

Neosho R-5
School District

BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2019

KPM
CPAS & ADVISORS

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Independent Auditors' Report

Board of Education
Neosho R-5 School District
Neosho, Missouri

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Neosho R-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 the Neosho R-5 School District as of June 30, 2019, and the respective changes in the modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

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

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 Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Neosho R-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 financial statements. Such 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 27, 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
November 27, 2019

Government-Wide Financial Statements

Neosho R-5 School District

Statement of Net Position – Modified Cash Basis

June 30, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,471,200
Cash - restricted health insurance trust	391,587
Investments	818,049
Total Assets	<u>\$ 12,680,836</u>
Net Position	
Restricted for	
Insurance trust	\$ 391,587
Debt service	2,006,775
Student activities	424,222
Professional development	35,962
Unrestricted	9,822,290
Total Net Position	<u>\$ 12,680,836</u>

See accompanying notes to the financial statements.

Neosho R-5 School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2019

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ (24,435,294)	\$ 950,845	\$ 2,208,767	\$ -	\$ (21,275,682)
Student services	(3,146,187)	-	14,713	-	(3,131,474)
Instructional staff support	(2,131,652)	-	606,889	-	(1,524,763)
Building administration	(1,561,880)	-	-	-	(1,561,880)
General administration	(2,760,730)	-	-	-	(2,760,730)
Operation of plant	(4,111,643)	-	-	-	(4,111,643)
Transportation	(2,400,755)	-	394,980	-	(2,005,775)
Food service	(2,303,531)	338,446	2,245,546	-	280,461
Community services	(826,256)	58,848	718,960	-	(48,448)
Facilities acquisition and construction	(6,125,742)	-	-	-	(6,125,742)
Debt service	(2,939,537)	-	-	-	(2,939,537)
Net Program (Disbursements) Receipts	\$ (52,743,207)	\$ 1,348,139	\$ 6,189,855	\$ -	(45,205,213)
General Receipts					
Ad valorem tax receipts					10,628,779
Prop C sales tax receipts					4,953,379
Other tax receipts					185,350
County receipts					1,440,495
State receipts					21,920,230
Interest receipts					149,903
Other receipts					1,725,669
Total General Receipts					41,003,805
Special Items					
Net insurance recovery					995,190
Sale of other property					34,325
Total Special Items					1,029,515
<i>(Decrease) in Net Position</i>					(3,171,893)
Net Position - Beginning of year					15,852,729
Net Position - End of year					\$ 12,680,836

See accompanying notes to the financial statements.

Fund Financial Statements

Neosho R-5 School District

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

June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$7,662,670	\$ -	\$ 1,188,877	\$ 2,619,653	\$ 11,471,200
Investments	151	-	817,898	-	818,049
Total Assets	\$7,662,821	\$ -	\$ 2,006,775	\$ 2,619,653	\$ 12,289,249
Fund Balances					
Restricted for					
Debt service	\$ -	\$ -	\$ 2,006,775	\$ -	\$ 2,006,775
Student activities	424,222	-	-	-	424,222
Professional development	35,962	-	-	-	35,962
Assigned to capital outlay	-	-	-	2,619,653	2,619,653
Unassigned	7,202,637	-	-	-	7,202,637
Total Fund Balances	\$7,662,821	\$ -	\$ 2,006,775	\$ 2,619,653	\$ 12,289,249

Total Fund Balances - Governmental Funds

\$ 12,289,249

Some of the amounts reported for governmental activities in the Statement of Net Position are different because Internal Service Fund assets are included with governmental activities.

Net Position of Governmental Activities

391,587
\$ 12,680,836

See accompanying notes to the financial statements.

Neosho R-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	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 10,019,801	\$ 4,962,122	\$ 1,928,506	\$ 1,740,624	\$ 18,651,053
County	1,058,603	218,492	163,400	-	1,440,495
State	6,162,605	15,806,620	-	1,466,698	23,435,923
Federal	2,739,101	1,935,061	-	-	4,674,162
Other	258,177	81,989	-	-	340,166
Total Receipts	20,238,287	23,004,284	2,091,906	3,207,322	48,541,799
Disbursements					
Instruction	5,541,648	17,775,516	-	50,338	23,367,502
Student services	1,301,097	1,845,090	-	-	3,146,187
Instructional staff support	1,068,702	742,856	-	320,094	2,131,652
Building administration	275,706	1,286,174	-	-	1,561,880
General administration	1,755,407	1,002,502	-	2,821	2,760,730
Operation of plant	4,067,049	-	-	44,594	4,111,643
Transportation	1,898,303	-	-	502,452	2,400,755
Food service	2,297,560	-	-	5,971	2,303,531
Community services	472,699	352,146	-	1,411	826,256
Facilities acquisition and construction	-	-	-	6,125,742	6,125,742
Debt service	-	-	1,986,100	953,437	2,939,537
Total Disbursements	18,678,171	23,004,284	1,986,100	8,006,860	51,675,415
<i>Excess (Deficit) of Receipts Over Disbursements</i>	<i>1,560,116</i>	<i>-</i>	<i>105,806</i>	<i>(4,799,538)</i>	<i>(3,133,616)</i>
Other Financing Sources (Uses)					
Net insurance recovery	5,314	-	-	989,876	995,190
Sale of other property	34,325	-	-	-	34,325
Operating transfers in	-	-	-	1,500,000	1,500,000
Operating transfers (out)	(1,500,000)	-	-	-	(1,500,000)
Total Other Financing Sources (Uses)	(1,460,361)	-	-	2,489,876	1,029,515
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	<i>99,755</i>	<i>-</i>	<i>105,806</i>	<i>(2,309,662)</i>	<i>(2,104,101)</i>
Fund Balance, July 1, 2018	7,563,066	-	1,900,969	4,929,315	14,393,350
Fund Balance, June 30, 2019	\$ 7,662,821	\$ -	\$ 2,006,775	\$ 2,619,653	\$ 12,289,249

See accompanying notes to the financial statements.

Neosho R-5 School District

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

Year Ended June 30, 2019

Change in Fund Balances - Governmental Funds	\$ (2,104,101)
The Change in Net Position for governmental activities in the Statement of Activities is different than the Change in Fund Balances - Governmental Funds because Internal Service Fund receipts and disbursements are included in the Statement of Activities.	<u>(1,067,792)</u>
Change in Net Position - Governmental Activities	<u><u>\$ (3,171,893)</u></u>

See accompanying notes to the financial statements.

Neosho R-5 School District

Statement of Net Position – Proprietary Fund – Modified Cash Basis

June 30, 2019

	Internal Service Fund
Assets	
Cash and cash equivalents	<u>\$ 391,587</u>
Net Position	
Restricted for insurance trust	<u>\$ 391,587</u>

See accompanying notes to the financial statements.

Neosho R-5 School District

Statement of Receipts, Disbursements and Changes in Net Position – Proprietary Fund – Modified Cash Basis

Year Ended June 30, 2019

	<u>Internal Service Fund</u>
Receipts	
Charges for services	\$ 4,575,753
Total Receipts	<u>4,575,753</u>
Disbursements	
Insurance claims and administrative expenses	5,643,875
Total Disbursements	<u>5,643,875</u>
Operating (Loss)	<u>(1,068,122)</u>
Non-Operating Receipts	
Interest receipts	330
Total Non-Operating Receipts	<u>330</u>
<i>Net (Loss)</i>	(1,067,792)
Net Position, July 1, 2018	1,459,379
Net Position, June 30, 2019	<u><u>\$ 391,587</u></u>

See accompanying notes to the financial statements.

Neosho R-5 School District

Statement of Cash Flows – Proprietary Fund – Modified Cash Basis

Year Ended June 30, 2019

	Internal Service Fund
Cash Flows From Operating Activities	
Receipts from insurance premiums	\$ 4,575,753
Payment of insurance claims and administrative costs	(5,643,875)
Net Cash (Used) by Operating Activities	<u>(1,068,122)</u>
Cash Flows From Investing Activities	
Interest received	330
Net Cash Provided by Investing Activities	<u>330</u>
Net (Decrease) in Cash	<u>(1,067,792)</u>
Cash and Cash Equivalents, July 1, 2018	1,459,379
Cash and Cash Equivalents, June 30, 2019	<u><u>\$ 391,587</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (loss)	\$ (1,068,122)
Net Cash (Used) by Operating Activities	<u><u>\$ (1,068,122)</u></u>

See accompanying notes to the financial statements.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

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 governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts, and disbursements. The 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 noncertified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

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

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

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

Internal Service Fund: Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the District. The Internal Service Fund of the District is used to account for the health self-insurance program.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

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 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 disbursements (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

Capital assets are recorded as disbursements paid in the Capital Projects Fund at the time the invoices for the capital items are paid.

Compensated Absences

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

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 a disbursement in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Cash Equivalents

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents. Cash equivalents of the pooled accounts consist primarily of money market accounts, 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.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

Equity Classification

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

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

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

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

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

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

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

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

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

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also 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.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

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.

3. Investments

Investments at June 30, 2019, consisted of the following:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	\$ 817,898
Missouri Securities Investment Program (MOSIP)	N/A	151
		<u>\$ 818,049</u>

Investment Contracts with BOK Financial

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

Missouri Securities Investment Program

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

Interest Rate Risk

The District has no formal 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 counties collect the property taxes and remit them 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 partial waiver of the rollback provision.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

The assessed valuation of the tangible taxable property for the calendar year 2018 for purposes of local taxation was:

Real estate	\$ 223,168,675
Personal property	95,878,307
Total Assessed Valuation	<u><u>\$ 319,046,982</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.8901	\$ 2.7500
Debt Service Fund	.6000	.6000
Total Levy	<u><u>\$ 3.4901</u></u>	<u><u>\$ 3.3500</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2019, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

5. 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.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

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.

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 2017, 2018, and 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.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2017, 2018, and 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.

The District's contributions to PSRS and PEERS were \$2,822,823 and \$533,772, 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.

6. General Obligation Bonds Payable

Bonds payable at June 30, 2019, consist of:

\$4,000,000 general obligation bond issue dated March 21, 2017, due in varying annual installments starting on September 1, 2018 through March 1, 2037, with interest at 4.00%.	\$ 4,000,000
\$10,000,000 general obligation bond issue dated March 21, 2016, due in varying annual installments starting on March 1, 2017 through March 1, 2036, with interest at 2.00% to 5.00%.	9,800,000
\$10,000,000 general obligation bond issue dated June 26, 2015, due in varying annual installments starting on March 1, 2032 through March 1, 2035, with interest at 4.00%.	10,000,000
\$9,300,000 general obligation crossover refunding bond issue dated June 1, 2012, due in varying annual installments through March 1, 2026, with interest at 2.00% to 2.25%.	6,925,000
	<u>\$ 30,725,000</u>

The following summary of bond transactions for the year ended June 30, 2019:

Bonds Payable, July 1, 2018	\$ 31,500,000
Bonds Issued	-
Bonds Retired	(775,000)
Bonds Payable, June 30, 2019	<u><u>\$ 30,725,000</u></u>

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

Debt service requirements are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 850,000	\$ 1,194,700	\$ 2,044,700
2021	875,000	1,177,700	2,052,700
2022	925,000	1,160,200	2,085,200
2023	975,000	1,141,700	2,116,700
2024	1,000,000	1,122,200	2,122,200
2025	1,100,000	1,101,200	2,201,200
2026	1,200,000	1,077,000	2,277,000
2027	1,075,000	1,050,000	2,125,000
2028	1,175,000	996,250	2,171,250
2029	1,325,000	937,500	2,262,500
2030	1,475,000	871,250	2,346,250
2031	1,850,000	797,500	2,647,500
2032	2,150,000	705,000	2,855,000
2033	2,500,000	619,000	3,119,000
2034	2,750,000	519,000	3,269,000
2035	3,000,000	409,000	3,409,000
2036	3,200,000	289,000	3,489,000
2037	3,300,000	132,000	3,432,000
	<u>\$ 30,725,000</u>	<u>\$ 15,300,200</u>	<u>\$ 46,025,200</u>

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

Constitutional debt limit	\$ 47,857,047
General obligation bonds payable	(30,725,000)
Amount available in Debt Service Fund	<u>2,006,775</u>
Legal Debt Margin	<u>\$ 19,138,822</u>

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

7. Leases Payable

On July 9, 2018, the District entered into a lease purchase agreement with Insight Investment, LLC to finance the purchase of technology equipment in the amount of \$585,015, plus interest at 3.451%.

On July 23, 2018, the District entered into a lease purchase agreement with US Bancorp to finance the purchase of 18 school buses in the amount of \$1,441,778, plus interest at 2.70%.

Although the agreements provide for cancellation of the leases at the District's option at the renewal dates each year, the District does not foresee exercising its options to cancel. Therefore, the leases are accounted for as non-cancelable capital leases.

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

<u>Year Ending June 30,</u>	<u>2019</u> <u>Bus</u>	<u>2019</u> <u>Technology</u>	<u>Total</u>
2020	\$ 467,847	\$ 25,605	\$ 493,452
2021	675,409	26,658	702,067
2022	201,657	6,959	208,616
Total Minimum Lease Payments	1,344,913	59,222	1,404,135
Less Amount Representing Interest	(38,578)	(20,644)	(59,222)
Net Lease Payments	\$ 1,306,335	\$ 38,578	\$ 1,344,913

The following represents the changes in leases payable for the year ended June 30, 2019:

Leases Payable, July 1, 2018	\$ 89,869
Additional Lease Obligations	2,026,793
Lease Retirement	(771,749)
Leases Payable, June 30, 2019	\$ 1,344,913

8. Certificate of Participation Leases

On June 15, 2011, the District entered into a lease agreement for \$4,825,000 with the Missouri School Boards Association. The lease provided \$507,500 in escrow to refund the principal amount of the 2003A Certificates of Participation on September 1, 2011, and the remainder of the funds to pay for the costs of issuance, accrued interest into a Certificate fund, and provide construction funds in a Project fund. The funds were provided by lease participation certificates with a lease term through April 1, 2021, and bear interest at 2.0% to 3.5%. In the event of default, after 30 days, the Lessor may take possession of the facilities, declare all amounts owed due immediately, or take any other legal action that is necessary or desirable to collect the rental payments.

On June 29, 2018, the District entered into a lease agreement with UMB Bank, N.A for \$4,260,000 to finance energy savings projects. These Certificate of Participation funds (Series 2018 Certificates) bear interest at 3.00% to 3.10% through 2028. In the event of default, after 30 days, the Lessor may take possession of the facilities, declare all amounts owed due immediately, or take other legal action to collect the rental payments.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

Although the agreements provide for cancellation of the leases at the District's option at the renewal dates each year, the District does not foresee exercising its options to cancel. Therefore, the leases are accounted for as non-cancelable capital leases.

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

<u>Year Ending June 30,</u>	Direct Borrowing/Direct Placement		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 525,000	\$ 164,428	\$ 689,428
2021	540,000	147,365	687,365
2022	555,000	128,465	683,465
2023	575,000	111,815	686,815
2024	590,000	94,565	684,565
2025	605,000	76,865	681,865
2026	625,000	58,715	683,715
2027	645,000	39,965	684,965
2028	665,000	20,615	685,615
	<u>\$ 5,325,000</u>	<u>\$ 842,798</u>	<u>\$ 6,167,798</u>

The following represents the changes in leases payable for the year ended June 30, 2019:

Leases Payable, July 1, 2018	\$ 5,830,000
Additional Lease Obligations	-
Lease Retirement	(505,000)
Leases Payable, June 30, 2019	<u>\$ 5,325,000</u>

9. Compensated Absences Payable

Compensated absences payable consists of accumulated vacation and sick days by District personnel. Upon leaving the District, the employees may be paid accrued vacation days up to 15 days at their regular hourly rate of pay. Upon leaving the district after ten years of service, the employee may be paid for accrued sick days at \$15 per day not to exceed \$1,500. Compensated absences payable at June 30, 2019, totaled \$142,176.

10. 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 governments. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor governments. 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.

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

11. Self-Insurance Fund

The District has established a medical self-insurance plan for District employees and their covered dependents to minimize the total cost of medical health insurance to the District. This program is for the benefit of all District employees covered under the Neosho School's Employee Health Care Plan. Medical claims exceeding an individual participant limit of \$125,000 are covered through a private insurance carrier. The District established an Internal Service Fund to account for these activities.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District 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.

13. Post-Employment Benefits

In addition to the pension benefits described in Note 5, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

14. Interfund Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,500,000
Capital Projects Fund	1,500,000	-
	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

As allowed by State law, the District makes transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances.

15. Commitments

At June 30, 2019, the District had the following commitments:

- Branco Enterprises, Inc in the amount of \$3,959,451 for the Goodman Elementary construction project
- Sapp Design Architects in the amount of \$30,000 for the Goodman Elementary construction project and \$32,744 for the Goodman Elementary FEMA Safe Room project
- Terracon Consultants, Inc. in the amount of \$42,934 for the Goodman Elementary construction project

Neosho R-5 School District

Notes to Financial Statements

June 30, 2019

16. Tax Abatements

The District did not provide tax abatements to any businesses. However, the District's taxes were reduced by \$275,279 due to agreements entered into by other governments through the following programs: the Urban Redevelopment Corporation Law (Chapter 353), Enhanced Enterprise Zones Program, and Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer.

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased assessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to the cities that authorized the TIF, these funds are then distributed to a TIF special allocation fund or other political subdivisions.

As of June 30, 2019, the amount of these abatements was as follows:

Tax Abatement Program	Amount of Taxes Abated
Tax Incremental Financing (TIF)	\$ 214,226
Enhanced Enterprise Zone Program	41,770
Urban Redevelopment Corporation Law (Chapter 353)	19,283
	<u>\$ 275,279</u>

Supplementary Information

Neosho R-5 School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 9,425,000	\$ 10,019,801	\$ 10,019,801	\$ -
County	1,150,000	1,058,603	1,058,603	-
State	6,247,036	6,162,605	6,162,605	-
Federal	2,741,000	2,739,101	2,739,101	-
Other	93,000	258,177	258,177	-
Total Receipts	<u>19,656,036</u>	<u>20,238,287</u>	<u>20,238,287</u>	<u>-</u>
Disbursements				
Instruction	5,820,603	5,541,648	5,541,648	-
Student services	735,730	1,301,097	1,301,097	-
Instructional staff support	1,599,107	1,068,702	1,068,702	-
Building administration	246,039	275,706	275,706	-
General administration	1,081,693	1,755,407	1,755,407	-
Operation of plant	3,618,110	4,067,049	4,067,049	-
Transportation	1,747,363	1,898,303	1,898,303	-
Food service	2,441,871	2,297,560	2,297,560	-
Community services	484,980	472,699	472,699	-
Total Disbursements	<u>17,775,496</u>	<u>18,678,171</u>	<u>18,678,171</u>	<u>-</u>
<i>Excess of Receipts Over Disbursements</i>	1,880,540	1,560,116	1,560,116	-
Other Financing Sources (Uses)				
Net insurance recovery	-	5,314	5,314	-
Sale of other property	-	34,325	34,325	-
Operating transfers (out)	(2,575,954)	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	<u>(2,575,954)</u>	<u>(1,460,361)</u>	<u>(1,460,361)</u>	<u>-</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(695,414)	99,755	99,755	-
Fund Balance, July 1, 2018	7,563,066	7,563,066	7,563,066	-
Fund Balance, June 30, 2019	<u><u>\$ 6,867,652</u></u>	<u><u>\$ 7,662,821</u></u>	<u><u>\$ 7,662,821</u></u>	<u><u>\$ -</u></u>

Neosho R-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		
Receipts				
Local	\$ 4,837,196	\$ 4,962,122	\$ 4,962,122	\$ -
County	230,000	218,492	218,492	-
State	15,685,938	15,806,620	15,806,620	-
Federal	1,685,000	1,935,061	1,935,061	-
Other	120,000	81,989	81,989	-
Total Receipts	<u>22,558,134</u>	<u>23,004,284</u>	<u>23,004,284</u>	<u>-</u>
Disbursements				
Instruction	18,981,731	17,775,516	17,775,516	-
Student services	1,157,052	1,845,090	1,845,090	-
Instructional staff support	756,227	742,856	742,856	-
Building administration	1,375,604	1,286,174	1,286,174	-
General administration	486,201	1,002,502	1,002,502	-
Transportation	4,953	-	-	-
Community services	372,320	352,146	352,146	-
Total Disbursements	<u>23,134,088</u>	<u>23,004,284</u>	<u>23,004,284</u>	<u>-</u>
<i>(Deficit) of Receipts Over Disbursements</i>	(575,954)	-	-	-
Other Financing Sources				
Operating transfers in	575,954	-	-	-
Total Other Financing Sources	<u>575,954</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Receipts and Other Sources Over Disbursements</i>	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-
Fund Balance, June 30, 2019	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Neosho R-5 School District

Budgetary Comparison Schedule – Debt Service Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 1,895,000	\$ 1,928,506	\$ 1,928,506	\$ -
County	200,000	163,400	163,400	-
Total Receipts	<u>2,095,000</u>	<u>2,091,906</u>	<u>2,091,906</u>	<u>-</u>
Disbursements				
Debt service	2,000,000	1,986,100	1,986,100	-
Total Disbursements	<u>2,000,000</u>	<u>1,986,100</u>	<u>1,986,100</u>	<u>-</u>
<i>Excess of Receipts Over Disbursements</i>	95,000	105,806	105,806	-
Fund Balance, July 1, 2018	1,900,969	1,900,969	1,900,969	-
Fund Balance, June 30, 2019	<u><u>\$ 1,995,969</u></u>	<u><u>\$ 2,006,775</u></u>	<u><u>\$ 2,006,775</u></u>	<u><u>\$ -</u></u>

Neosho R-5 School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 160,000	\$ 1,740,624	\$ 1,740,624	\$ -
State	1,768,966	1,466,698	1,466,698	-
Other	6,662,000	-	-	-
Total Receipts	8,590,966	3,207,322	3,207,322	-
Disbursements				
Instruction	88,000	50,338	50,338	-
Instructional staff support	716,236	320,094	320,094	-
General administration	-	2,821	2,821	-
Operation of plant	300,000	44,594	44,594	-
Transportation	495,000	502,452	502,452	-
Food service	-	5,971	5,971	-
Community services	-	1,411	1,411	-
Facilities acquisition and construction	12,700,000	6,125,742	6,125,742	-
Debt service	675,000	953,437	953,437	-
Total Disbursements	14,974,236	8,006,860	8,006,860	-
<i>(Deficit) of Receipts Over Disbursements</i>	(6,383,270)	(4,799,538)	(4,799,538)	-
Other Financing Sources				
Net insurance recovery	-	989,876	989,876	-
Operating transfers in	2,000,000	1,500,000	1,500,000	-
Total Other Financing Sources	2,000,000	2,489,876	2,489,876	-
<i>(Deficit) of Receipts and Other Sources Over Disbursements</i>	(4,383,270)	(2,309,662)	(2,309,662)	-
Fund Balance, July 1, 2018	4,929,315	4,929,315	4,929,315	-
Fund Balance, June 30, 2019	\$ 546,045	\$ 2,619,653	\$ 2,619,653	\$ -

Neosho R-5 School District

Notes to the Budgetary Comparison Schedules

June 30, 2019

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 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), recognizing receipts when collected and disbursements when paid.

Other Financial Information

Neosho R-5 School District

Schedule of Recipients by Source

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 8,407,868	\$ -	\$ 1,835,294	\$ -	\$ 10,243,162
Delinquent taxes	317,397	-	68,220	-	385,617
School district trust fund (Prop C)	-	4,953,379	-	-	4,953,379
Financial institution tax	-	-	-	5,729	5,729
M&M surtax	-	-	-	179,621	179,621
Reg day school tuition (K-12) from individuals	-	7,350	-	-	7,350
Earnings from temporary deposits	123,425	1,393	24,992	93	149,903
Food service - sales to pupils	334,628	-	-	-	334,628
Food service - sales to adults	3,818	-	-	-	3,818
Admissions - student activities	55,453	-	-	-	55,453
Revenue from enterprise activities	9,947	-	-	-	9,947
Other pupil activity income	547,876	-	-	-	547,876
Community services	48,901	-	-	-	48,901
Gifts	88,927	-	-	-	88,927
Prior period adjustment	91	-	-	1,555,181	1,555,272
Miscellaneous local revenue	81,470	-	-	-	81,470
Total Local	10,019,801	4,962,122	1,928,506	1,740,624	18,651,053
County					
Fines, escheats, etc.	-	218,492	-	-	218,492
State assessed utilities	1,058,603	-	163,400	-	1,222,003
Total County	1,058,603	218,492	163,400	-	1,440,495
State					
Basic formula - state monies	4,756,076	15,573,153	-	-	20,329,229
Transportation	394,980	-	-	-	394,980
Early childhood special education	293,769	163,174	-	-	456,943
Basic formula - classroom trust	327,595	-	-	1,466,698	1,794,293
Educational screening prog/PAT	105,545	-	-	-	105,545
Career education	5,143	70,293	-	-	75,436
Food service - state	15,970	-	-	-	15,970
High need fund - special education	248,814	-	-	-	248,814
Other - state	14,713	-	-	-	14,713
Total State	6,162,605	15,806,620	-	1,466,698	23,435,923

Neosho R-5 School District

Schedule of Recipients by Source

Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Federal					
Medicaid	95,585	-	-	-	95,585
Reserve officer training corps (ROTC)	-	22,832	-	-	22,832
IDEA grants	8,860	-	-	-	8,860
IDEA entitlement funds, Part B IDEA	-	695,938	-	-	695,938
School lunch program	1,418,385	-	-	-	1,418,385
School breakfast program	783,593	-	-	-	783,593
Special milk program	7,012	-	-	-	7,012
After school snack program	20,586	-	-	-	20,586
Title I - ESEA	87,942	1,043,927	-	-	1,131,869
Title I, Part C - migrant education	10,448	-	-	-	10,448
Title III, ESEA - English language acquisition	66,380	-	-	-	66,380
Title II, Part A&B, ESEA - teacher & principal training	5,417	172,364	-	-	177,781
Childcare development fund grant	73,560	-	-	-	73,560
Dept of Health food service program	86,165	-	-	-	86,165
Title VI, Part B - rural education initiative	74,168	-	-	-	74,168
Other - federal	1,000	-	-	-	1,000
Total Federal	<u>2,739,101</u>	<u>1,935,061</u>	<u>-</u>	<u>-</u>	<u>4,674,162</u>
Other Sources					
Net insurance recovery	5,314	-	-	989,876	995,190
Sale of other property	34,325	-	-	-	34,325
Tuition from other LEAs - regular term	243,002	81,989	-	-	324,991
Contracted educational services	15,175	-	-	-	15,175
Total Other Sources	<u>297,816</u>	<u>81,989</u>	<u>-</u>	<u>989,876</u>	<u>1,369,681</u>
Total Receipts	<u>\$ 20,277,926</u>	<u>\$ 23,004,284</u>	<u>\$ 2,091,906</u>	<u>\$ 4,197,198</u>	<u>\$ 49,571,314</u>

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR).

Neosho R-5 School District

Schedule of Disbursements by Object

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Certificated - regular salaries	\$ -	\$ 17,161,433	\$ -	\$ -	\$ 17,161,433
Certificated supplemental pay	22,191	548,780	-	-	570,971
Certificated unused leave and/or severance pay	-	2,355	-	-	2,355
Classified salaries regular	6,059,295	-	-	-	6,059,295
Classified substitute salaries	1,925	-	-	-	1,925
Classified salaries - part-time	1,034,868	-	-	-	1,034,868
Classified employees unused leave and/or severance	14,910	-	-	-	14,910
Teacher's retirement	19,711	2,806,494	-	-	2,826,205
Non-teacher retirement	534,585	4,184	-	-	538,769
Old age survivor and disability (OASDI)	424,720	12,885	-	-	437,605
Medicare	99,241	241,139	-	-	340,380
Employee insurance	1,304,569	1,884,604	-	-	3,189,173
Workers' compensation insurance	215,817	-	-	-	215,817
Unemployment compensation	10,877	-	-	-	10,877
Other employer provided benefits	180,000	-	-	-	180,000
Purchased instructional services - tuition	33,064	342,410	-	-	375,474
Pupil Services	35,512	-	-	-	35,512
Staff services	416,143	-	-	-	416,143
Audit services	19,500	-	-	-	19,500
Data processing and technology-related services	81,705	-	-	-	81,705
Legal services	9,648	-	-	-	9,648
Election services	10,654	-	-	-	10,654
Other professional services	121,903	-	-	-	121,903
Repairs and maintenance	307,456	-	-	-	307,456
Rentals - land and buildings	26,500	-	-	-	26,500
Rentals - equipment	69,045	-	-	-	69,045
Water and sewer	98,096	-	-	-	98,096
Trash removal	39,270	-	-	-	39,270
Travel	239,978	-	-	-	239,978
Property insurance	200,237	-	-	-	200,237
Liability insurance	103,594	-	-	-	103,594
Communication	132,455	-	-	-	132,455
Advertising	166	-	-	-	166
Printing and binding	42,927	-	-	-	42,927
Dues and membership	1,088	-	-	-	1,088
Other purchased services	1,107,971	-	-	-	1,107,971
Other expenses	7,605	-	-	-	7,605

Neosho R-5 School District

Schedule of Disbursements by Object

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
General supplies	1,735,238	-	-	-	1,735,238
Supplies - technology - related	347,854	-	-	-	347,854
Textbook	417,418	-	-	-	417,418
Library books	76,409	-	-	-	76,409
Resource materials	12,602	-	-	-	12,602
Food service - excludes non-food supplies	1,788,285	-	-	-	1,788,285
Electric	844,970	-	-	-	844,970
Gas - natural	104,070	-	-	-	104,070
Gasoline/diesel	272,162	-	-	-	272,162
Other supplies and materials	51,937	-	-	-	51,937
Buildings	-	-	-	6,133,736	6,133,736
Regular equipment	-	-	-	359,478	359,478
Equipment - classroom instructional	-	-	-	21,157	21,157
Vehicles - except school buses	-	-	-	36,600	36,600
Pupil transportation vehicles - school buses	-	-	-	502,452	502,452
Principal - bonded indebtedness	-	-	775,000	505,000	1,280,000
Principal - short term loans	-	-	-	278,297	278,297
Interest - bonded indebtedness	-	-	1,210,200	-	1,210,200
Interest - short term loans	-	-	-	22,434	22,434
Interest - lease purchase agreements	-	-	-	147,706	147,706
Fees - bonded indebtedness	-	-	900	-	900
Total Disbursements	<u>\$ 18,678,171</u>	<u>\$ 23,004,284</u>	<u>\$ 1,986,100</u>	<u>\$ 8,006,860</u>	<u>\$ 51,675,415</u>

Neosho R-5 School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2019

	District Owned	Disabled District Owned	Total
Certified salaries	\$ 22,191	\$ -	\$ 22,191
Non-certified salaries	1,070,253	87,284	1,157,537
Employee benefits	240,333	23,933	264,266
Purchased services	58,224	5,943	64,167
Supplies	230,768	26,667	257,435
Depreciation, net of adjustments	547,581	-	547,581
	<u>\$ 2,169,350</u>	<u>\$ 143,827</u>	<u>\$ 2,313,177</u>
School buses lease-purchased			
Principal paid	<u>\$ 493,452</u>		
School bus purchased	<u>\$ 9,000</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
Neosho R-5 School District
Neosho, 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 Neosho R-5 School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Neosho R-5 School District's basic financial statements and have issued our report thereon dated November 27, 2019.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Neosho R-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 Neosho R-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 Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's responses were not subject 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
November 27, 2019



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

Board of Education
Neosho R-5 School District
Neosho, Missouri

Report on Compliance for Each Major Federal Program

We have audited the Neosho R-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 Neosho R-5 School District's major federal program for the year ended June 30, 2019. The Neosho R-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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Neosho R-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 the major federal program occurred. An audit includes examining, on a test basis, evidence about Neosho R-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 Neosho R-5 School District's compliance.

Opinion on the Major Federal Program

In our opinion, the Neosho R-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, 2019.

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Report on Internal Control Over Compliance

Management of the Neosho R-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 Neosho R-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
November 27, 2019

Neosho R-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	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20188N109943	\$ -	\$ 282,911
		20199N109943	-	500,682
National School Lunch Program			-	783,593
Cash	10.555	20188N109943	-	513,529
		20199N109943	-	904,856
Commodities	10.555	073-108	-	1,418,385
After School Snacks Program	10.555	20188N109943	-	5,379
		20199N109943	-	15,207
			-	20,586
Special Milk Program	10.556	20188N109943	-	2,858
		20199N109943	-	4,154
			-	7,012
Missouri Department of Health and Senior Services				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	ERS0461977S	-	132,823
Total Child Nutrition Cluster			-	2,506,538
Total U.S. Department of Agriculture			-	2,506,538
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Education Agencies	84.010	S010A170025	-	86,286
		S010A180025	-	963,818
			-	1,050,104
Migrant Education State Grant Program	84.011	S011A170025	-	2,244
		S011A180025	-	8,619
			-	10,863
Supporting Effective Instruction State Grant	84.367	S367A170024	-	5,417
		S367A180024	-	174,201
			-	179,618
Student Support and Academic Enrichment Program	84.424	S424A180026	-	16,766
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A170040	-	147,697
		H027A180040	-	920,415
			-	1,068,112
Special Education Preschool Grants	84.173	H171A180103	-	31,444
Total Special Education Grants Cluster			-	1,099,556
English Language Acquisition State Grants	84.365	S365A170025	-	22,060
		S364A180025	-	34,375
			-	56,435
Title V.B Rural Education Achievement Program	84.358	S358B180025	-	81,885
Total U.S. Department of Education			-	2,495,227

Neosho R-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	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Defense				
Direct				
Junior Reserve Officers Training Corp Unit	12.000	N/A	-	22,831
Total U.S. Department of Defense			-	22,831
U.S. Department of Health and Human Services				
Missouri Department of Elementary and Secondary Education				
Child Care and Development Fund, Discretionary	93.575	1901MOCCDF	-	63,750
Youth Risk Behavior Survey	93.079	18NU87	-	1,000
Total U.S. Department of Health and Human Services			-	64,750
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Pre-Disaster Mitigation	97.047	PDMC-PJ-07-MO-2017	-	121,101
Total U.S. Department of Homeland Security			-	121,101
Total Expenditures of Federal Awards			\$ -	\$ 5,210,447

Neosho R-5 School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

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, non-cash assistance of \$144,139 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.

Neosho R-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 program: <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> CFDA Number(s) 10.553, 10.555, 10.556, & 10.559 </div> <div style="text-align: center;"> Name of Federal Program or Cluster Child Nutrition Cluster </div> </div>		
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Neosho R-5 School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Section II – Financial Statement Findings

Material Weaknesses

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, an accounts payable position, a payroll and benefits person, and the Superintendent’s secretary 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

Neosho R-5 School District

Schedule of Prior Audit Findings

Year Ended June 30, 2019

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

Neosho R-5 School District

Corrective Action Plan

Year Ended June 30, 2019

November 27, 2019

U.S. Department of Education

Neosho R-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:

Dr. Jim Cummins
Superintendent
511 Neosho Blvd.
Neosho, Missouri
(417) 451-8600

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 Weaknesses

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.

Implementation Date: Not applicable

Sincerely,

Dr. Jim Cummins, Superintendent
Neosho R-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
Neosho R-5 School District
Neosho, Missouri

We have examined management's assertions that Neosho R-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. Neosho R-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 27, 2019

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Neosho R-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
4060	PK-AM	PK-AM	Y	3.2500	165	536.2500
4060	PK-PM	PK-PM	Y	3.2500	165	536.2500
4040	K	4	N	7.0000	174	1,116.0000
4080	K	4	N	7.0000	174	1,116.0000
5020	K	4	N	7.0000	174	1,116.0000
5040	K	4	N	7.0000	174	1,116.0000
4020	K	4	N	7.0000	172	1,105.0000
1010	PK	12	N	6.3500	174	1,067.5000
3000	5	6	N	6.7500	174	1,081.0000
2050	7	8	N	6.7500	174	1,081.0000
1050	9	12	N	6.7500	174	1,081.0000

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
4060	PK	65.0916	-	-	-	-	65.0916
4020, 4040, 4080, 5020, & 5040	K	316.4189	-	-	0.0560	13.6236	330.0985
	1	354.8991	-	-	0.0623	12.8336	367.7950
	2	313.4511	-	-	-	11.4585	324.9096
	3	337.5289	0.0573	-	0.0560	13.2392	350.8814
	4	353.6614	-	-	0.2086	10.2889	364.1589
3000	5	334.0013	0.1295	-	-	11.9923	346.1231
	6	369.4027	-	-	-	9.7857	379.1884
2050	7	340.7920	0.4577	-	-	9.1499	350.3996
	8	319.0347	0.2505	-	-	5.1353	324.4205
1050	9	308.2681	1.7958	-	-	6.0656	316.1295

Neosho R-5 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

	10	294.2728	11.5644	-	-	5.5209	311.3581
	11	242.9365	19.0134	-	-	4.5359	266.4858
	12	199.0427	26.3910	-	-	5.5476	230.9813
Grand Total	PK-12	4,148.8018	59.6596	-	0.3829	119.1770	4,328.0213

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
4060	PK	70.00	-	-	70.00
4020, 4040, 4080, 5020, & 5040	K	329.00	0.10	-	329.10
	1	365.00	0.54	-	365.54
	2	327.00	-	-	327.00
	3	359.00	0.12	-	359.12
	4	363.00	-	-	363.00
3000	5	348.00	0.09	-	348.09
	6	384.00	-	-	384.00
2050	7	355.00	-	-	355.00
	8	340.00	0.26	-	340.26
1050	9	325.00	0.71	-	325.71
	10	324.00	6.60	-	330.60
	11	283.00	12.24	-	295.24
	12	260.00	32.81	-	292.81
Grand Total	PK-12	4,432.00	53.47	-	4,485.47

Neosho R-5 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

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
1050	476.79	80.34	N/A	N/A	557.13
2050	341.54	58.00	N/A	N/A	399.54
3000	415.03	47.00	N/A	N/A	462.03
4020	310.00	40.00	N/A	N/A	350.00
4040	168.00	17.00	N/A	N/A	185.00
4060	-	-	N/A	N/A	-
4080	172.00	24.00	N/A	N/A	196.00
5020	111.00	26.00	N/A	N/A	137.00
5040	221.00	42.00	N/A	N/A	263.00
Grand Total	2,215.36	334.34	N/A	N/A	2,549.70

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	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True

Neosho R-5 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	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)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$188,124

Neosho R-5 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

Finding:	None
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	2,478.5
	Ineligible ADT	-
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:	529,048
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	402,954
	Ineligible Miles (Non-Route/Disapproved)	126,094
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	174

Finding:	None
Management Letter Comment:	N/A