

Laclede Co. C-5  
School District

BASIC FINANCIAL STATEMENTS  
Year Ended June 30, 2019

**KPM**  
CPAS & ADVISORS

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying modified cash basis 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, 2019, 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 Laclede County C-5 School District as of June 30, 2019, 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 1.

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### **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 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.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 3, 2019, 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 3, 2019

## **Government-Wide Financial Statements**

# Laclede Co. C-5 School District

## Statement of Net Position—Modified Cash Basis

June 30, 2019

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	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 129,288
Investments	2,691,880
<b>Total Assets</b>	<b>\$ 2,821,168</b>
<b>Net Position</b>	
Restricted for student activities	\$ 7,589
Unrestricted	2,813,579
<b>Total Net Position</b>	<b>\$ 2,821,168</b>

See accompanying notes to the financial statements

# Laclede Co. C-5 School District

Statement of Activities—Modified Cash Basis

Year Ended June 30, 2019

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>			<u>Net</u> <u>(Disbursements)</u> <u>Receipts and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	
<b>Governmental Activities</b>					
Instruction	\$ (3,491,220)	\$ 42,528	\$ 236,358	\$ -	\$ (3,212,334)
Student services	(134,666)	-	-	-	(134,666)
Instructional staff support	(63,488)	-	28,378	-	(35,110)
Building administration	(193,535)	-	-	-	(193,535)
General administration	(225,620)	-	-	-	(225,620)
Operation of plant	(360,091)	-	-	-	(360,091)
Transportation	(241,417)	-	58,663	-	(182,754)
Food service	(316,976)	9,178	224,716	-	(83,082)
Community services	(149,180)	-	95,061	-	(54,119)
Facilities acquisition and construction	(762,156)	-	-	267,594	(494,562)
Debt service	(90,459)	-	-	-	(90,459)
<b>Net Program (Disbursements)</b>					
<b>Receipts</b>	<u>\$ (6,028,808)</u>	<u>\$ 51,706</u>	<u>\$ 643,176</u>	<u>\$ 267,594</u>	(5,066,332)
<b>General Receipts</b>					
Ad valorem tax receipts					1,027,661
Prop C sales tax receipts					633,176
Other tax receipts					1,330
County receipts					111,241
State receipts					3,046,153
Interest receipts					59,734
Other receipts					16,983
<b>Total General Receipts</b>					<u>4,896,278</u>
<i>(Decrease) in Net Position</i>					(170,054)
Net Position—Beginning of year					2,991,222
<b>Net Position—End of year</b>					<u>\$ 2,821,168</u>

See accompanying notes to the financial statements

## **Fund Financial Statements**



## Laclede Co. C-5 School District

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

June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 129,288	\$ -	\$ -	\$ 129,288
Investments	1,767,356	-	924,524	2,691,880
<b>Total Assets</b>	<b>\$ 1,896,644</b>	<b>\$ -</b>	<b>\$ 924,524</b>	<b>\$ 2,821,168</b>
<b>Fund Balances</b>				
Restricted for:				
Student activities	\$ 7,589	\$ -	\$ -	\$ 7,589
Assigned for capital outlay	-	-	924,524	924,524
Unassigned	1,889,055	-	-	1,889,055
<b>Total Fund Balances</b>	<b>\$ 1,896,644</b>	<b>\$ -</b>	<b>\$ 924,524</b>	<b>\$ 2,821,168</b>

See accompanying notes to the financial statements

## Laclede Co. C-5 School District

Statement of Receipts, Disbursements, and Changes in Fund Balances—Governmental Funds—Modified Cash Basis

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Receipts</b>				
Local	\$ 1,070,792	\$ 633,227	\$ 109,066	\$ 1,813,085
County	70,607	29,258	11,376	111,241
State	687,557	2,408,684	41,795	3,138,036
Federal	222,812	324,981	248,599	796,392
<b>Total Receipts</b>	2,051,768	3,396,150	410,836	5,858,754
<b>Disbursements</b>				
Instruction	505,074	2,982,546	3,600	3,491,220
Student services	62,373	72,293	-	134,666
Instructional staff support	61,367	2,121	-	63,488
Building administration	106,142	87,393	-	193,535
General administration	79,571	143,124	2,925	225,620
Operation of plant	360,091	-	-	360,091
Transportation	217,747	7,348	16,322	241,417
Food service	305,081	-	11,895	316,976
Community services	47,855	101,325	-	149,180
Facilities acquisition and construction	-	-	762,156	762,156
Debt service	-	-	90,459	90,459
<b>Total Disbursements</b>	1,745,301	3,396,150	887,357	6,028,808
<i>Excess (Deficit) of Receipts Over Disbursements</i>	306,467	-	(476,521)	(170,054)
Fund Balance, July 1, 2018	1,590,177	-	1,401,045	2,991,222
<b>Fund Balance, June 30, 2019</b>	\$ 1,896,644	\$ -	\$ 924,524	\$ 2,821,168

See accompanying notes to the financial statements

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

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### 1. 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.

#### 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 basis of accounting other than accounting principles generally accepted in the United States of America.

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

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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.

### **Teachers' Salaries**

The salary payment schedule of the District for the 2018-2019 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2019, 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.

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

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*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.

## **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, 2019, all bank balances on deposit are entirely insured or collateralized with securities.

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

### 3. Investments

Investments of the District as of June 30, 2019, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	9/19/2019 - 11/14/2021	\$ 851,035
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	1,440,845
Missouri Securities Investment Program (MOSIP) - Certificates of Deposit	6/5/2020	400,000
		<u>\$ 2,691,880</u>

#### Certificates 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, 2019, all certificates of deposit are entirely insured or collateralized with securities.

#### Missouri Securities Investment Program – Cash Management Funds

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.

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

### 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 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 2018 for purposes of local taxation was:

Real estate	\$ 22,988,790
Personal property	9,267,466
<b>Total Assessed Valuation</b>	<u><u>\$ 32,256,256</u></u>

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2018 for purposes of local taxation was:

	<b>Unadjusted</b>	<b>Adjusted</b>
General Fund	\$ 3.0000	\$ 3.0000
Capital Projects Fund	.2882	.2882
<b>Total Levy</b>	<b>\$ 3.2882</b>	<b>\$ 3.2882</b>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2019, aggregated approximately 97 percent of the current assessment computed on the basis of the levy as shown above.

### 5. Leases Payable

Leases payable at June 30, 2019, 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%.	\$ 16,968
\$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%.	490,122
	<b>\$ 507,090</b>

The leases payable mentioned above are a direct borrowing debt issuances. If the District defaults on the payment of principal or interest on the leases as they become due for a period of 15 days for the school bus lease and 30 days for the refunding lease certificates of participation, after written notice specifying such a default has been given to the District, by the holder of the lease, then at any time thereafter and while such default continues, the holder of the lease may declare all or any portion of the indebtedness to be immediately due and payable. The school bus lease purchase notes that the holder of the lease would take possession of the equipment leased and the refunding lease certificates of participation notes that the holder of the lease would take possession of the leased property.

The following is a summary of lease transactions for the year ended June 30, 2019:

Leases Payable, July 1, 2018	\$ 597,338
Net Lease Additions	-
Net Lease Retirements	(90,248)
<b>Leases Payable, June 30, 2019</b>	<b>\$ 507,090</b>

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

Debt service requirements are:

Year Ending June 30,	Direct Borrowings		
	Principal	Interest	Total
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	86,932	2,209	89,141
	\$ 507,090	\$ 45,396	\$ 552,486

## 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.

*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.



# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

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*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.

*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 year 2019. 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 year 2019. 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.

# Laclede Co. C-5 School District

## Notes to the Financial Statements

June 30, 2019

The District's contributions to PSRS and PEERS were \$261,238 and \$53,316, respectively, for the year ended June 30, 2019.

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](http://www.psr-peers.org).

### 7. Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of assessed valuation of the District. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2019, was:

Constitutional debt limit	\$ 4,838,438
General obligation bonds payable	-
<b>Legal Debt Margin</b>	<u><u>\$ 4,838,438</u></u>

### 8. 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, 2019, 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.

### 9. 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.

### 10. 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 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.

### 11. 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, 2019, was \$47,724.

# Laclede Co. C-5 School District

Notes to the Financial Statements

June 30, 2019

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## 12. Commitment

The District had the following commitment at June 30, 2019:

- \$46,783 to Willard Asphalt Paving, Inc., for asphalt paving of the bus lane and the South parking lot.

## Supplementary Information

# Laclede Co. C-5 School District

## Budgetary Comparison Schedule—General Fund

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Local	\$ 1,079,812	\$ 1,070,792	\$ 1,070,792	\$ -
County	86,049	70,607	70,607	-
State	64,483	687,557	687,557	-
Federal	203,231	222,812	222,812	-
<b>Total Receipts</b>	<u>1,433,575</u>	<u>2,051,768</u>	<u>2,051,768</u>	<u>-</u>
<b>Disbursements</b>				
Instruction	504,935	505,074	505,074	-
Student services	62,357	62,373	62,373	-
Instructional staff support	61,362	61,367	61,367	-
Building administration	106,114	106,142	106,142	-
General administration	79,571	79,571	79,571	-
Operation of plant	359,426	360,091	360,091	-
Transportation	217,659	217,747	217,747	-
Food service	305,002	305,081	305,081	-
Community services	47,824	47,855	47,855	-
<b>Total Disbursements</b>	<u>1,744,250</u>	<u>1,745,301</u>	<u>1,745,301</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(310,675)	306,467	306,467	-
<b>Other Financing Sources</b>				
Sale of other property	401	-	-	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(310,274)	306,467	306,467	-
Fund Balance, July 1, 2018	1,590,177	1,590,177	1,590,177	-
<b>Fund Balance, June 30, 2019</b>	<u>\$ 1,279,903</u>	<u>\$ 1,896,644</u>	<u>\$ 1,896,644</u>	<u>\$ -</u>

## Laclede Co. C-5 School District

### Budgetary Comparison Schedule—Special Revenue Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Local	\$ 594,948	\$ 633,227	\$ 633,227	\$ -
County	14,498	29,258	29,258	-
State	2,412,539	2,408,684	2,408,684	-
Federal	382,643	324,981	324,981	-
<b>Total Receipts</b>	3,404,628	3,396,150	3,396,150	-
<b>Disbursements</b>				
Instruction	2,982,056	2,982,546	2,982,546	-
Student services	72,276	72,293	72,293	-
Instructional staff support	2,121	2,121	2,121	-
Building administration	87,380	87,393	87,393	-
General administration	143,108	143,124	143,124	-
Transportation	7,346	7,348	7,348	-
Community services	101,328	101,325	101,325	-
<b>Total Disbursements</b>	3,395,615	3,396,150	3,396,150	-
<i>Excess of Receipts Over Disbursements</i>	9,013	-	-	-
Fund Balance, July 1, 2018	-	-	-	-
<b>Fund Balance, June 30, 2019</b>	\$ 9,013	\$ -	\$ -	\$ -

## Laclede Co. C-5 School District

### Budgetary Comparison Schedule—Capital Projects Fund

Year Ended June 30, 2019

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Receipts</b>				
Local	\$ -	\$ 109,066	\$ 109,066	\$ -
County	-	11,376	11,376	-
State	205,903	41,795	41,795	-
Federal	272,065	248,599	248,599	-
<b>Total Receipts</b>	<b>477,968</b>	<b>410,836</b>	<b>410,836</b>	<b>-</b>
<b>Disbursements</b>				
Instruction	3,600	3,600	3,600	-
General administration	2,925	2,925	2,925	-
Transportation	16,322	16,322	16,322	-
Food service	11,895	11,895	11,895	-
Facilities acquisition and construction	762,156	762,156	762,156	-
Debt service	90,460	90,459	90,459	-
<b>Total Disbursements</b>	<b>887,358</b>	<b>887,357</b>	<b>887,357</b>	<b>-</b>
<i>(Deficit) of Receipts Over Disbursements</i>	(409,390)	(476,521)	(476,521)	-
Fund Balance, July 1, 2018	1,401,045	1,401,045	1,401,045	-
<b>Fund Balance, June 30, 2019</b>	<b>\$ 991,655</b>	<b>\$ 924,524</b>	<b>\$ 924,524</b>	<b>\$ -</b>

# Laclede Co. C-5 School District

Note to the Budgetary Comparison Schedules

Year Ended June 30, 2019

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## **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

# Laclede Co. C-5 School District

## Schedule of Receipts by Source

Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Local</b>				
Current taxes	\$ 776,642	\$ -	\$ 74,609	\$ 851,251
Delinquent taxes	160,948	-	15,462	176,410
School district trust fund (Prop C)	-	633,176	-	633,176
M & M surtax	1,330	-	-	1,330
Earnings from temporary deposits	59,683	51	-	59,734
Food service - sales to adults	9,178	-	-	9,178
Admissions - student activities	13,577	-	-	13,577
Other pupil activity income	28,951	-	-	28,951
Gifts	3,500	-	18,995	22,495
Prior period adjustment	2,822	-	-	2,822
Miscellaneous local revenue	14,161	-	-	14,161
<b>Total Local</b>	<u>1,070,792</u>	<u>633,227</u>	<u>109,066</u>	<u>1,813,085</u>
<b>County</b>				
Fines, escheats, etc.	-	29,258	-	29,258
State assessed utilities	70,607	-	11,376	81,983
<b>Total County</b>	<u>70,607</u>	<u>29,258</u>	<u>11,376</u>	<u>111,241</u>
<b>State</b>				
Basic formula - state monies	624,052	2,213,739	-	2,837,791
Transportation	58,663	-	-	58,663
Basic formula - classroom trust fund	-	194,945	41,795	236,740
Educational screening program/PAT	2,938	-	-	2,938
Food service - state	1,904	-	-	1,904
<b>Total State</b>	<u>687,557</u>	<u>2,408,684</u>	<u>41,795</u>	<u>3,138,036</u>

## Laclede Co. C-5 School District

### Schedule of Receipts by Source

Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Federal</b>				
IDEA entitlement funds, part B IDEA	-	144,430	-	144,430
School lunch program	149,549	-	-	149,549
School breakfast program	73,263	-	-	73,263
Title I - ESEA	-	165,601	-	165,601
Title IV.A student support and academic enrichment	-	4,628	-	4,628
Title II, part A&B, ESEA - teacher & principal training	-	10,322	-	10,322
Federal emergency mgt agency (FEMA) funds	-	-	248,599	248,599
<b>Total Federal</b>	<u>222,812</u>	<u>324,981</u>	<u>248,599</u>	<u>796,392</u>
<b>Total Receipts</b>	<u>\$ 2,051,768</u>	<u>\$ 3,396,150</u>	<u>\$ 410,836</u>	<u>\$ 5,858,754</u>

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

## Laclede Co. C-5 School District

### Schedule of Disbursements by Object

Year Ended June 30, 2019

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Totals</b>
Certificated - regular salaries	\$ -	\$ 1,404,842	\$ -	\$ 1,404,842
Certificated - administrators salaries	-	183,083	-	183,083
Certificated - part-time salaries	2,998	52,417	-	55,415
Certificated supplemental pay	28,449	61,096	-	89,545
Certificated unused leave and/or severance pay	-	16,982	-	16,982
Classified salaries regular	416,315	-	-	416,315
Classified instructional aide salaries	175,587	-	-	175,587
Classified salaries - part-time	4,861	14,827	-	19,688
Classified employees unused leave and/or severance	2,500	-	-	2,500
Teacher's retirement	1,806	260,359	-	262,165
Non-teacher retirement	48,575	4,822	-	53,397
Old age survivor and disability (OASDI)	36,932	7,537	-	44,469
Medicare	8,818	23,831	-	32,649
Employee insurance	141,806	203,890	-	345,696
Workers' compensation insurance	21,690	-	-	21,690
Unemployment compensation	3,435	-	-	3,435
Purchased instructional services - tuition	10,957	1,162,464	-	1,173,421
Instructional program improvement services	30,975	-	-	30,975
Pupil services	9,149	-	-	9,149
Audit services	13,800	-	-	13,800
Data processing and technology related services	27,120	-	-	27,120
Legal services	2,055	-	-	2,055
Election services	976	-	-	976
Other professional services	71,016	-	-	71,016
Repairs and maintenance	36,436	-	-	36,436
Rentals - equipment	4,388	-	-	4,388
Water and sewer	14,562	-	-	14,562
Trash removal	2,221	-	-	2,221
Technology - related repairs and maintenance	6,195	-	-	6,195

# Laclede Co. C-5 School District

## Schedule of Disbursements by Object

Year Ended June 30, 2019

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Totals</b>
Travel	2,489	-	-	2,489
Property insurance	19,841	-	-	19,841
Liability insurance	16,456	-	-	16,456
Fidelity bond premiums	100	-	-	100
Communication	21,455	-	-	21,455
Advertising	3,805	-	-	3,805
Dues and membership	6,473	-	-	6,473
Other expenses	10,951	-	-	10,951
General supplies (excludes 6412)	155,422	-	-	155,422
Supplies - technology-related	76,595	-	-	76,595
Textbook	8,575	-	-	8,575
Library books	4,997	-	-	4,997
Resource materials	282	-	-	282
Food service - exclude non-food supplies	181,832	-	-	181,832
Electric	81,662	-	-	81,662
Gas - L.P.	486	-	-	486
Gasoline/diesel	28,675	-	-	28,675
Other supplies and materials	1,583	-	-	1,583
Buildings	-	-	762,156	762,156
Regular equipment	-	-	15,495	15,495
Technology - related hardware	-	-	2,925	2,925
Pupil transportation vehicles - school buses	-	-	16,322	16,322
Principal - lease purchase agreements	-	-	73,926	73,926
Interest - lease purchase agreements	-	-	16,533	16,533
<b>Total Disbursements</b>	<b>\$ 1,745,301</b>	<b>\$ 3,396,150</b>	<b>\$ 887,357</b>	<b>\$ 6,028,808</b>

## Laclede Co. C-5 School District

### Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2019

	<b>District Owned</b>	<b>Disabled District Owned</b>	<b>Total</b>
Administrative salaries	\$ 20,054	\$ -	\$ 20,054
Non-certified salaries	78,487	12,597	91,084
Employee benefits	27,311	8,190	35,501
Purchased services	30,806	474	31,280
Supplies	34,754	2,388	37,142
Depreciation	71,674	-	71,674
	\$ 263,086	\$ 23,649	\$ 286,735
School buses leased/purchased			
Principal			\$ 16,322
Interest			\$ 1,319

## **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, 2019, 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 December 3, 2019.

**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 as item 2019-001, that we consider to be a material weakness.



### **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.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 3, 2019



## **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, 2019. The Laclede County C-5 School District's major federal program is 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 federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Laclede County C-5 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 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 programs for the year ended June 30, 2019.

[www.kpmcpa.com](http://www.kpmcpa.com)

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## 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.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 3, 2019

# Laclede Co. C-5 School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Federal Grantor Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20188N109943	\$ -	\$ 17,035
		20199N109943	-	56,228
			-	73,263
National School Lunch Program - Cash	10.555	20188N109943	-	30,365
		20199N109943	-	119,184
National School Lunch Program - Commodities	10.555	053-114	-	11,226
			-	160,775
			-	234,038
<b>Total Child Nutrition Cluster</b>			-	234,038
<b>Total U.S. Department of Agriculture</b>			-	234,038
 <b>U.S. Department of Education</b>				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs	84.010	S010A180025	-	165,607
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A170040	-	67,075
		H027A180040	-	77,355
			-	144,430
<b>Total Special Education Grants Cluster</b>			-	144,430
Supporting Effective Instruction State Grants	84.367	S367A170024	-	10,289
		S367A180024	-	15,864
		S424A180026	-	11,732
			-	37,885
			-	347,922
<b>Total U.S. Department of Education</b>			-	347,922
 <b>U.S. Department of Homeland Security</b>				
State of Missouri Emergency Management Agency				
Hazard Mitigation Grant	97.039	FEMA-DR-4250-MO	-	248,599
			-	248,599
<b>Total U.S. Department of Homeland Security</b>			-	248,599
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 830,559

## Laclede Co. C-5 School District

### Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

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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 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 Co. C-5 School District

## Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

### 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 program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal programs:		
<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
10.553 & 10.555	Child Nutrition Cluster	
97.039	Hazard Mitigation Grant	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

# Laclede Co. C-5 School District

## Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

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### Section II: Financial Statement Findings

#### Material Weakness

2019-001 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 Co. C-5 School District

Schedule of Prior Audit Findings

Year Ended June 30, 2019

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## Financial Statement Finding

2018-001      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





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



Bob Hall  
**Board President**

Melissa Wehner  
**Board Vice-President**

Jennifer Nutter  
**Board Secretary**

Brenda Morton  
**Treasurer**

Rachelle Jennings  
**Superintendent**

Amy Cogdill  
**Principal**

**CORRECTIVE ACTION PLAN**

December 3, 2019

U.S. Department of Education

Laclede County C-5 School District respectfully submits the following corrective action plan for the year ended June 30, 2019. Contact Information for the individual responsible for the corrective action:

Rachelle Jennings, 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, 2019

The findings from the June 30, 2019, 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**

2019-001 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,

Rachelle Jennings, Superintendent  
 Laclede County C-5 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  
Laclede County C-5 School District  
Lebanon, Missouri

We have examined management's assertions that the 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, 2019. 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  
December 3, 2019

[www.kpmcpa.com](http://www.kpmcpa.com)

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

# Laclede Co. C-5 School District

## Schedule of Selected Statistics

Year Ended June 30, 2019

**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
4020	PK	8	-	7.6500	149	1,132.3500

**2. Average Daily Attendance (ADA)**

Report the total number of PK-12 student ADA allowed to be claimed for the calculation of Average Daily Attendance. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	PK	11.34	-	-	-	-	11.34
	K	40.51	-	1.11	-	0.95	42.57
	1	52.83	-	0.87	-	0.81	54.51
	2	33.50	-	0.88	-	0.75	35.13
	3	35.29	-	0.20	-	0.72	36.21
	4	35.76	-	0.89	-	0.47	37.12
	5	41.69	-	0.63	-	0.84	43.16
	6	43.04	-	0.53	-	0.32	43.89
	7	47.89	-	0.80	-	0.43	49.12
	8	45.80	-	0.58	-	0.29	46.67
	9	43.29	-	0.07	-	-	43.36
	10	38.82	-	0.01	-	0.61	39.44
	11	40.79	-	0.02	-	0.50	41.31
	12	42.22	-	0.01	-	0.54	42.77
<b>Grand Total</b>	<b>PK-12</b>	<b>552.77</b>	<b>-</b>	<b>6.60</b>	<b>-</b>	<b>7.23</b>	<b>566.60</b>

# Laclede Co. C-5 School District

## Schedule of Selected Statistics

Year Ended June 30, 2019

### 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
4020	PK	14.00	-	-	14.00
	K	42.00	-	-	42.00
	1	57.00	-	-	57.00
	2	34.00	-	-	34.00
	3	35.00	-	-	35.00
	4	40.00	-	-	40.00
	5	48.00	-	-	48.00
	6	48.00	-	-	48.00
	7	52.00	-	-	52.00
	8	49.00	-	-	49.00
	9	48.00	-	-	48.00
	10	42.00	-	-	42.00
	11	45.00	-	-	45.00
	12	49.00	3.40	-	52.40
<b>Grand Total</b>	<b>PK-12</b>	<b>610.00</b>	<b>3.40</b>	<b>-</b>	<b>613.40</b>

### 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.

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
4020	375.00	13.00	-	-	388.00
<b>Grand Total</b>	<b>375.00</b>	<b>13.00</b>	<b>-</b>	<b>-</b>	<b>388.00</b>

# Laclede Co. C-5 School District

## Schedule of Selected Statistics

Year Ended June 30, 2019

### 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 for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	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)	N/A
	Work Experience for Students with Disabilities	N/A
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
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)	N/A
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

## Laclede Co. C-5 School District

### Schedule of Selected Statistics

Year Ended June 30, 2019

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:	\$34,480

Finding:	N/A
Management Letter Comment:	N/A

### 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	382.0
	Ineligible ADT	27.0

## Laclede Co. C-5 School District

### Schedule of Selected Statistics

Year Ended June 30, 2019

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:	71,354
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	61,826
	Ineligible Miles (Non-Route/Disapproved)	9,528
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	149

Finding:	N/A
Management Letter Comment:	N/A