities	\$ 4,772	\$ -	\$ -	\$ 4,772
Professional development	3,105	-	-	3,105
Assigned for capital outlay	-	-	1,401,045	1,401,045
Unassigned	1,582,300	-	-	1,582,300
TOTAL FUND BALANCES	<u>\$ 1,590,177</u>	<u>\$ -</u>	<u>\$ 1,401,045</u>	<u>\$ 2,991,222</u>

See accompanying notes

LACLEDE COUNTY C-5 SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
RECEIPTS				
Local	\$ 1,015,031	\$ 594,948	\$ 97,607	\$ 1,707,586
County	63,384	30,243	6,919	100,546
State	64,483	2,412,538	205,903	2,682,924
Federal	252,272	390,527	936,560	1,579,359
TOTAL RECEIPTS	1,395,170	3,428,256	1,246,989	6,070,415
DISBURSEMENTS				
Instruction	486,754	3,198,842	24,288	3,709,884
Student services	52,294	54,676	-	106,970
Instructional staff support	53,633	-	1,077	54,710
Building administration	105,143	86,152	-	191,295
General administration	27,768	128,843	-	156,611
Operation of plant	353,959	-	3,521	357,480
Transportation	203,440	7,239	15,700	226,379
Food service	325,288	-	-	325,288
Community services	55,711	95,352	-	151,063
Facilities acquisition and construction	-	-	1,393,446	1,393,446
Debt service	-	-	91,081	91,081
TOTAL DISBURSEMENTS	1,663,990	3,571,104	1,529,113	6,764,207
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(268,820)	(142,848)	(282,124)	(693,792)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	142,848	-	142,848
Operating transfers (out)	(142,848)	-	-	(142,848)
Sale of school buses	-	-	1,669	1,669
Sale of other property	401	-	-	401
TOTAL OTHER FINANCING SOURCES (USES)	(142,447)	142,848	1,669	2,070
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(411,267)	-	(280,455)	(691,722)
FUND BALANCE, July 1, 2017	2,001,444	-	1,681,500	3,682,944
FUND BALANCE, June 30, 2018	\$ 1,590,177	\$ -	\$ 1,401,045	\$ 2,991,222

See accompanying notes

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting which is characteristic of local governmental units of this type.

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government, which is 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 unit.

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 balance, 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 basic 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 non-certified 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.

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.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 balance, 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 comprehensive basis 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 expenditures (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 utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the invoice for the capital item is paid.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Teachers' Salaries

The salary payment schedule of the District for the 2017-2018 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2018, payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents. Investments of the pooled accounts consist primarily of money market accounts and certificates of deposit, carried at cost, which approximates market.

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.

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.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE B – CASH AND 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, 2018, all bank balances on deposit are entirely insured or collateralized with securities.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE C – INVESTMENTS

Investments of the District as of June 30, 2018, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	3/21/2019 - 11/14/2021	\$ 850,529
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	1,675,780
Missouri Securities Investment Program (MOSIP) - Certificates of Deposit	6/6/2019	400,000
		<u>\$ 2,926,309</u>

Certificate of Deposit

Certificates of deposit 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, 2018, all certificates of deposit are entirely insured or collateralized with securities.

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 of the Missouri Revised Statutes. The cash management fund has a current rating of AAAM from Standard and Poor’s. Fair market value approximates cost.

The District does not have a policy on interest rate risk.

NOTE D – 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.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE D – TAXES (continued)

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 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 2017 for purposes of local taxation was:

Real estate	\$ 22,056,590
Personal property	<u>8,448,752</u>
TOTAL ASSESSED VALUATION	<u><u>\$ 30,505,342</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2017 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.0000	\$ 3.0000
Capital Projects Fund	<u>.2724</u>	<u>.2724</u>
TOTAL LEVY	<u><u>\$ 3.2724</u></u>	<u><u>\$ 3.2724</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2018, aggregated approximately 99 percent of the current assessment computed on the basis of the levy as shown above.

NOTE E – LEASES PAYABLE

Leases payable at June 30, 2018, consist of:

\$81,435 school bus lease purchase dated December 30, 2015, due in varying annual installments through February 1, 2020; interest at 4.00%.	\$ 33,290
\$751,838 refunding lease certificates of participation issue dated February 22, 2016, due in varying annual installments through March 1, 2025; interest at 2.67%.	<u>564,048</u>
	<u><u>\$ 597,338</u></u>

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE E – LEASES PAYABLE (continued)

The following is a summary of lease transactions for the year ended June 30, 2018:

Leases Payable, July 1, 2017	\$ 685,530
Net Lease Additions	-
Net Lease Retirements	(88,192)
Leases Payable, June 30, 2018	<u>\$ 597,338</u>

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 90,544	\$ 16,237	\$ 106,781
2020	93,304	13,477	106,781
2021	78,450	10,691	89,141
2022	80,588	8,553	89,141
2023	82,785	6,356	89,141
2024	85,031	4,110	89,141
2025	86,636	2,505	89,141
	<u>\$ 597,338</u>	<u>\$ 61,929</u>	<u>\$ 659,267</u>

NOTE F – 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.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE F – RETIREMENT PLANS (continued)

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.

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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 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 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement. Actuarially age-reduced benefits are available for members with 5 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.

NOTE F – RETIREMENT PLANS (continued)

Benefits Provided. PEERS is a defined benefit plan providing 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 5 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.

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.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2016, 2017, and 2018. 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 2016, 2017, and 2018. 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 \$284,280 and \$50,309, respectively, for the year ended June 30, 2018.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psr-peers.org.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE G – CLAIMS AND 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, 2018, 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.

NOTE H – 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.

NOTE I – INTERFUND TRANSFERS

Transfers between funds of the District for the year ended June 30, 2018, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 142,848
Special Revenue Fund	142,848	-
	<u>\$ 142,848</u>	<u>\$ 142,848</u>

The District is required to make a transfer from the General Fund to the Special Revenue Fund to cover the excess of disbursements over receipts each year, if applicable.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE J – POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note F, 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 subject 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.

NOTE K – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of accumulated sick leave by District employees. The District's policy allows employees to accumulate sick days. Anyone leaving the District is paid at the rate of \$25 for any unused days. Total compensated absences payable at June 30, 2018, was \$62,537.

NOTE L – COMMITMENTS

The District had the following commitments at June 30, 2018:

- \$38,369 to Toth and Associates, Inc for consulting services and grant administration related to the FEMA project.
- \$655,955 to Bales Construction Company for construction related to the FEMA and non-FEMA projects.
- \$10,139 to Sapp Design for services related to the FEMA project.

SUPPLEMENTARY INFORMATION

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Local	\$ 1,040,573	\$ 1,015,031	\$ 1,015,031	\$ -
County	77,814	63,384	63,384	-
State	73,084	64,483	64,483	-
Federal	186,278	252,272	252,272	-
TOTAL RECEIPTS	<u>1,377,749</u>	<u>1,395,170</u>	<u>1,395,170</u>	<u>-</u>
DISBURSEMENTS				
Instruction	431,810	486,754	486,754	-
Student services	53,598	52,294	52,294	-
Instructional staff support	41,500	53,633	53,633	-
Building administration	91,196	105,143	105,143	-
General administration	40,340	27,768	27,768	-
Operation of plant	363,046	353,959	353,959	-
Transportation	212,024	203,440	203,440	-
Food service	273,425	325,288	325,288	-
Community services	57,704	55,711	55,711	-
TOTAL DISBURSEMENTS	<u>1,564,643</u>	<u>1,663,990</u>	<u>1,663,990</u>	<u>-</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(186,894)	(268,820)	(268,820)	-
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(110,742)	(142,848)	(142,848)	-
Sale of other property	-	401	401	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(110,742)</u>	<u>(142,447)</u>	<u>(142,447)</u>	<u>-</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	(297,636)	(411,267)	(411,267)	-
FUND BALANCE, July 1, 2017	<u>2,001,444</u>	<u>2,001,444</u>	<u>2,001,444</u>	<u>-</u>
FUND BALANCE, June 30, 2018	<u>\$ 1,703,808</u>	<u>\$ 1,590,177</u>	<u>\$ 1,590,177</u>	<u>\$ -</u>

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Local	\$ 548,886	\$ 594,948	\$ 594,948	\$ -
County	25,430	30,243	30,243	-
State	2,461,487	2,412,538	2,412,538	-
Federal	376,392	390,527	390,527	-
TOTAL RECEIPTS	3,412,195	3,428,256	3,428,256	-
DISBURSEMENTS				
Instruction	3,113,520	3,198,842	3,198,842	-
Student services	92,556	54,676	54,676	-
Building administration	85,256	86,152	86,152	-
General administration	131,670	128,843	128,843	-
Transportation	6,952	7,239	7,239	-
Community services	92,983	95,352	95,352	-
TOTAL DISBURSEMENTS	3,522,937	3,571,104	3,571,104	-
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(110,742)	(142,848)	(142,848)	-
OTHER FINANCING SOURCES				
Operating transfers in	110,742	142,848	142,848	-
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	-	-	-	-
FUND BALANCE, July 1, 2017	-	-	-	-
FUND BALANCE, June 30, 2018	\$ -	\$ -	\$ -	\$ -

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Local	\$ -	\$ 97,607	\$ 97,607	\$ -
County	-	6,919	6,919	-
State	207,305	205,903	205,903	-
Federal	-	936,560	936,560	-
TOTAL RECEIPTS	207,305	1,246,989	1,246,989	-
DISBURSEMENTS				
Instruction	24,893	24,288	24,288	-
Instructional staff support	-	1,077	1,077	-
Operation of plant	15,419	3,521	3,521	-
Transportation	15,554	15,700	15,700	-
Facilities acquisition and construction	67,606	1,393,446	1,393,446	-
Debt service	94,430	91,081	91,081	-
TOTAL DISBURSEMENTS	217,902	1,529,113	1,529,113	-
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(10,597)	(282,124)	(282,124)	-
OTHER FINANCING SOURCES				
Net insurance recovery	2,564	-	-	-
Sale of school buses	2,000	1,669	1,669	-
TOTAL OTHER FINANCING SOURCES	4,564	1,669	1,669	-
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(6,033)	(280,455)	(280,455)	-
FUND BALANCE, July 1, 2017	1,681,500	1,681,500	1,681,500	-
FUND BALANCE, June 30, 2018	\$ 1,675,467	\$ 1,401,045	\$ 1,401,045	\$ -

LACLEDE COUNTY C-5 SCHOOL DISTRICT
NOTE TO BUDGETARY COMPARISON SCHEDULES
June 30, 2018

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. The Laclede County C-5 School District Educational Facilities Authority is a not-for-profit entity and, therefore, no budget is required to be prepared for those funds.
- 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

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
LOCAL				
Current taxes	\$ 757,653	\$ -	\$ 68,807	\$ 826,460
Delinquent taxes	152,643	-	13,860	166,503
School district trust fund (Prop C)	-	594,436	-	594,436
M & M surtax	1,236	-	-	1,236
Reg day school tuition (K-12) from individuals	-	493	-	493
Earnings on investments	41,505	19	-	41,524
Food service program	2,092	-	-	2,092
Student activities	43,265	-	14,940	58,205
Miscellaneous local revenue	16,637	-	-	16,637
TOTAL LOCAL	1,015,031	594,948	97,607	1,707,586
COUNTY				
Fines, escheats, etc.	-	30,243	-	30,243
State assessed utilities	63,384	-	6,919	70,303
TOTAL COUNTY	63,384	30,243	6,919	100,546
STATE				
Basic formula - state monies	-	2,389,920	-	2,389,920
Transportation	52,797	-	-	52,797
Early childhood special education	9,209	-	-	9,209
Basic formula - classroom trust fund	-	22,618	205,903	228,521
Educational screening program/PAT	525	-	-	525
Food service	1,952	-	-	1,952
TOTAL STATE	64,483	2,412,538	205,903	2,682,924
FEDERAL				
IDEA	-	127,996	-	127,996
Early childhood special education	1,285	-	-	1,285
School lunch program	151,386	-	-	151,386
School breakfast program	99,601	-	-	99,601
Title I	-	169,554	-	169,554
Title IV.A student support and academic enrichment	-	9,987	-	9,987
Title II.A	-	25,915	-	25,915
Federal emergency mgt agency (FEMA) funds	-	-	936,560	936,560
Title V.B rural education achievement program	-	57,075	-	57,075
TOTAL FEDERAL	252,272	390,527	936,560	1,579,359
OTHER SOURCES				
Sale of school buses	-	-	1,669	1,669
Sale of other property	401	-	-	401
TOTAL OTHER SOURCES	401	-	1,669	2,070
TOTAL RECEIPTS	<u>\$ 1,395,571</u>	<u>\$ 3,428,256</u>	<u>\$ 1,248,658</u>	<u>\$ 6,072,485</u>

The above presentation is in accordance with the Annual Secretary of the Board Report.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
Salaries	\$ 639,616	\$ 1,854,143	\$ -	\$ 2,493,759
Teacher's retirement	1,737	281,597	-	283,334
Non-teacher retirement	46,728	3,508	-	50,236
Old age survivor and disability (OASDI)	37,697	3,702	-	41,399
Medicare	9,005	25,387	-	34,392
Employee insurance	162,414	203,617	-	366,031
Purchased instructional services - tuition	31,862	1,199,150	-	1,231,012
Professional services	17,036	-	-	17,036
Audit services	8,800	-	-	8,800
Data processing and technology related services	18,682	-	-	18,682
Legal services	364	-	-	364
Election services	3,422	-	-	3,422
Other professional services	44,973	-	-	44,973
Repairs and maintenance	22,315	-	-	22,315
Rentals - equipment	3,916	-	-	3,916
Water and sewer	10,086	-	-	10,086
Trash removal	2,108	-	-	2,108
Travel	10,073	-	-	10,073
Property insurance	18,266	-	-	18,266
Liability insurance	14,206	-	-	14,206
Fidelity bond premiums	100	-	-	100
Communication	7,109	-	-	7,109
Advertising, printing, dues and other purchased services	4,963	-	-	4,963
General supplies	205,277	-	-	205,277
Supplies - technology related	5,115	-	-	5,115
Textbook	28,208	-	-	28,208
Library books	2,475	-	-	2,475
Resource materials	199	-	-	199
Food supplies - exclude non-food supplies	205,571	-	-	205,571
Energy	99,879	-	-	99,879
Other supplies and materials	1,788	-	-	1,788
Buildings	-	-	1,393,446	1,393,446
Regular equipment	-	-	28,886	28,886
Pupil transportation vehicles - school buses	-	-	15,700	15,700
Principal	-	-	72,493	72,493
Interest	-	-	18,588	18,588
TOTAL DISBURSEMENTS	<u>\$ 1,663,990</u>	<u>\$ 3,571,104</u>	<u>\$ 1,529,113</u>	<u>\$ 6,764,207</u>

LACLEDE COUNTY C-5 SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 Year Ended June 30, 2018

	District Owned	Disabled District Owned	Total
Administrative salaries	\$ 20,101	\$ -	\$ 20,101
Non-certified salaries	91,301	10,897	102,198
Employee benefits	24,625	7,683	32,308
Purchased services	9,619	643	10,262
Supplies	34,789	1,493	36,282
Depreciation, net of adjustment	70,001	-	70,001
	<u>\$ 250,436</u>	<u>\$ 20,716</u>	<u>\$ 271,152</u>
 School buses lease/purchased			
Principal	<u>\$ 15,700</u>		
Interest	<u>\$ 1,941</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
Laclede County C-5 School District
Lebanon, Missouri

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 Laclede County C-5 School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Laclede County C-5 School District's basic financial statements and have issued our report thereon dated November 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Laclede County C-5 School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 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 that we consider to be a material weakness. It is identified as finding 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Laclede County C-5 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding

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.

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

Board of Education
Laclede County C-5 School District
Lebanon, Missouri

Report on Compliance for Each Major Federal Program

We have audited Laclede County C-5 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 Laclede County C-5 School District's major federal programs for the year ended June 30, 2018. The Laclede County C-5 School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Laclede County C-5 School District's major federal program 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 Laclede County C-5 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 the major federal program. However, our audit does not provide a legal determination on the Laclede County C-5 School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Laclede County C-5 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 its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Laclede County C-5 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 Laclede County C-5 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20177N109943	\$ -	\$ 18,736
		20188N109943	-	80,865
			-	99,601
National School Lunch Program - Cash	10.555	20177N109943	-	28,072
		20188N109943	-	123,313
- Commodities	10.555	053-114	-	38,780
			-	190,165
Total Child Nutrition Cluster			-	289,766
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	289,766
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs	84.010	S010A170025	-	169,554
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A170040	-	128,995
Special Education Preschool Grants	84.173	H171A170103	-	286
Total Special Education Grants Cluster			-	129,281
Supporting Effective Instruction State Grants	84.367	S367A170024	-	25,961
		S424A170026	-	9,987
			-	35,948
Direct				
Rural Education	84.358	S358A168655	-	30,244
		S358A170788	-	26,831
			-	57,075
TOTAL U.S. DEPARTMENT OF EDUCATION			-	391,858
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
State of Missouri Emergency Management Agency				
Hazard Mitigation Grant	97.039	FEMA-DR-4250-MO	-	936,560
TOTAL U.S DEPARTMENT OF HOMELAND SECURITY			-	936,560
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,618,184

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended June 30, 2018

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note A to the District's basic 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 elected not to use the 10% de minimis indirect cost rate.

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I – Summary 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? X yes no
- Significant deficiency(ies) identified: yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified: yes X none reported

Type of auditor’s 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)? yes X no

Identification of major federal program:

CFDA Number(s)

97.039

Name of Federal Program or Cluster

Hazard Mitigation Grant

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

\$ 750,000

Auditee qualified as low-risk auditee? yes X no

Section II – Financial Statement Findings

MATERIAL WEAKNESS

2018-001 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 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.

Section III – Federal Award Findings and Questioned Costs

None

LACLEDE COUNTY C-5 SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2018

Financial Statement Finding

2017-001 Segregation of duties

Auditor's 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



**LACLEDE CO. C-5
JOEL E BARBER SCHOOL DISTRICT
16050 HWY. KK
LEBANON, MO 65536
PH: 417-532-4837 – FAX: 417-588-2100**



Levi Angst
Board President

Bob Hall
Board Vice-President

Melissa Angst
Board Secretary

Tina Nolan
Superintendent

Jason Cole
Principal

Melissa Angst
Accountant

**CORRECTIVE ACTION PLAN
November 30, 2018**

U.S. DEPARTMENT OF EDUCATION

Laclede County C-5 School District respectfully submits the following corrective action plan for the year ended June 30, 2018.

Contact information for the individual responsible for the corrective action:

Mrs. Tina Nolan, Superintendent
Laclede County C-5 School District
16050 Hwy KK
Lebanon, MO 65536
(417) 532-4837

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

Audit Period: Year ended June 30, 2018

The findings from the June 30, 2018, 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

2018-001 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,

Mrs. Tina Nolan, Superintendent
Laclede County C-5

SUPPLEMENTARY STATE INFORMATION



**INDEPENDENT ACCOUNTANTS' REPORT ON MANAGEMENT'S
ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

Board of Education
Laclede County C-5 School District
Lebanon, Missouri

We have examined management's assertions that Laclede County C-5 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, 2018. Laclede County C-5 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
November 30, 2018

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

LACLEDE COUNTY C-5 SCHOOL DISTRICT 053-114
 SCHEDULE OF SELECTED STATISTICS
 Year Ended June 30, 2018

1. Calendar (Sections 160.041 and 171.031, RSMo)

A. Standard Day Length (SDL) – The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time was:

Kindergarten – Grade 8	7.65
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B. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was 1,104.61.

C. The number of days classes were in session and pupils were under the direction of the teachers during this school year was 145.

2. Average Daily Attendance (ADA)

Average Daily Attendance:

Regular term:

Kindergarten – Grade 8: Full-time	385.19
Kindergarten – Grade 8: Remedial	5.34
Resident II, Grades 9 – 12: Full-time	176.00
Resident II, Grades 9 – 12: Remedial	<u>.03</u>
Total regular term	566.56

Summer school average daily attendance	<u>5.78</u>
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Total Average Daily Attendance	<u><u>572.34</u></u>
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3. September Membership

September Membership FTE Count	<u><u>610.10</u></u>
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4. Free and Reduced Price Lunch FTE Count (Section 163.011(6), RSMo)

State FTE Total	Free	451.74
	Reduced	<u>11.00</u>
	Total	<u><u>462.74</u></u>

5. Finance

A. A bond, as required by Section 162.401, RSMo, has been purchased for the District treasurer in the amount of \$50,000.

B. The District’s deposits were adequately secured during the year as required by Sections 110.010 and 110.020, RSMo.

LACLEDE COUNTY C-5 SCHOOL DISTRICT 053-114
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2018

5. Finance (continued)

- C. The District does not have a Debt Service Fund.
- D. Salaries reported for educators in the October core data cycle are supported by payroll/contract records.
- E. The District did not make a \$162,326 or 7% x SAT x WADA transfer.
- F. The District published a summary of the 2016-2017 audit report within thirty days of receipt of the audit, pursuant to Section 165.121, RSMo.
- G. 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.
- H. The amount spent for approved professional development committee plan activities was \$31,949.

There were no findings noted above.

6. Transportation (Section 163.161, RSMo)

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.
- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.
- C. Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 410.00 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 29.00.
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.
- E. Actual odometer records show the total District operated and contracted mileage for the year was 75,442. Of this total, the eligible non-disabled and students with disabilities route miles were 65,194 and the ineligible non-route and disapproved miles combined were 10,248.
- F. The District operated the school transportation system for 145 days during this school year.

There were no findings noted above.