

AVA R-I SCHOOL DISTRICT
AVA, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

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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, 2017, 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.

www.kpmcpa.com

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

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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, 2017, 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
Ava, Missouri

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 December 6, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 6, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017, 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 \$3,673,803 at June 30, 2017. This was a decrease of \$176,065 from the prior year.
- Receipts and Disbursements: Total receipts were \$12,571,345 and disbursements were \$12,747,409.
- Operating Balances: The Operating Fund (Funds 1 and 2) decreased from \$2,500,214 to \$2,440,546.
- 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 a large roofing project at the Elementary School. A new phone system was installed in the fall of 2016. The district also purchased two houses next to our bus parking lot for future expansion. Three buses were purchased for district transportation. The HVAC project continued.
- Settlement Agreement: The District also experienced a one-time settlement agreement pay-out midyear.

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, 2017

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, decreased by \$176,064 between fiscal years 2016 and 2017.

Net Position – Modified Cash Basis

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 3,536,374	\$ 3,712,160
Investments	137,429	137,707
	<u>\$ 3,673,803</u>	<u>\$ 3,849,867</u>
	TOTAL ASSETS	
NET POSITION		
Restricted for student scholarships	\$ 62,288	\$ 61,445
Restricted for student activities	198,531	171,652
Unrestricted	3,412,984	3,616,770
	<u>\$ 3,673,803</u>	<u>\$ 3,849,867</u>
	TOTAL NET POSITION	

AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Changes in Net Position – Modified Cash Basis

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

RECEIPTS	<u>2017</u>	<u>2016</u>
<u>Program Receipts</u>		
Charges for services	\$ 760,866	\$ 844,379
Operating grants and contributions	1,866,785	2,476,086
Capital grants and contributions	11,215	11,409
<u>General Receipts</u>		
Ad valorem tax receipts	2,617,414	2,504,600
Prop C sales tax receipts	1,274,698	1,238,549
Other tax receipts	72,705	69,589
County receipts	122,713	135,676
State receipts	5,152,239	5,206,467
Interest receipts	55,940	46,082
Other receipts	636,043	232,578
<u>Special Items</u>		
Sale of buses	433	-
Sale of other property	294	354
TOTAL RECEIPTS	<u>12,571,345</u>	<u>12,765,769</u>
 DISBURSEMENTS		
Instruction	6,647,615	6,596,801
Student services	490,431	467,101
Instructional staff support	489,801	568,325
Building administration	563,928	533,943
General administration	909,935	1,114,514
Operation of plant	1,086,537	1,094,870
Transportation	876,534	758,852
Food service	720,844	644,292
Community services	466,739	713,156
Facilities acquisition and construction	40,167	17,721
Debt service	454,878	455,125
TOTAL DISBURSEMENTS	<u>12,747,409</u>	<u>12,964,700</u>
(DECREASE) IN NET POSITION	<u>\$ (176,064)</u>	<u>\$ (198,931)</u>

AVA R-I SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

The total cost of all programs and services was \$12,747,409. The majority of District disbursements were related to instruction and support for students and staff (60%). Administrative activities accounted for 12% of total costs. The remaining disbursements were for plant maintenance and operations (8%), transportation (7%), food service (5%), community services (4%), 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 17, 2017. 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 \$3,673,803 at June 30, 2017. This was a decrease of \$176,064 from the prior year.
- Receipts and Disbursements: Total receipts were \$12,571,345 and disbursements were \$12,747,409.
- Operating Funds: The Operating Funds balance decreased from \$2,500,214 to \$2,440,546. This was a decrease of \$59,668 from the prior year.
- Capital Projects Fund: The Capital Projects Fund decreased from \$1,349,653 to \$1,233,257. This was a decrease of \$116,396 from the prior year.

FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL RESULTS

	Budget		Actual
	Original	Final	
RECEIPTS			
Local	\$ 3,062,086	\$ 3,742,741	\$ 4,037,359
County	103,000	93,050	88,422
State	474,407	465,701	324,126
Federal	1,110,417	1,146,454	1,115,456
TOTAL RECEIPTS	\$ 4,749,910	\$ 5,447,946	\$ 5,565,363
DISBURSEMENTS			
Instruction	\$ 1,361,159	\$ 1,498,436	\$ 1,365,706
Student services	249,725	266,930	243,509
Instructional staff support	319,128	253,264	221,294
Building administration	166,357	163,567	157,909
General administration	370,296	451,428	443,829
Operation of plant	1,083,756	1,020,994	1,007,149
Transportation	735,856	732,425	683,982
Food service	658,690	660,579	706,065
Community services	207,059	203,704	230,759
TOTAL DISBURSEMENTS	\$ 5,152,026	\$ 5,251,327	\$ 5,060,202

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 \$4,749,910. Actual total receipts were \$5,565,363. This amounted to \$815,453 more 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 \$5,152,026 and actual disbursements were \$5,060,202. This amounted to \$91,824 more budgeted than was expended.

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, 2017, and 2016.

	June 30,	
	2017	2016
LONG-TERM DEBT		
Capital Leases Payable	\$ 3,468,423	\$ 3,787,674
Loan Payable	327,400	364,118
TOTAL LONG-TERM DEBT	<u>\$ 3,795,823</u>	<u>\$ 4,151,792</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 17 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 17. 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 will 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 20.02% at the end of FY 17, compared to 19.69% at the end of FY 16. 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 18, 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, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,536,374
Investments	<u>137,429</u>
TOTAL ASSETS	<u><u>\$ 3,673,803</u></u>
NET POSITION	
Restricted for student scholarships	\$ 62,288
Restricted for student activities	198,531
Unrestricted	<u>3,412,984</u>
TOTAL NET POSITION	<u><u>\$ 3,673,803</u></u>

See accompanying notes.

AVA R-I SCHOOL DISTRICT
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended June 30, 2017

	Cash Disbursements	Program Cash Receipts		Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ (6,647,615)	\$ 625,756	\$ 961,126	\$ 3,841	\$ (5,056,892)
Student services	(490,431)	-	7,298	-	(483,133)
Instructional staff support	(489,801)	-	3,919	-	(485,882)
Building administration	(563,928)	-	-	-	(563,928)
General administration	(909,935)	-	-	-	(909,935)
Operation of plant	(1,086,537)	-	-	-	(1,086,537)
Transportation	(876,534)	-	141,683	-	(734,851)
Food service	(720,844)	91,569	525,532	7,374	(96,369)
Community services	(466,739)	43,541	227,227	-	(195,971)
Facilities acquisition and construction	(40,167)	-	-	-	(40,167)
Debt service	(454,878)	-	-	-	(454,878)
NET PROGRAM (DISBURSEMENTS) RECEIPTS	<u>\$ (12,747,409)</u>	<u>\$ 760,866</u>	<u>\$ 1,866,785</u>	<u>\$ 11,215</u>	(10,108,543)
General Receipts:					
Ad valorem tax receipts					2,617,414
Prop C sales tax receipts					1,274,698
Other tax receipts					72,705
County receipts					122,713
State receipts					5,152,239
Interest receipts					55,940
Other receipts					636,043
TOTAL GENERAL RECEIPTS					9,931,752
Special Item:					
Sale of buses					433
Sale of other property					294
(DECREASE) IN NET POSITION					(176,064)
NET POSITION - Beginning of year					3,849,867
NET POSITION - End of year					<u>\$ 3,673,803</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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,303,117	\$ -	\$ 1,233,257	\$ 3,536,374
Investments	137,429	-	-	137,429
TOTAL ASSETS	<u>\$ 2,440,546</u>	<u>\$ -</u>	<u>\$ 1,233,257</u>	<u>\$ 3,673,803</u>
FUND BALANCES				
Restricted for:				
Student scholarships	\$ 62,288	\$ -	\$ -	\$ 62,288
Student activities	198,531	-	-	198,531
Assigned for capital outlay	-	-	1,233,257	1,233,257
Unassigned	2,179,727	-	-	2,179,727
TOTAL FUND BALANCES	<u>\$ 2,440,546</u>	<u>\$ -</u>	<u>\$ 1,233,257</u>	<u>\$ 3,673,803</u>

See accompanying notes.

AVA R-I SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
RECEIPTS				
Local	\$ 4,037,359	\$ 1,081,955	\$ 83,154	\$ 5,202,468
County	88,422	34,291	-	122,713
State	324,126	5,112,681	91,617	5,528,424
Federal	1,115,456	376,590	9,769	1,501,815
Other	-	215,198	-	215,198
TOTAL RECEIPTS	<u>5,565,363</u>	<u>6,820,715</u>	<u>184,540</u>	<u>12,570,618</u>
DISBURSEMENTS				
Instruction	1,365,706	5,267,266	14,643	6,647,615
Student services	243,509	246,311	611	490,431
Instructional staff support	221,294	267,036	1,471	489,801
Building administration	157,909	406,019	-	563,928
General administration	443,829	373,103	93,003	909,935
Operation of plant	1,007,149	-	79,388	1,086,537
Transportation	683,982	25,000	167,552	876,534
Food service	706,065	-	14,779	720,844
Community services	230,759	235,980	-	466,739
Facilities acquisition and construction	-	-	40,167	40,167
Debt service	-	-	454,878	454,878
TOTAL DISBURSEMENTS	<u>5,060,202</u>	<u>6,820,715</u>	<u>866,492</u>	<u>12,747,409</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	505,161	-	(681,952)	(176,791)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(564,829)	-	564,829	-
Sale of property	-	-	294	294
Sale of buses	-	-	433	433
TOTAL OTHER FINANCING SOURCES (USES)	<u>(564,829)</u>	<u>-</u>	<u>565,556</u>	<u>727</u>
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER SOURCES (USES)	(59,668)	-	(116,396)	(176,064)
FUND BALANCE, June 30, 2016	<u>2,500,214</u>	<u>-</u>	<u>1,349,653</u>	<u>3,849,867</u>
FUND BALANCE, June 30, 2017	<u>\$ 2,440,546</u>	<u>\$ -</u>	<u>\$ 1,233,257</u>	<u>\$ 3,673,803</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 2016-2017 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2017, 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, 2017, all bank balances on deposit are entirely insured or collateralized with securities.

AVA R-I SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE C – INVESTMENTS

Investments of the District as of June 30, 2017, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	8/31/17 to 6/20/18	<u>\$ 137,429</u>

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2017, 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, 2017

NOTE D – TAXES (continued)

The assessed valuation of the tangible taxable property for the calendar year 2016 for purposes of local taxation was:

Real estate	\$ 63,006,040
Personal property	<u>32,919,326</u>
TOTAL ASSESSED VALUATION	<u><u>\$ 95,925,366</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2016 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, 2017, 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 PSRS, 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 "2/3's 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 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 the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS 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 the Public School Retirement System of Missouri.

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 is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

NOTE E – RETIREMENT PLANS (continued)

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability 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 .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

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

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2017. 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 \$788,188 and \$123,985, respectively, for the year ended June 30, 2017.

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, 2017

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
2018	\$ 325,680	\$ 82,277	\$ 407,957
2019	332,146	75,361	407,507
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>\$ 3,468,423</u>	<u>\$ 463,978</u>	<u>\$ 3,932,401</u>

The following represents the changes in lease payable for the year ended June 30, 2017:

Leases Payable, July 1, 2016	\$ 3,787,674
Additional lease obligation	-
Net lease retirement	(319,251)
Leases Payable, June 30, 2017	<u>\$ 3,468,423</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, 2017, was \$174,348.

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, 2017, 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, 2017

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, 2017, was:

Constitutional debt limit	\$ 14,388,805
General obligation bonds payable	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 14,388,805</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, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 564,829
Capital Projects Fund	<u>564,829</u>	<u>-</u>
	<u>\$ 564,829</u>	<u>\$ 564,829</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, 2017

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
2018	\$ 37,601	\$ 7,387	\$ 44,988
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>\$ 327,400</u>	<u>\$ 32,500</u>	<u>\$ 359,900</u>

SUPPLEMENTARY INFORMATION

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 3,062,086	\$ 3,742,741	\$ 4,037,359	\$ 294,618
County	103,000	93,050	88,422	(4,628)
State	474,407	465,701	324,126	(141,575)
Federal	1,110,417	1,146,454	1,115,456	(30,998)
TOTAL RECEIPTS	4,749,910	5,447,946	5,565,363	117,417
DISBURSEMENTS				
Instruction	1,361,159	1,498,436	1,365,706	132,730
Student services	249,725	266,930	243,509	23,421
Instructional staff support	319,128	253,264	221,294	31,970
Building administration	166,357	163,567	157,909	5,658
General administration	370,296	451,428	443,829	7,599
Operation of plant	1,083,756	1,020,994	1,007,149	13,845
Transportation	735,856	732,425	683,982	48,443
Food service	658,690	660,579	706,065	(45,486)
Community services	207,059	203,704	230,759	(27,055)
TOTAL DISBURSEMENTS	5,152,026	5,251,327	5,060,202	191,125
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(402,116)	196,619	505,161	308,542
OTHER FINANCING (USES)				
Operating transfers (out)	-	(519,089)	(564,829)	(45,740)
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS AND OTHER (USES)	(402,116)	(322,470)	(59,668)	262,802
FUND BALANCE, July 1, 2016	2,500,214	2,500,214	2,500,214	-
FUND BALANCE, June 30, 2017	\$ 2,098,098	\$ 2,177,744	\$ 2,440,546	\$ 262,802

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
RECEIPTS				
Local	\$ 1,252,477	\$ 1,025,804	\$ 1,081,955	\$ 56,151
County	50,000	50,000	34,291	(15,709)
State	4,817,852	5,046,915	5,112,681	65,766
Federal	492,042	538,945	376,590	(162,355)
Other	228,500	228,500	215,198	(13,302)
TOTAL RECEIPTS	6,840,871	6,890,164	6,820,715	(69,449)
DISBURSEMENTS				
Instruction	5,281,129	5,325,758	5,267,266	58,492
Student services	247,925	248,441	246,311	2,130
Instructional staff support	292,835	291,221	267,036	24,185
Building administration	407,524	407,104	406,019	1,085
General administration	178,488	383,157	373,103	10,054
Transportation	2,002	16,002	25,000	(8,998)
Community services	248,451	237,570	235,980	1,590
TOTAL DISBURSEMENTS	6,658,354	6,909,253	6,820,715	88,538
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	182,517	(19,089)	-	19,089
OTHER FINANCING SOURCES				
Operating transfers in	-	19,089	-	(19,089)
TOTAL OTHER FINANCING SOURCES	-	19,089	-	(19,089)
EXCESS OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	182,517	-	-	-
FUND BALANCE, July 1, 2016	-	-	-	-
FUND BALANCE, June 30, 2017	\$ 182,517	\$ -	\$ -	\$ -

AVA R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND
 Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 245,550	\$ 85,550	\$ 83,154	\$ (2,396)
State	-	1,446	91,617	90,171
Federal	18,955	9,769	9,769	-
TOTAL RECEIPTS	264,505	96,765	184,540	87,775
DISBURSEMENTS				
Instruction	22,755	18,731	14,643	4,088
Student services	950	950	611	339
Instructional staff support	40,000	24,381	1,471	22,910
General administration	5,600	106,783	93,003	13,780
Operation of plant	75,000	92,572	79,388	13,184
Transportation	-	167,553	167,552	1
Food service	18,200	17,374	14,779	2,595
Facilities acquisition and construction	20,000	41,000	40,167	833
Debt service	455,791	455,791	454,878	913
TOTAL DISBURSEMENTS	638,296	925,135	866,492	58,643
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(373,791)	(828,370)	(681,952)	146,418
OTHER FINANCING SOURCES				
Operating transfers in	-	500,000	564,829	64,829
Sale of property	900	900	294	(606)
Sale of bus	-	-	433	433
TOTAL OTHER FINANCING SOURCES	900	500,900	565,556	64,656
(DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(372,891)	(327,470)	(116,396)	211,074
FUND BALANCE, July 1, 2016	1,349,653	1,349,653	1,349,653	-
FUND BALANCE, June 30, 2017	\$ 976,762	\$ 1,022,183	\$ 1,233,257	\$ 211,074

AVA R-I SCHOOL DISTRICT
NOTE TO BUDGETARY COMPARISON SCHEDULES
June 30, 2017

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
LOCAL				
Current taxes	\$ 2,375,097	\$ -	\$ -	\$ 2,375,097
Delinquent taxes	242,317	-	-	242,317
School district trust fund (Prop C)	292,452	982,246	-	1,274,698
Financial institution tax	-	-	2,174	2,174
M & M surtax	-	-	70,411	70,411
In lieu of tax	-	-	120	120
Tuition from individuals	-	3,428	-	3,428
Earnings on investments	42,333	3,158	10,449	55,940
Food service - programs	88,462	-	-	88,462
Food service non-program	3,107	-	-	3,107
Student activities	407,130	-	-	407,130
Community services	43,541	-	-	43,541
Prior period adjustment	245	22	-	267
Miscellaneous local revenue	542,675	93,101	-	635,776
TOTAL LOCAL	4,037,359	1,081,955	83,154	5,202,468
COUNTY				
Fines, escheats, etc.	-	34,291	-	34,291
State assessed utilities	85,059	-	-	85,059
Federal properties	3,363	-	-	3,363
TOTAL COUNTY	88,422	34,291	-	122,713
STATE				
Basic formula	-	4,670,659	-	4,670,659
Transportation	134,841	-	-	134,841
Early childhood special education	21,148	123,071	-	144,219
Classroom trust fund	120,058	271,351	90,171	481,580
Educational screening program	17,738	-	-	17,738
Vocational	5,357	8,100	-	13,457
Food service	5,393	-	-	5,393
Vocational enhancement grant	19,561	-	1,446	21,007
Missouri preschool project	-	39,500	-	39,500
Other - state	30	-	-	30
TOTAL STATE	324,126	5,112,681	91,617	5,528,424

AVA R-I SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE (continued)
Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
FEDERAL				
Medicaid	28,921	-	-	28,921
Vocational educational act	27,068	-	2,395	29,463
IDEA	257,138	554	-	257,692
Early childhood special education	21,238	-	-	21,238
National school lunch equipment grant	-	-	7,374	7,374
School lunch program	357,767	-	-	357,767
School breakfast program	161,100	-	-	161,100
After school snack program	1,272	-	-	1,272
Title I - ESEA	112,479	325,414	-	437,893
21st Century community learning centers grant	3,730	-	-	3,730
Title II, Part A & B, ESEA	26,703	46,394	-	73,097
Dept of Health food service program	102,465	-	-	102,465
Title VI, Part B rural education initiative	15,119	4,228	-	19,347
Forest service grant	456	-	-	456
TOTAL FEDERAL	1,115,456	376,590	9,769	1,501,815
OTHER SOURCES				
Sale of school buses	-	-	433	433
Sale of other property	-	-	294	294
Tuition from other districts	-	202,272	-	202,272
Contracted educational services	-	12,926	-	12,926
TOTAL OTHER SOURCES	-	215,198	727	215,925
TOTAL RECEIPTS	\$ 5,565,363	\$ 6,820,715	\$ 185,267	\$ 12,571,345

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 1,672,453	\$ 5,429,889	\$ -	\$ 7,102,342
Teacher's retirement	3,481	785,939	-	789,420
Non-teacher retirement	119,539	5,402	-	124,941
Old age survivor and disability (OASDI)	97,902	29,112	-	127,014
Medicare	22,968	75,032	-	98,000
Employee insurance	296,629	489,338	-	785,967
Other employer provided services	4,900	-	-	4,900
Purchased instructional services - tuition	11,348	6,003	-	17,351
Professional services	179,692	-	-	179,692
Audit services	17,750	-	-	17,750
Data processing and technology related services	5,778	-	-	5,778
Legal services	36,666	-	-	36,666
Election services	5,455	-	-	5,455
Other professional services	11,050	-	-	11,050
Repairs and maintenance	160,077	-	-	160,077
Rental - land and buildings	2,176	-	-	2,176
Water and sewer	27,670	-	-	27,670
Trash removal	14,040	-	-	14,040
Technology-related repairs and maintenance	54,726	-	-	54,726
Contracted transportation to and from school	586,200	-	-	586,200
Travel	40,048	-	-	40,048
Property insurance	49,677	-	-	49,677
Liability insurance	48,466	-	-	48,466
Fidelity bond premiums	215	-	-	215
Communication	18,412	-	-	18,412
Advertising, printing, dues and other purchased services	531,357	-	-	531,357
General supplies	378,308	-	-	378,308
Supplies - technology-related	66,428	-	-	66,428
Textbook	36,594	-	-	36,594
Library books	22,736	-	-	22,736
Resource materials	5,920	-	-	5,920
Food service - exclude non-food supplies	890	-	-	890
Energy	222,905	-	-	222,905
Other supplies and materials	307,746	-	-	307,746
Land	-	-	40,167	40,167
Buildings	-	-	55,966	55,966
Regular equipment	-	-	143,851	143,851
Equipment - classroom instructional apparatus	-	-	5,006	5,006
Technology-related hardware	-	-	4,653	4,653
Vehicles	-	-	17,571	17,571
Pupil transportation vehicles - school buses	-	-	144,400	144,400
Principal	-	-	355,969	355,969
Interest	-	-	97,319	97,319
Other	-	-	1,590	1,590
TOTAL DISBURSEMENTS	\$ 5,060,202	\$ 6,820,715	\$ 866,492	\$ 12,747,409

AVA R-I SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 Year Ended June 30, 2017

	District Owned	Contracted	Disabled District Owned	Total
Certified Salaries	\$ 25,000	\$ -	\$ -	\$ 25,000
Non-certified salaries	36,431	-	8,974	45,405
Employee benefits	5,406	-	1,763	7,169
Purchased services	19,588	586,200	1,070	606,858
Supplies	21,919	-	2,631	24,550
Capital Outlay	23,152	-	-	23,152
Depreciation, net of adjustment	16,493	-	-	16,493
	<u>\$ 147,989</u>	<u>\$ 586,200</u>	<u>\$ 14,438</u>	<u>\$ 748,627</u>
School bus purchases	<u>\$ 144,400</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, 2017, 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 December 6, 2017.

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 2017-001.

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
December 6, 2017



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, 2017. 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.

www.kpmcpa.com

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

Member of The Leading Edge Alliance

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, 2017.

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
December 6, 2017

AVA R-I SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended June 30, 2017

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, 2017

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>
10.553, 10.555 & 10.559 84.027 & 84.173	Child Nutrition Cluster 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

2017-001 Segregation of duties

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

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

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

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

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

Section III – Federal Award Findings and Questioned Costs

None

AVA R-I SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2017

Financial Statement Finding

2016-001 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

December 6, 2017

U.S. DEPARTMENT OF EDUCATION

The Ava R-I School District respectfully submits the following corrective action plan for the year ended June 30, 2016.

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, 2017

The findings from the June 30, 2017, 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

2016 – 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, 2017. 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
December 6, 2017

www.kpmcpa.com

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

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AVA R-I SCHOOL DISTRICT 034-124
 SCHEDULE OF SELECTED STATISTICS
 Year Ended June 30, 2017

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	1,106.50
Grades 5 – 8	1,113.00
Grades 9 – 12	1,114.90

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	440.62
Grades 5 – 8	376.89
Grades 9 – 12	336.26
Total regular term	<u>1,153.77</u>

Summer school average daily attendance	<u>53.38</u>
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Total Average Daily Attendance	<u><u>1,207.15</u></u>
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3. September Membership

September Membership FTE Count	<u><u>1,221.01</u></u>
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4. Free and Reduced Price Lunch FTE Count (Section 163.011(6), RSMo)

State FTE Total	Free	661.31
	Reduced	187.00
	Total	<u><u>848.31</u></u>

AVA R-I SCHOOL DISTRICT 034-124
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2017

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 \$500,000. 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 2015-2016 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 \$47,041.

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 693.50 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was 23.00.
- 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, 2017

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

E. Actual odometer records show the total District operated and contracted mileage for the year was 286,014. Of this total, the eligible non-disabled and students with disabilities route miles were 228,363 and the ineligible non-route and disapproved miles combined were 57,451.

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

There were no findings noted above.