

Ava R-I School District
Ava, Missouri

BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

KPM
CPAS & ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Education
Ava R-I School District
Ava, Missouri

We have audited the basic financial statements of the governmental activities and each major fund of the Ava R-I School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Board of Education
Ava R-I School District
Ava, Missouri

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

Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, and budgetary comparison information on pages 8-15 and 35-38, which are the responsibility of management, are presented for purposes of additional analysis and are 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 Ava R-I School District's basic financial statements. The data contained under Other Financial Information on pages 40-43, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

Board of Education
Ava R-I School District
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The Other Financial Information on pages 40-43 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 13, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Our discussion and analysis of Ava R-I School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 17.

FINANCIAL HIGHLIGHTS

- Net Position: Total net position was \$3,884,318 at June 30, 2018. This was an increase of \$210,515 from the prior year.
- Receipts and Disbursements: Total receipts were \$13,083,161 and disbursements were \$12,872,646.
- Operating Balances: The Operating Fund (Funds 1 and 2) increased from \$2,440,546 to \$2,771,194.
- Salaries: With a regionally competitive salary schedule among both certificated and classified employees, all certified were moved on the salary schedule and classified and administration were compensated with a 2.3% increase as well as an increase of \$104.28 per year toward the defined contribution for health insurance. Vertical (experience) and horizontal (education compensation) were permitted. The vertical step #30 was added to the schedule to compensate for one more year of experience. Extra duty stipends and club stipends were also increased commensurately.
- Capital Improvements and Repair Projects: The District performed several HVAC upgrades including pre-school, elementary gym and music room. The District also purchased two houses next to our property for future expansion. New ceilings were installed in the 3rd grade section of the elementary school. Large repair of middle school bleachers was performed and the purchase of a newer maintenance vehicle.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the District's modified cash basis of accounting.

Report Components

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the District operations in more detail than the government-wide statements by providing information about the District's funds. These statements tell how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Supplementary Information: This Management's Discussion and Analysis, pension information and budgetary comparison schedules represent financial information required by the Missouri Department of Elementary and Secondary Education to be presented. Such information provides users of this report with additional data that supplements the government-wide statement, fund financial statements, and notes (referred to as "the basic financial statements").

Other Financial Information: This part of the annual report includes optional financial information as well as schedules and reports required by the State and Federal Governments. This other financial information is provided to address certain needs of various users of the District's annual report.

Basis of Accounting

This District has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing receipts, disbursements, and their related assets and liabilities. Under the modified cash basis of accounting, receipts and disbursements and the related assets are recorded when they result from cash transactions. The modification to cash basis relates to the presentation of investments.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or services provided yet not collected) and liabilities and their related expenditures (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Government-Wide Statement of Net Position and the Statement of Activities

Our financial analysis of the District as a whole begins on page 10. The government-wide financial statements are presented on pages 17-18. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets resulting from the use of the modified cash basis of accounting.

The statements report the District's net position and changes in them. Over time, increases and decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other non-financial factors, however, such as changes in the District tax base, attendance, and the condition of the District's facilities, to assess the overall health of the District.

AVA R-I SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2018

The Statement of Activities is presented by its governmental functions which include instruction, student services, instructional staff support, building administration, general administration, operation of plant, transportation, food service, community services, facility acquisition and construction and debt service. The Statement of Activities shows the net cost of these functions before considering the general receipts of the District.

Fund Financial Statements

Our analysis of the District’s funds begins on page 12. The fund financial statements begin on page 20 and provide detailed information about the District’s funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for District programs.

General Fund: Accounts for all resources except those required to be accounted for in the Special Revenue or Capital Project 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.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The District’s Net Position, resulting from cash transactions, increased by \$210,515 between fiscal years 2017 and 2018.

Net Position – Modified Cash Basis

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 3,747,044	\$ 3,536,374
Investments	137,274	137,429
	<u>\$ 3,884,318</u>	<u>\$ 3,673,803</u>
	TOTAL ASSETS	
NET POSITION		
Restricted for student scholarships	\$ 68,852	\$ 62,288
Restricted for student activities	217,846	198,531
Unrestricted	3,597,620	3,412,984
	<u>\$ 3,884,318</u>	<u>\$ 3,673,803</u>
	TOTAL NET POSITION	

AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Changes in Net Position – Modified Cash Basis

For the years ended June 30, 2018 and 2017, net position of the District, resulting from cash transactions, changed as follows:

RECEIPTS	<u>2018</u>	<u>2017</u>
<u>Program Receipts</u>		
Charges for services	\$ 780,596	\$ 760,866
Operating grants and contributions	2,144,727	1,866,785
Capital grants and contributions	22,571	11,215
<u>General Receipts</u>		
Ad valorem tax receipts	2,835,600	2,617,414
Prop C sales tax receipts	1,318,810	1,274,698
Other tax receipts	84,351	72,705
County receipts	102,189	122,713
State receipts	5,435,986	5,152,239
Interest receipts	87,871	55,940
Gifts	194,684	-
Other receipts	74,782	636,043
<u>Special Items</u>		
Sale of buses	-	433
Sale of other property	994	294
TOTAL RECEIPTS	<u>13,083,161</u>	<u>12,571,345</u>
DISBURSEMENTS		
Instruction	6,615,999	6,647,615
Student services	513,186	490,431
Instructional staff support	377,321	489,801
Building administration	569,818	563,928
General administration	736,905	909,935
Operation of plant	1,423,345	1,086,537
Transportation	745,128	876,534
Food service	725,794	720,844
Community services	636,075	466,739
Facilities acquisition and construction	74,600	40,167
Debt service	454,475	454,878
TOTAL DISBURSEMENTS	<u>12,872,646</u>	<u>12,747,409</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ 210,515</u>	<u>\$ (176,064)</u>

AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

The total cost of all programs and services was \$12,872,646. The majority of District disbursements were related to instruction and support for students and staff (58%). Administrative activities accounted for 10% of total costs. The remaining disbursements were for plant maintenance and operations (11%), transportation (6%), food service (6%), community services (5%), facilities acquisition and construction (>1%) and debt service (4%).

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances. You will notice that disbursements are listed in the first column, with receipts from that particular activity reported to the right. The result is a Net (Disbursements)/Receipts. This type of format highlights the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general receipts, or if it is self-financing through fees and grants. All other governmental receipts are reported as general. It is important to note that all taxes are classified as general receipts, even if restricted for a specific purpose.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Over the course of the year, the District revises its annual budget to reflect unexpected changes in receipts and disbursements. The final amendment to the budget was approved June 21, 2018. A schedule of the District's original and final budget amounts compared with actual receipts and disbursements is provided in the supplemental section of the audited financial report.

- Assets: Total assets were \$3,884,318 at June 30, 2018. This was an increase of \$210,515 from the prior year.
- Receipts and Disbursements: Total receipts were \$13,083,161 and disbursements were \$12,872,646.
- Operating Funds: The Operating Funds balance increased from \$2,440,546 to \$2,771,194. This was an increase of \$330,648 from the prior year.
- Capital Projects Fund: The Capital Projects Fund decreased from \$1,233,257 to \$1,113,124. This was a decrease of \$120,133 from the prior year.

FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL RESULTS

	Budget		Actual
	Original	Final	
RECEIPTS			
Local	\$ 4,019,535	\$ 4,130,695	\$ 4,438,163
County	88,400	88,400	80,973
State	1,577,357	425,451	587,709
Federal	1,115,120	1,486,599	1,342,730
TOTAL RECEIPTS	\$ 6,800,412	\$ 6,131,145	\$ 6,449,575
DISBURSEMENTS			
Instruction	\$ 1,379,459	\$ 1,608,431	\$ 1,545,526
Student services	260,691	282,850	252,359
Instructional staff support	201,437	243,371	178,735
Building administration	159,219	163,457	154,387
General administration	472,267	483,280	475,458
Operation of plant	1,135,729	1,118,453	1,136,623
Transportation	737,679	753,129	717,136
Food service	735,843	738,647	725,794
Community services	191,282	305,105	349,847
TOTAL DISBURSEMENTS	\$ 5,273,606	\$ 5,696,724	\$ 5,535,865

Receipts

This reflects only the District’s General Fund (Fund 1) and does not include the Special Revenue Fund (Fund 2). The District originally budgeted total receipts of \$6,800,412. Actual total receipts were \$6,449,575. This amounted to \$350,837 less receipts than budgeted.

The District’s original budget reflects a conservative philosophy of management in order to protect the District from unanticipated changes in state and federal monies. The District amends the budget during the year to reflect actual results.

Disbursements

The District’s original General Fund budget had total disbursements at \$5,273,606 and actual disbursements were \$5,535,865. This amounted to \$262,259 more expended than was budgeted.

DEBT ADMINISTRATION

Long-Term Debt – Modified Cash Basis

The District uses the modified cash basis of accounting, which recognizes disbursements when paid in cash and receipts when collected in cash. Therefore, long-term debt of the District is not reflected in the financial statements. The following is a summary of long-term debt of the District for the years ended June 30, 2018, and 2017.

	June 30,	
	2018	2017
LONG-TERM DEBT		
Capital Leases Payable	\$ 3,143,005	\$ 3,468,423
Loan Payable	289,799	327,400
TOTAL LONG-TERM DEBT	<u>\$ 3,432,804</u>	<u>\$ 3,795,823</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health:

- Salaries: FY 18 allowed certified employees vertical and horizontal movement on the salary schedule. An increase was mirrored with classified employees and administration, with a 2.3% increase.
- Health Insurance: Health insurance for employees experienced an increase in premiums for FY 18. The Board paid insurance amount for employee coverage was increased by \$8.69 per month to \$450.00 per month per employee.
- State Aid: The District could be impacted by possible funding reductions in the following areas: Basic Formula, Transportation, and other categorical areas.
- District Reserves: The current unrestricted fund balances was approximately 22.50% at the end of FY 18, compared to 20.02% at the end of FY 17. Even with maintaining fund balances, the District should closely monitor revenue and expenditures as both are impacted by the downward trend in the economy. There has been a slight up-tick in enrollment at this time but the District should be cautious in financial planning due to no correlating factor for the increase.
- Facility Needs: In FY 19, the District will continue with Capital Improvements as directed by the Board of Education approved Capital Improvement Plan. The main focus of District needs will include safety concerns as well as technology needs (infrastructure, access points, cameras, etc.)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Superintendent of Schools, Dr. Jason Dial at Ava R-1 School District, 507 NE 3rd St, P.O. Box 338, Ava, MO 65608; Telephone (417) 683-4717; Fax (417) 683-6329; E-mail jdial@avabears.net.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

AVA R-I SCHOOL DISTRICT
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,747,044
Investments	<u>137,274</u>
TOTAL ASSETS	<u><u>\$ 3,884,318</u></u>
NET POSITION	
Restricted for student scholarships	\$ 68,852
Restricted for student activities	217,846
Unrestricted	<u>3,597,620</u>
TOTAL NET POSITION	<u><u>\$ 3,884,318</u></u>

See accompanying notes

AVA R-I SCHOOL DISTRICT
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended June 30, 2018

	Cash Disbursements	Program Cash Receipts			Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
Governmental Activities:					
Instruction	\$ (6,615,999)	\$ 652,788	\$ 1,034,146	\$ 21,411	\$ (4,907,654)
Student services	(513,186)	-	8,762	-	(504,424)
Instructional staff support	(377,321)	-	6,928	-	(370,393)
Building administration	(569,818)	-	-	-	(569,818)
General administration	(736,905)	-	-	-	(736,905)
Operation of plant	(1,423,345)	7,650	-	-	(1,415,695)
Transportation	(745,128)	-	133,301	-	(611,827)
Food service	(725,794)	95,564	591,882	-	(38,348)
Community services	(636,075)	24,594	369,708	1,160	(240,613)
Facilities acquisition and construction	(74,600)	-	-	-	(74,600)
Debt service	(454,475)	-	-	-	(454,475)
NET PROGRAM (DISBURSEMENTS) RECEIPTS	<u>\$ (12,872,646)</u>	<u>\$ 780,596</u>	<u>\$ 2,144,727</u>	<u>\$ 22,571</u>	<u>(9,924,752)</u>
General Receipts:					
Ad valorem tax receipts					2,835,600
Prop C sales tax receipts					1,318,810
Other tax receipts					84,351
County receipts					102,189
State receipts					5,435,986
Interest receipts					87,871
Gifts					194,684
Other receipts					74,782
TOTAL GENERAL RECEIPTS					<u>10,134,273</u>
Special Item:					
Sale of other property					<u>994</u>
INCREASE IN NET POSITION					<u>210,515</u>
NET POSITION - Beginning of year					<u>3,673,803</u>
NET POSITION - End of year					<u>\$ 3,884,318</u>

See accompanying notes

FUND FINANCIAL STATEMENTS

AVA R-I SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
BASIS
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,633,920	\$ -	\$ 1,113,124	\$ 3,747,044
Investments	137,274	-	-	137,274
TOTAL ASSETS	<u>\$ 2,771,194</u>	<u>\$ -</u>	<u>\$ 1,113,124</u>	<u>\$ 3,884,318</u>
FUND BALANCES				
Restricted for:				
Student scholarships	\$ 68,852	\$ -	\$ -	\$ 68,852
Student activities	217,846	-	-	217,846
Assigned for capital outlay	-	-	1,113,124	1,113,124
Unassigned	2,484,496	-	-	2,484,496
TOTAL FUND BALANCES	<u>\$ 2,771,194</u>	<u>\$ -</u>	<u>\$ 1,113,124</u>	<u>\$ 3,884,318</u>

AVA R-I SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
RECEIPTS				
Local	\$ 4,438,163	\$ 557,632	\$ 101,303	\$ 5,097,098
County	80,973	21,216	-	102,189
State	587,709	5,175,797	36,660	5,800,166
Federal	1,342,730	438,977	21,411	1,803,118
Other	-	279,596	-	279,596
TOTAL RECEIPTS	<u>6,449,575</u>	<u>6,473,218</u>	<u>159,374</u>	<u>13,082,167</u>
DISBURSEMENTS				
Instruction	1,545,526	5,046,883	23,590	6,615,999
Student services	252,359	260,827	-	513,186
Instructional staff support	178,735	179,996	18,590	377,321
Building administration	154,387	415,431	-	569,818
General administration	475,458	258,853	2,594	736,905
Operation of plant	1,136,623	-	286,722	1,423,345
Transportation	717,136	25,000	2,992	745,128
Food service	725,794	-	-	725,794
Community services	349,847	286,228	-	636,075
Facilities acquisition and construction	-	-	74,600	74,600
Debt service	-	-	454,475	454,475
TOTAL DISBURSEMENTS	<u>5,535,865</u>	<u>6,473,218</u>	<u>863,563</u>	<u>12,872,646</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	913,710	-	(704,189)	209,521
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(583,062)	-	583,062	-
Sale of other property	-	-	994	994
TOTAL OTHER FINANCING SOURCES (USES)	<u>(583,062)</u>	<u>-</u>	<u>584,056</u>	<u>994</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)	330,648	-	(120,133)	210,515
FUND BALANCE, June 30, 2017	<u>2,440,546</u>	<u>-</u>	<u>1,233,257</u>	<u>3,673,803</u>
FUND BALANCE, June 30, 2018	<u>\$ 2,771,194</u>	<u>\$ -</u>	<u>\$ 1,113,124</u>	<u>\$ 3,884,318</u>

See accompanying notes

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

The funds presented in the accompanying 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund equity, receipts, and disbursements when they result from cash transactions. The modification to 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 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 goods are purchased.

Compensated Absences

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

Long-Term Debt

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Teachers' Salaries

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

Pooled Cash and 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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Program Receipts

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

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2018, all bank balances on deposit are entirely insured or collateralized with securities.

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE C – INVESTMENTS

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

Investment Type	Maturity	Amount
Certificates of Deposit	6/9/19 to 6/20/20	\$ 137,274

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2018, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The District does not have a formal investment policy but limits its exposure to fair value losses arising from rising interest rates by limiting the District’s investment portfolio to short-term maturities. All investments are held to maturity.

NOTE D – TAXES

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

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.

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE D – TAXES (continued)

The assessed valuation of the tangible taxable property for the calendar year 2017 for purposes of local taxation was:

Real estate	\$ 71,929,990
Personal property	<u>32,658,399</u>
TOTAL ASSESSED VALUATION	<u><u>\$ 104,588,389</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	<u>\$ 2.75</u>	<u>\$ 2.75</u>
TOTAL LEVY	<u><u>\$ 2.75</u></u>	<u><u>\$ 2.75</u></u>

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

NOTE E – 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.

NOTE E – RETIREMENT PLANS (continued)

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

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

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

NOTE E – RETIREMENT PLANS (continued)

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2016, 2017, and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2016, 2017, and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$779,912 and \$118,958, respectively, for the year ended June 30, 2018.

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

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE F – LEASES PAYABLE

On March 1, 2013, the District entered into a lease agreement with the Missouri School Boards Association for \$3,820,000 with interest at 2.0% to 3.0%. The lease has semi-annual lease payments through October 1, 2026. The purpose of the lease was to pay off Department of Natural Resources Loan, pay off the 2008 lease and provide funds for capital projects.

On July 16, 2015, the District entered into a lease agreement with Oakstar Bank for \$600,000 with interest based on 5 year treasury yields plus 2.7% x 67%. The lease has semi-annual lease payments through April 1, 2025. The purpose of the lease was to purchase heating and air units.

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

The following is a schedule of payments under the leases:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 332,408	\$ 75,361	\$ 407,769
2020	338,626	68,330	406,956
2021	345,194	60,969	406,163
2022	351,779	53,130	404,909
2023	363,405	44,491	407,896
2024	375,068	35,010	410,078
2025	381,525	24,888	406,413
2026	325,000	14,572	339,572
2027	330,000	4,950	334,950
	<u>\$ 3,143,005</u>	<u>\$ 381,701</u>	<u>\$ 3,524,706</u>

The following represents the changes in lease payable for the year ended June 30, 2018:

Leases Payable, July 1, 2017	\$ 3,468,423
Additional lease obligation	-
Net lease retirement	<u>(325,418)</u>
Leases Payable, June 30, 2018	<u>\$ 3,143,005</u>

NOTE G – COMPENSATED ABSENCES PAYABLE

Compensated absences payable consists of accumulated personal leave by District personnel. The District has two different plans offered to employees based on their hire date and base contract days. Depending on employee eligibility their total annual personal leave days vary from 10-15 days. Personal leave days may be used for personal leave or sick leave. All employees have the annual choice to accumulate either 50 or 100 days. Depending on the eligible plan, personnel are compensated for days accumulated over 50 or 100 at the rate of either \$25 or \$43.75 per day. Total compensated absences payable at June 30, 2018, was \$180,058.

NOTE H – CLAIMS AND ADJUSTMENTS

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2018, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE I – 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.

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE J – 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, 2018, was:

Constitutional debt limit	\$ 15,688,258
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 15,688,258</u></u>

NOTE K – POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note E, 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.

NOTE L – INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 583,062
Capital Projects Fund	<u>583,062</u>	<u>-</u>
	<u><u>\$ 583,062</u></u>	<u><u>\$ 583,062</u></u>

The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law.

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE M – MISSOURI SCHOOL DISTRICT SHORT-TERM HELP LOAN PROGRAM

The District entered into a financing agreement on July 2, 2015 with the Health and Educational Facilities Authority of the State of Missouri for \$400,000 with interest at 2.38%. The loan calls for 130 equal payments of \$3,749 with the final payment on July 1, 2025. The purpose of obtaining the financing was for roof replacement and replacement of HVAC units.

The following is a schedule of payments under the loan:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 38,506	\$ 6,482	\$ 44,988
2020	39,433	5,555	44,988
2021	40,381	4,607	44,988
2022	41,353	3,634	44,987
2023	42,348	2,639	44,987
2024	43,367	1,620	44,987
2025	44,411	576	44,987
	<u>\$ 289,799</u>	<u>\$ 25,113</u>	<u>\$ 314,912</u>

NOTE N – RELATED PARTY TRANSACTIONS

A relative of the Board secretary is the owner of Cooper Lumber Company. The District paid \$23,821 to this vendor through June 30, 2018.

SUPPLEMENTARY INFORMATION

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 4,019,535	\$ 4,130,695	\$ 4,438,163	\$ 307,468
County	88,400	88,400	80,973	(7,427)
State	1,577,357	425,451	587,709	162,258
Federal	1,115,120	1,486,599	1,342,730	(143,869)
TOTAL RECEIPTS	6,800,412	6,131,145	6,449,575	318,430
DISBURSEMENTS				
Instruction	1,379,459	1,608,431	1,545,526	62,905
Student services	260,691	282,850	252,359	30,491
Instructional staff support	201,437	243,371	178,735	64,636
Building administration	159,219	163,457	154,387	9,070
General administration	472,267	483,280	475,458	7,822
Operation of plant	1,135,729	1,118,453	1,136,623	(18,170)
Transportation	737,679	753,129	717,136	35,993
Food service	735,843	738,647	725,794	12,853
Community services	191,282	305,105	349,847	(44,742)
TOTAL DISBURSEMENTS	5,273,606	5,696,724	5,535,865	160,859
EXCESS OF RECEIPTS OVER DISBURSEMENTS	1,526,806	434,421	913,710	479,289
OTHER FINANCING (USES)				
Operating transfers (out)	(1,860,029)	(550,000)	(583,062)	(33,062)
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(333,223)	(115,579)	330,648	446,227
FUND BALANCE, July 1, 2017	2,440,546	2,440,546	2,440,546	-
FUND BALANCE, June 30, 2018	\$ 2,107,323	\$ 2,324,967	\$ 2,771,194	\$ 446,227

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 510,093	\$ 561,367	\$ 557,632	\$ (3,735)
County	50,000	50,000	21,216	(28,784)
State	3,903,413	5,282,365	5,175,797	(106,568)
Federal	475,285	454,699	438,977	(15,722)
Other	225,000	225,000	279,596	54,596
TOTAL RECEIPTS	5,163,791	6,573,431	6,473,218	(100,213)
DISBURSEMENTS				
Instruction	5,110,435	5,090,332	5,046,883	43,449
Student services	252,177	264,092	260,827	3,265
Instructional staff support	220,047	194,606	179,996	14,610
Building administration	415,788	415,656	415,431	225
General administration	290,665	284,090	258,853	25,237
Transportation	-	-	25,000	(25,000)
Community services	234,708	315,394	286,228	29,166
TOTAL DISBURSEMENTS	6,523,820	6,564,169	6,473,218	90,951
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,360,029)	9,262	-	(9,262)
OTHER FINANCING SOURCES				
Operating transfers in	1,360,029	-	-	-
TOTAL OTHER FINANCING SOURCES	1,360,029	-	-	-
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	-	9,262	-	(9,262)
FUND BALANCE, July 1, 2017	-	-	-	-
FUND BALANCE, June 30, 2018	\$ -	\$ 9,262	\$ -	\$ (9,262)

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND
 Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 85,550	\$ 84,939	\$ 101,303	\$ 16,364
State	1,160	1,160	36,660	35,500
Federal	5,614	22,699	21,411	(1,288)
TOTAL RECEIPTS	92,324	108,798	159,374	50,576
DISBURSEMENTS				
Instruction	47,614	40,081	23,590	16,491
Student services	250	89	-	89
Instructional staff support	20,000	20,000	18,590	1,410
General administration	5,600	3,600	2,594	1,006
Operation of plant	245,000	286,725	286,722	3
Transportation	-	2,972	2,992	(20)
Food service	10,000	7,900	-	7,900
Community services	3,500	-	-	-
Facilities acquisition and construction	40,000	74,700	74,600	100
Debt service	455,441	455,441	454,475	966
TOTAL DISBURSEMENTS	827,405	891,508	863,563	27,945
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(735,081)	(782,710)	(704,189)	78,521
OTHER FINANCING SOURCES				
Operating transfers in	500,000	550,000	583,062	33,062
Sale of other property	900	900	994	94
TOTAL OTHER FINANCING SOURCES	500,900	550,900	584,056	33,156
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(234,181)	(231,810)	(120,133)	111,677
FUND BALANCE, July 1, 2017	1,233,257	1,233,257	1,233,257	-
FUND BALANCE, June 30, 2018	\$ 999,076	\$ 1,001,447	\$ 1,113,124	\$ 111,677

AVA R-I SCHOOL DISTRICT
NOTE TO BUDGETARY COMPARISON SCHEDULES
June 30, 2018

Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 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

AVA R-I SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
LOCAL				
Current taxes	\$ 2,577,624	\$ -	\$ -	\$ 2,577,624
Delinquent taxes	257,976	-	-	257,976
School district trust fund (Prop C)	824,256	494,554	-	1,318,810
Financial institution tax	-	-	7,140	7,140
M & M surtax	-	-	75,794	75,794
In lieu of tax	-	-	1,417	1,417
Tuition from individuals	-	6,896	-	6,896
Earnings on investments	54,440	19,408	14,023	87,871
Food service - programs	92,355	-	-	92,355
Food service non-program	3,209	-	-	3,209
Student activities	366,296	-	-	366,296
Community services	24,594	-	-	24,594
Rentals	7,650	-	-	7,650
Gifts	160,565	34,119	-	194,684
Prior period adjustment	309	-	2,929	3,238
Miscellaneous local revenue	68,889	2,655	-	71,544
TOTAL LOCAL	4,438,163	557,632	101,303	5,097,098
COUNTY				
Fines, escheats, etc.	-	21,216	-	21,216
State assessed utilities	74,569	-	-	74,569
Federal properties	6,404	-	-	6,404
TOTAL COUNTY	80,973	21,216	-	102,189
STATE				
Basic formula	189,716	4,745,893	-	4,935,609
Transportation	129,616	-	-	129,616
Early childhood special education	22,439	132,804	1,160	156,403
Classroom trust fund	214,877	250,000	35,500	500,377
Educational screening program	22,234	-	-	22,234
Vocational	3,526	8,100	-	11,626
Food service	5,301	-	-	5,301
Missouri preschool project	-	39,000	-	39,000
TOTAL STATE	587,709	5,175,797	36,660	5,800,166

AVA R-I SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE (continued)
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
FEDERAL				
Medicaid	28,064	-	-	28,064
Perkins basic grant	25,283	-	5,611	30,894
IDEA entitlement funds	241,427	423	-	241,850
Early childhood special education	21,821	-	-	21,821
School lunch program	379,601	-	-	379,601
School breakfast program	203,669	-	-	203,669
After school snack program	1,811	-	-	1,811
Title I	231,882	335,143	5,800	572,825
21st Century community learning center/afterschool	108,156	68,513	-	176,669
ESEA, Title IV. A student support and academic enrichment	4,204	-	3,272	7,476
Title II	23,041	17,243	6,728	47,012
Dept of Health food service program	65,263	-	-	65,263
Title V.B rural education achievement program	6,496	17,365	-	23,861
Healthier U.S. school challenge	1,500	-	-	1,500
Forest service grant	512	-	-	512
Assessment substitute	-	290	-	290
TOTAL FEDERAL	1,342,730	438,977	21,411	1,803,118
OTHER SOURCES				
Sale of other property	-	-	994	994
Tuition from other districts	-	274,109	-	274,109
Contracted educational services	-	5,487	-	5,487
TOTAL OTHER SOURCES	-	279,596	994	280,590
TOTAL RECEIPTS	<u>\$ 6,449,575</u>	<u>\$ 6,473,218</u>	<u>\$ 160,368</u>	<u>\$ 13,083,161</u>

NOTE: The above schedule is consistent with the Annual Secretary of the Board Report (ASBR).

AVA R-I SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 1,726,666	\$ 5,116,025	\$ -	\$ 6,842,691
Teacher's retirement	6,173	773,060	-	779,233
Non-teacher retirement	116,167	3,145	-	119,312
Old age survivor and disability (OASDI)	100,958	15,198	-	116,156
Medicare	23,746	70,400	-	94,146
Employee insurance	278,502	488,320	-	766,822
Other employer provided services	10,140	7,050	-	17,190
Purchased instructional services - tuition	48,831	-	-	48,831
Professional services	176,124	-	-	176,124
Audit services	13,875	-	-	13,875
Data processing and technology related services	7,315	-	-	7,315
Legal services	6,652	-	-	6,652
Election services	4,272	-	-	4,272
Other professional services	40,768	-	-	40,768
Repairs and maintenance	148,959	-	-	148,959
Rental - land and buildings	3,900	-	-	3,900
Rentals - equipment	22,587	-	-	22,587
Water and sewer	27,543	-	-	27,543
Trash removal	15,408	-	-	15,408
Technology-related repairs and maintenance	80,410	-	-	80,410
Contracted transportation to and from school	609,113	-	-	609,113
Travel	34,711	-	-	34,711
Property insurance	68,655	-	-	68,655
Liability insurance	67,640	-	-	67,640
Fidelity bond premiums	125	-	-	125
Communication	20,751	-	-	20,751
Advertising, printing, dues and other purchased services	646,879	20	-	646,899
General supplies	392,097	-	-	392,097
Supplies - technology-related	225,970	-	-	225,970
Textbook	16,544	-	-	16,544
Library books	22,907	-	-	22,907
Resource materials	5,358	-	-	5,358
Food service - exclude non-food supplies	905	-	-	905
Energy	236,796	-	-	236,796
Other supplies and materials	328,418	-	-	328,418
Land	-	-	49,900	49,900
Buildings	-	-	245,747	245,747
Improvement To Sites	-	-	24,700	24,700
Regular equipment	-	-	39,061	39,061
Equipment - classroom instructional apparatus	-	-	16,711	16,711
Technology-related hardware	-	-	9,719	9,719
Technology-related software	-	-	15,750	15,750
Vehicles	-	-	7,500	7,500
Principal	-	-	363,020	363,020
Interest	-	-	89,706	89,706
Other	-	-	1,749	1,749
TOTAL DISBURSEMENTS	\$ 5,535,865	\$ 6,473,218	\$ 863,563	\$ 12,872,646

AVA R-I SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 Year Ended June 30, 2018

	District Owned	Contracted	Disabled District Owned	Total
Certified Salaries	\$ 31,928	\$ -	\$ -	\$ 31,928
Non-certified salaries	35,183	-	10,094	45,277
Employee benefits	6,326	-	1,624	7,950
Purchased services	23,603	609,113	5,410	638,126
Supplies	15,415	-	3,440	18,855
Capital Outlay	2,992	-	-	2,992
Depreciation, net of adjustment	16,926	-	-	16,926
	<u>\$ 132,373</u>	<u>\$ 609,113</u>	<u>\$ 20,568</u>	<u>\$ 762,054</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
Ava R-I School District
Ava, 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 Ava R-I School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Ava R-I School District's basic financial statements and have issued our report thereon dated November 13, 2018.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Ava R-I 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.

Board of Education
Ava R-I School District
Ava, Missouri

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness. It is identified as finding 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ava R-I 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 finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was 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 13, 2018



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

Board of Education
Ava R-I School District
Ava, Missouri

Report on Compliance for Each Major Federal Program

We have audited Ava R-I School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ava R-I School District's major federal programs for the year ended June 30, 2018. The Ava R-I School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Ava R-I School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ava R-I School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Member of The Leading Edge Alliance

Opinion on Each Major Federal Program

In our opinion, the Ava R-I School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Ava R-I School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ava R-I School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 13, 2018

AVA R-I SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity or Other Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Lunch Program - Cash	10.555	20177N109943 20188N109943	\$ - -	\$ 64,671 314,930
			-	379,601
- Commodities	10.555	034-124	-	52,428
After School Snack Program	10.555	20177N109943 20188N109943	- -	1,247 564
			-	1,811
			-	433,840
School Breakfast Program	10.553	20177N109943 20188N109943	- -	34,528 169,140
			-	203,668
Missouri Department of Health and Senior Services				
Child Nutrition Cluster				
Summer Food Service Program	10.559	ERS0461865S	-	41,438
Total Child Nutrition Cluster			-	678,946
Missouri Department of Health and Senior Services				
Child and Adult Care Food Program	10.558	ERS4612186S	-	23,825
Direct				
Healthier U.S. School Challenge	10.543	034-124	-	1,500
Direct				
Forest Service Grant	10.101	034-124	-	512
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	704,783
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs	84.010	SO10A160025 SO10A170025	- -	339,619 211,212
			-	550,831
Career and Technical Education - Basic Grants to States	84.048	VO48A160025 VO48A170025	- -	26,832 3,135
			-	29,967
Special Education Grants Cluster				
Special Education Grants to States	84.027	HO27A160040 HO27A170040	- -	154,543 142,466
			-	297,009
Special Education Preschool Grants	84.173	H171A170103	-	4,857
Total Special Education Grants Cluster			-	301,866

AVA R-I SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended June 30, 2018

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity or Other Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Rural Education	84.358	S358B160025	-	16,287
		S358B170025	-	7,768
			-	24,055
Supporting Effective Instruction State Grant	84.367	S367A170024	-	6,126
			-	6,126
21st Century Community Learning Center/Afterschool	84.287	S287C160025	-	148,900
		S287C170025	-	54,552
			-	203,452
Student Support and Academic Enrichment Program	84.424	S424A170026	-	17,042
Assessment Substitute Payment	84.369	S369A160026	-	290
TOTAL U.S. DEPARTMENT OF EDUCATION			-	1,133,629
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 1,838,412

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

AVA R-I SCHOOL DISTRICT
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

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

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

 yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, ESEA
84.027 & 84.173	Special Education Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

Section II – Financial Statement Findings

MATERIAL WEAKNESS

2018-001 Segregation of duties

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

AVA R-I SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2018

Financial Statement Finding

2017-001 Segregation of duties

Auditor's Recommendation:

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

Status

Uncorrected.

AVA R-I SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

November 13, 2018

U.S. DEPARTMENT OF EDUCATION

The Ava R-I School District respectfully submits the following corrective action plan for the year ended June 30, 2018.

Contact information for the individual responsible for the corrective action:

Dr. Jason Dial, Superintendent
Ava R-I School District
507 NE 3rd Street
Ava, Missouri 65608
(417) 683-4717

Audit Period: Year ended June 30, 2018

The findings from the June 30, 2018, schedule of findings and questioned costs – Financial Statement Audit are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2018 – 001 Segregation of Duties

Recommendation: We realize 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.

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

Completion Date: Not applicable.

Sincerely,

Dr. Jason Dial, Superintendent
Ava R-I School District

SUPPLEMENTARY STATE INFORMATION



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

Board of Education
Ava R-I School District
Ava, Missouri

We have examined management's assertions that Ava R-I School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2018. Ava R-I School District's Management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

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

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

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 13, 2018

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AVA R-I SCHOOL DISTRICT 034-124
 SCHEDULE OF SELECTED STATISTICS
 Year Ended June 30, 2018

1. Calendar (Sections 160.041 and 171.031, RSMo)

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

Grades K – 4	6.7500
Grades 5 – 8	6.8000
Grades 9 – 12	6.8000

B. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year were as follows:

Grades K – 4	1,103.4000
Grades 5 – 8	1,110.0990
Grades 9 – 12	1,111.8490

C. The number of days classes were in session and pupils were under the direction of the teachers during this school year was 168.

2. Average Daily Attendance (ADA)

Average Daily Attendance:

Regular term:

Grades K – 4	428.41
Grades 5 – 8	395.76
Grades 9 – 12	<u>366.07</u>
Total regular term	1,190.24

Summer school average daily attendance	<u>48.85</u>
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Total Average Daily Attendance	<u><u>1,239.09</u></u>
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3. September Membership

September Membership FTE Count	<u><u>1,258.03</u></u>
--------------------------------	------------------------

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

State FTE Total	Free	728.00
	Reduced	<u>135.48</u>
	Total	<u><u>863.48</u></u>

AVA R-I SCHOOL DISTRICT 034-124
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2018

5. Finance

- A. A bond, as required by Section 162.401, RSMo, has been purchased for the District treasurer in the amount of \$50,000.
- B. The District's deposits were adequately secured during the year as required by Sections 110.010 and 110.020, RSMo.
- C. The District does not have a Debt Service Fund.
- D. Salaries reported for educators in the October core data cycle are supported by payroll/contract records.
- E. The District made a \$162,326 or 7% x SAT x WADA transfer in the amount of \$583,062. The transfer was not in excess of the adjusted expenditure amount. The Board of Education approved the transfer at a Board of Education meeting.
- F. The District published a summary of the 2016-2017 audit report within thirty days of receipt of the audit, pursuant to Section 165.121, RSMo.
- G. The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.
- H. The amount spent for approved professional development committee plan activities was \$49,587.

There were no findings noted above.

6. Transportation (Section 163.161, RSMo)

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.
- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.
- C. Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 711.50 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 28.00.
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.

AVA R-I SCHOOL DISTRICT 034-124
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2018

6. Transportation (Section 163.161, RSMo) (continued)

E. Actual odometer records show the total District operated and contracted mileage for the year was 272,845. Of this total, the eligible non-disabled and students with disabilities route miles were 226,933 and the ineligible non-route and disapproved miles combined were 45,912.

F. The District operated the school transportation system for 168 days during this school year.

There were no findings noted above.