

Lone Jack C-6 School District

Basic Financial Statements
Year Ended June 30, 2023

KPM
CPAS & ADVISORS

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Board of Education
Lone Jack C-6 School District
Lone Jack, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Lone Jack C-6 School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Lone Jack C-6 School District, as of June 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lone Jack C-6 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 accompanying Schedule of Receipts by Source, Schedule of Disbursements by Object, and Schedule of Transportation Costs Eligible for State Aid are presented for purposes of additional analysis and are 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 basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts by Source, Schedule of Disbursements by Object, and Schedule of Transportation Costs Eligible for State Aid in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of Lone Jack C-6 School 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 solely 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 effectiveness of the District's 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 Lone Jack C-6 School District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 6, 2023

Government-Wide Financial Statements

Lone Jack C-6 School District

Statement of Net Position—Modified Cash Basis

June 30, 2023

	Governmental Activities
	<u> </u>
Assets	
Cash and cash equivalents	\$ 5,153,224
Investments	787,427
Total Assets	<u><u>\$ 5,940,651</u></u>
Net Position	
Restricted for	
Scholarships	\$ 11,208
Student activities	71,590
Food service	93,667
Salaries and benefits for teachers and tuition payments	1,198
Unspent Certificates of Participation proceeds	450,500
Debt service	2,822,442
Unrestricted	2,490,046
Total Net Position	<u><u>\$ 5,940,651</u></u>

See accompanying Notes to the Financial Statements

Lone Jack C-6 School District

Statement of Activities—Modified Cash Basis

Year Ended June 30, 2023

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>			Net (Disbursements)
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	Receipts and Changes in Net Position
Governmental Activities					
Instruction	\$ (4,571,724)	\$ 448,871	\$ 402,951	\$ -	\$ (3,719,902)
Student services	(551,887)	-	151,122	-	(400,765)
Instructional staff support	(208,781)	-	40,990	-	(167,791)
Building administration	(446,437)	-	-	-	(446,437)
General administration	(743,368)	-	37,227	-	(706,141)
Operation of plant	(730,474)	-	8,937	-	(721,537)
Transportation	(421,268)	-	257,998	-	(163,270)
Food service	(322,603)	220,406	164,034	-	61,837
Community services	(419,746)	256,886	22,371	-	(140,489)
Facilities acquisition and construction	(54,360)	-	-	-	(54,360)
Debt service	(1,691,600)	-	-	-	(1,691,600)
Net Program (Disbursements)					
Receipts	<u>\$ (10,162,248)</u>	<u>\$ 926,163</u>	<u>\$ 1,085,630</u>	<u>\$ -</u>	<u>(8,150,455)</u>
General Receipts					
Ad valorem tax receipts					4,728,609
Prop C sales tax receipts					839,958
Other tax receipts					72,489
County receipts					216,767
State receipts					3,052,714
Interest receipts					157,893
Other receipts					3,453
Total General Receipts					<u>9,071,883</u>
Special Item					
Certificates of Participation proceeds					<u>525,000</u>
<i>Change in Net Position</i>					1,446,428
Net Position—Beginning of year					4,494,223
Net Position—End of year					<u><u>\$ 5,940,651</u></u>

See accompanying Notes to the Financial Statements

Fund Financial Statements

Lone Jack C-6 School District

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

June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,320,400	\$ 1,198	\$ 2,321,128	\$ 510,498	\$ 5,153,224
Investments	286,113	-	501,314	-	787,427
Total Assets	\$ 2,606,513	\$ 1,198	\$ 2,822,442	\$ 510,498	\$ 5,940,651
Fund Balances					
Restricted for					
Scholarships	\$ 11,208	\$ -	\$ -	\$ -	\$ 11,208
Student activities	71,590	-	-	-	71,590
Food service	93,667	-	-	-	93,667
Salaries and benefits for teachers and tuition payments	-	1,198	-	-	1,198
Unspent Certificates of Participation proceeds	-	-	-	450,500	450,500
Debt service	-	-	2,822,442	-	2,822,442
Assigned to capital outlay	-	-	-	59,998	59,998
Unassigned	2,430,048	-	-	-	2,430,048
Total Fund Balances	\$ 2,606,513	\$ 1,198	\$ 2,822,442	\$ 510,498	\$ 5,940,651

See accompanying Notes to the Financial Statements

Lone Jack C-6 School District

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

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 3,935,940	\$ 839,986	\$ 1,756,936	\$ 57,633	\$ 6,590,495
County	133,032	5,076	78,659	-	216,767
State	435,413	3,014,623	-	69,500	3,519,536
Federal	444,230	174,578	-	-	618,808
Other	-	138,070	-	-	138,070
Total Receipts	4,948,615	4,172,333	1,835,595	127,133	11,083,676
Disbursements					
Instruction	689,768	3,858,634	-	23,322	4,571,724
Student services	282,628	269,259	-	-	551,887
Instructional staff support	67,931	140,850	-	-	208,781
Building administration	141,063	305,374	-	-	446,437
General administration	483,843	240,828	-	18,697	743,368
Operation of plant	715,831	-	-	14,643	730,474
Transportation	421,268	-	-	-	421,268
Food service	316,990	-	-	5,613	322,603
Community services	312,359	107,387	-	-	419,746
Facilities acquisition and construction	-	-	-	54,360	54,360
Debt service	-	-	1,666,600	25,000	1,691,600
Total Disbursements	3,431,681	4,922,332	1,666,600	141,635	10,162,248
<i>Excess (Deficit) of Receipts Over Disbursements</i>	1,516,934	(749,999)	168,995	(14,502)	921,428
Other Financing Sources (Uses)					
Certificates of Participation proceeds	-	-	-	525,000	525,000
Operating transfers in	-	750,351	-	-	750,351
Operating transfers (out)	(750,351)	-	-	-	(750,351)
Total Other Financing Sources (Uses)	(750,351)	750,351	-	525,000	525,000
<i>Net Change in Fund Balances</i>	766,583	352	168,995	510,498	1,446,428
Fund Balance, July 1, 2022	1,839,930	846	2,653,447	-	4,494,223
Fund Balance, June 30, 2023	\$ 2,606,513	\$ 1,198	\$ 2,822,442	\$ 510,498	\$ 5,940,651

See accompanying Notes to the Financial Statements

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

1. Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

Debt Service Fund: Accounts for receipts restricted, committed, or assigned for the retirement of principal and interest on the District's long-term debt.

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.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

Basis of Accounting

The government-wide Statement of Net Position, 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 the cash basis of accounting relates to the presentation of investments. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; and as a result, these financial statements may not be suitable for another purpose.

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

Capital Outlay

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

Compensated Absences

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

Long-Term Debt

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

Teachers' Salaries

The salary payment schedule of the District for the 2022-2023 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2023 payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool of cash and investments, with the exception of the Debt Service Fund which is kept in separate bank accounts. Cash equivalents and investments of the pooled accounts consist primarily of money market accounts and Certificates of Deposit, carried at cost, which approximates market.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

Equity Classification

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

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

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

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

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

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

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

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

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

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

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

2. Cash & Cash Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2023, all bank balances on deposit were insured or collateralized with securities.

3. Investments

Investments of the District as of June 30, 2023, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	9/28/2023	\$ 7,807
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	501,314
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	278,306
Total Investments		<u>\$ 787,427</u>

Certificates of Deposit

Certificates of Deposit with original 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, 2023, all Certificates of Deposit are entirely insured or collateralized with securities.

Investment Contracts with BOK Financial

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

Missouri Securities Investment Program

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

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

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

4. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The counties collect the property taxes and remit them to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a waiver of the rollback provision. The District has voted a full waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2022 for purposes of local taxation was:

Real estate	\$ 69,525,953
Personal property	19,546,885
Total Assessed Valuation	<u><u>\$ 89,072,838</u></u>

The tax levy per \$100 of the assessed valuation of tangible property for the calendar year 2022 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.4737	\$ 3.4737
Debt Service Fund	1.8747	1.8747
Total Levy	<u><u>\$ 5.3484</u></u>	<u><u>\$ 5.3484</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 99 percent of the current assessment computed on the basis of the levy as shown above.

5. Retirement Plans

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

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

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

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.

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 COLAs to both PSRS and PEERS members as follows: if the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost of living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. 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 adjustment 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.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2023. 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 2023. 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 \$548,534 and \$74,391, respectively, for the year ended June 30, 2023.

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

6. General Obligation Bonds Payable

Bonds payable at June 30, 2023, consist of:

\$1,100,000 Series 2009 qualified school construction bond (QSCB) issue dated November 19, 2009, due in varying annual installments through September 15, 2025, with interest at 1.6%.	\$ 1,100,000
\$2,035,000 Series 2020 general obligation refunding bond issue dated April 14, 2020, due in varying annual installments through March 1, 2029, with interest at 2.00%	1,610,000
\$4,500,000 Series 2020A general obligation bond issue dated August 13, 2020, due in varying annual installments through March 1, 2032, with interest at 2.00% to 3.00%.	2,300,000
\$3,260,000 Series 2021 general obligation refunding bond issue dated December 16, 2021, due in varying annual installments through March 1, 2031, with interest at 2.00% to 3.00%.	<u>2,910,000</u>
	<u>\$ 7,920,000</u>

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

The following is a summary of bond transactions for the year ended June 30, 2023:

	Total
Bonds Payable, July 1, 2022	\$ 9,370,000
Bonds Issued	-
Bonds Retired	(1,450,000)
Bonds Payable, June 30, 2023	\$ 7,920,000

Annual debt service requirements to maturity for the above bonds are:

Year Ended June 30,	Principal	Interest	Principal Intercepts	Total
2024	\$ 1,100,000	\$ 170,850	\$ 150,000	\$ 1,420,850
2025	1,810,000	131,650	(1,100,000)	841,650
2026	825,000	111,450	-	936,450
2027	855,000	91,200	-	946,200
2028	880,000	74,100	-	954,100
2029	900,000	56,500	-	956,500
2030	650,000	38,500	-	688,500
2031	650,000	23,000	-	673,000
2032	250,000	7,500	-	257,500
	\$ 7,920,000	\$ 704,750	\$ (950,000)	\$ 7,674,750

The interest and principal accumulation deposits on the Series 2009 QSCB issue will be intercepted under the Missouri Direct Deposit Program guidelines. The principal accumulation intercepts of various amounts per year which began on September 15, 2018, are intercepted by DESE over a ten-month period. On September 15 of each year, those funds are to be transferred to UMB Bank and deposited in the principal account of the bond fund. On September 15, 2024, the principal accumulation deposits will pay off \$1,100,000 Series 2009 QSCB issue in full. As of June 30, 2023, the total sinking fund at UMB Bank was \$931,042.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin of the District at June 30, 2023, was:

Constitutional debt limit	\$ 13,360,926
General obligation bonds payable	(7,920,000)
Amount available in Debt Service Fund	2,822,442
Legal Debt Margin	\$ 8,263,368

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

7. Certificates of Participation

On November 30, 2022, the District entered into a financed purchase agreement with BOK Financial in the amount of \$525,000 for the purpose of paying the cost of upgrading District heating, ventilation, and air conditioning (HVAC) systems and paying the costs of issuing the Certificates. The District granted a property lien to BOK Financial, which will be released upon fulfillment by the District of the financed purchase agreement. The agreement includes interest at 4.75% during the financed purchase term.

Certificates of participation payable at June 30, 2023, consists of:

\$525,000 certificates of participation issue dated November 30, 2022, due in varying annual installments through March 1, 2032; interest at 4.75% \$ 525,000

The following is a schedule of the future minimum payments under the agreement:

Year Ended June 30,	Principal	Interest	Total
2024	\$ -	\$ 31,241	\$ 31,241
2025	-	24,938	24,938
2026	65,000	24,938	89,938
2027	70,000	21,850	91,850
2028	70,000	18,525	88,525
2029-2032	320,000	38,714	358,714
	\$ 525,000	\$ 160,206	\$ 685,206

The following represents the change in the net outstanding payments for the year ended June 30, 2023:

	Total
Certificates Payable, July 1, 2022	\$ -
Certificates Issued	525,000
Certificates Retired	-
Certificates Payable, June 30, 2023	\$ 525,000

8. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2023, 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.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2023

9. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

10. Compensated Absences

Compensated absences payable consists of accumulated paid leave by District personnel. The District's policy allows certified and non-certified employees to be reimbursed for accumulated paid time off after working for the District for at least five years. Non-certified employees will be paid \$50 per day, up to 45 days, while certified employees will be paid \$85 per day, up to 85 days. Annually, for any days exceeding 85 days, certified employees are paid \$95 per day. The District will pay an employee upon retirement or resignation for accumulated paid time off. Total compensated absences payable at June 30, 2023, was \$135,451.

11. Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 750,351
Special Revenue Fund	750,351	-
	<u>\$ 750,351</u>	<u>\$ 750,351</u>

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

12. Post-Employment Benefits

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

13. Commitment

At June 30, 2023, the District was committed to Trane in the amount of \$453,424 for HVAC work.

Supplementary Information

Lone Jack C-6 School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 2,899,472	\$ -	\$ 1,564,684	\$ -	\$ 4,464,156
Delinquent taxes	171,758	-	92,695	-	264,453
School district trust fund (Prop C)	-	839,958	-	-	839,958
Financial institution tax	21	-	11	-	32
M&M surtax	-	-	25,247	46,455	71,702
In lieu of tax	490	-	265	-	755
Reg day school tuition (K-12) from individuals	8,600	-	-	-	8,600
Earnings from temporary deposits	72,933	28	74,034	10,898	157,893
Sales to pupils - reimbursable school meals	220,406	-	-	-	220,406
Admissions - student activities	21,243	-	-	-	21,243
Student organization membership dues and fees	17,864	-	-	-	17,864
Other pupil activity income	193,073	-	-	280	193,353
Community services	253,386	-	-	-	253,386
PK tuition from parents	69,741	-	-	-	69,741
Rentals	3,500	-	-	-	3,500
Miscellaneous local revenue	3,453	-	-	-	3,453
Total Local	3,935,940	839,986	1,756,936	57,633	6,590,495
County					
Fines, escheats, etc.	-	5,076	-	-	5,076
State assessed utilities	133,032	-	78,659	-	211,691
Total County	133,032	5,076	78,659	-	216,767
State					
Basic formula - state monies	132	2,802,603	-	-	2,802,735
Transportation	257,998	-	-	-	257,998
Early childhood special education	28,290	-	-	-	28,290
Basic formula - classroom trust fund	-	208,506	-	69,500	278,006
Educational screening prog/PAT	17,380	-	-	-	17,380
Career education	1,008	-	-	-	1,008
Food service - state	1,625	-	-	-	1,625
Teacher baseline grant	-	3,514	-	-	3,514
Residential placement/excess cost	29,334	-	-	-	29,334
High need fund - special education	99,144	-	-	-	99,144
Other - state	502	-	-	-	502
Total State	435,413	3,014,623	-	69,500	3,519,536

The above presentation agrees to the Annual Secretary of the Board Report

Lone Jack C-6 School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	11,357	-	-	-	11,357
ARP - ESSER III	172,613	-	-	-	172,613
CRRSA - ESSER II	9,741	29,000	-	-	38,741
CRRSA - GEER II	-	544	-	-	544
IDEA grants	1,825	-	-	-	1,825
IDEA entitlement funds, part B					
IDEA	31,661	92,999	-	-	124,660
Early childhood special education - federal	6,919	-	-	-	6,919
National school lunch program	136,122	-	-	-	136,122
School breakfast program	26,287	-	-	-	26,287
Title I - ESEA	-	52,035	-	-	52,035
Title IV.A student support and academic enrichment	11,747	-	-	-	11,747
Title II, part A&B, ESEA - teacher & principal training	10,486	-	-	-	10,486
Other - federal	25,472	-	-	-	25,472
Total Federal	444,230	174,578	-	-	618,808
Other Sources					
Capital lease proceeds	-	-	-	525,000	525,000
Tuition from other LEAs - regular term	-	138,070	-	-	138,070
Total Other Sources	-	138,070	-	525,000	663,070
Total Receipts	\$ 4,948,615	\$ 4,172,333	\$ 1,835,595	\$ 652,133	\$ 11,608,676

The above presentation agrees to the Annual Secretary of the Board Report

Lone Jack C-6 School District

Schedule of Disbursements by Object

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Salaries	\$ 890,517	\$ 3,662,652	\$ -	\$ -	\$ 4,553,169
Employee benefits	317,388	1,043,891	-	-	1,361,279
Purchased services	1,365,737	215,789	-	-	1,581,526
Supplies	858,039	-	-	-	858,039
Capital outlay	-	-	-	116,635	116,635
Other objects	-	-	1,666,600	25,000	1,691,600
Total Disbursements	\$ 3,431,681	\$ 4,922,332	\$ 1,666,600	\$ 141,635	\$ 10,162,248

The above presentation agrees to the Annual Secretary of the Board Report

Lone Jack C-6 School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2023

	Contracted	Contracted Disabled	Total
Purchased services	\$ 303,513	\$ 84,729	\$ 388,242
Supplies	33,026	-	33,026
	<u>\$ 336,539</u>	<u>\$ 84,729</u>	<u>\$ 421,268</u>

The above presentation agrees to the Annual Secretary of the Board Report

Other Information

Lone Jack C-6 School District

Budgetary Comparison Schedule—General Fund

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Local	\$ 3,389,358	\$ 3,935,940	\$ 3,935,940	\$ -
County	134,000	133,032	133,032	-
State	249,000	435,413	435,413	-
Federal	493,195	444,230	444,230	-
Total Receipts	<u>4,265,553</u>	<u>4,948,615</u>	<u>4,948,615</u>	<u>-</u>
Disbursements				
Instruction	422,172	689,768	689,768	-
Student services	259,532	282,628	282,628	-
Instructional staff support	70,359	67,931	67,931	-
Building administration	109,453	141,063	141,063	-
General administration	721,414	483,843	483,843	-
Operation of plant	688,326	715,831	715,831	-
Transportation	404,919	421,268	421,268	-
Food service	391,056	316,990	316,990	-
Community services	337,498	312,359	312,359	-
Total Disbursements	<u>3,404,729</u>	<u>3,431,681</u>	<u>3,431,681</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	860,824	1,516,934	1,516,934	-
Other Financing (Uses)				
Operating transfers (out)	<u>(687,386)</u>	<u>(750,351)</u>	<u>(750,351)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	173,438	766,583	766,583	-
Fund Balance, July 1, 2022	<u>1,327,436</u>	<u>1,839,930</u>	<u>1,839,930</u>	<u>-</u>
Fund Balance, June 30, 2023	<u><u>\$ 1,500,874</u></u>	<u><u>\$ 2,606,513</u></u>	<u><u>\$ 2,606,513</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

Lone Jack C-6 School District

Budgetary Comparison Schedule—Special Revenue Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 812,737	\$ 839,986	\$ 839,986	\$ -
County	3,300	5,076	5,076	-
State	3,343,286	3,014,623	3,014,623	-
Federal	118,000	174,578	174,578	-
Other	105,000	138,070	138,070	-
Total Receipts	4,382,323	4,172,333	4,172,333	-
Disbursements				
Instruction	3,913,328	3,858,634	3,858,634	-
Student services	310,406	269,259	269,259	-
Instructional staff support	142,625	140,850	140,850	-
Building administration	390,932	305,374	305,374	-
General administration	246,209	240,828	240,828	-
Transportation	7,079	-	-	-
Community services	59,130	107,387	107,387	-
Total Disbursements	5,069,709	4,922,332	4,922,332	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(687,386)	(749,999)	(749,999)	-
Other Financing Sources				
Operating transfers in	687,386	750,351	750,351	-
<i>Net Change in Fund Balance</i>	-	352	352	-
Fund Balance, July 1, 2022	-	846	846	-
Fund Balance, June 30, 2023	\$ -	\$ 1,198	\$ 1,198	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Lone Jack C-6 School District

Budgetary Comparison Schedule—Debt Service Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Local	\$ 1,549,997	\$ 1,756,936	\$ 1,756,936	\$ -
County	88,500	78,659	78,659	-
Total Receipts	1,638,497	1,835,595	1,835,595	-
Disbursements				
Debt service	1,816,881	1,666,600	1,666,600	-
Total Disbursements	1,816,881	1,666,600	1,666,600	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(178,384)	168,995	168,995	-
Fund Balance, July 1, 2022	1,511,285	2,653,447	2,653,447	-
Fund Balance, June 30, 2023	\$ 1,332,901	\$ 2,822,442	\$ 2,822,442	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Lone Jack C-6 School District

Budgetary Comparison Schedule—Capital Projects Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 37,700	\$ 57,633	\$ 57,633	\$ -
State	52,973	69,500	69,500	-
Total Receipts	90,673	127,133	127,133	-
Disbursements				
Instruction	1,000	23,322	23,322	-
Student services	2,000	-	-	-
Instructional staff support	21,000	-	-	-
Building administration	1,000	-	-	-
General administration	55,000	18,697	18,697	-
Operation of plant	5,000	14,643	14,643	-
Food service	1,000	5,613	5,613	-
Facilities acquisition and construction	10,000	54,360	54,360	-
Debt service	6,000	25,000	25,000	-
Total Disbursements	102,000	141,635	141,635	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(11,327)	(14,502)	(14,502)	-
Other Financing Sources				
Certificates of Participation proceeds	-	525,000	525,000	-
Total Other Financing Sources	-	525,000	525,000	-
<i>Net Change in Fund Balance</i>	(11,327)	510,498	510,498	-
Fund Balance, July 1, 2022	-	-	-	-
Fund Balance, June 30, 2023	\$ (11,327)	\$ 510,498	\$ 510,498	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Lone Jack C-6 School District

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2023

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 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
Lone Jack C-6 School District
Lone Jack, 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 modified cash basis financial statements of the governmental activities and each major fund of Lone Jack C-6 School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lone Jack C-6 School District's basic financial statements and have issued our report thereon dated December 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lone Jack C-6 School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lone Jack C-6 School District's financial statements are free from 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 financial statements. 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*.

Lone Jack C-6 School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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, 2023

Lone Jack C-6 School District

Schedule of Findings and Responses

Year Ended June 30, 2023

2023-001 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 two full time bookkeepers 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.

Supplementary State Information

KPM

CPAS & ADVISORS

Independent Accountants' Report

Board of Education
Lone Jack C-6 School District
Lone Jack, Missouri

We have examined Lone Jack C-6 School District's compliance 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, 2023. Lone Jack C-6 School District's management is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on Lone Jack C-6 School District's compliance 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 Lone Jack C-6 complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including assessment of the risks of material noncompliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination engagement does not provide a legal determination on Lone Jack C-6 School District's compliance with the specified requirements.

Our examination disclosed the District did not meet compliance in accordance with Chapter 67, RSMo, as the District was out of budgetary compliance in the Capital Projects Fund.

In our opinion, except for the item mentioned in the preceding paragraph, Lone Jack C-6 School District complied in all material respects with the aforementioned requirements for the year ended June 30, 2023.

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, 2023

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Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2023

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	12	-	7.02	156.00	1,092.00

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4020	K-5	300,736.23	-	681.08	-	11,008.00	312,425.31
1050	6-12	371,476.75	1,880.17	709.45	-	3,752.40	377,818.77
Resident II	2	1,102.60	-	-	-	-	1,102.60
Grand Total	K-12	673,315.58	1,880.17	1,390.53	-	14,760.40	691,346.68

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	K-5	296.00	-	-	296.00
1050	6-12	376.00	1.00	-	377.00
Grand Total	K-12	672.00	1.00	-	673.00

Notes:	

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2023

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

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
4020	24.00	2.00	-	-	26.00
1050	31.00	17.25	-	-	48.25
Grand Total	55.00	19.25	-	-	74.25

5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2023

5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$29,636
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2023

Notes:	

All above “False” answers must be supported by a finding or management letter comment.

Finding:	None
Management Letter Comment:	N/A

6. Transportation (Section 163.161, RSMo)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district’s/charter school’s pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	218.5
	Ineligible ADT	55.0
6.4	The district’s/charter school’s transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	133,953
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	115,634
	Ineligible Miles (Non-Route/Disapproved)	18,319
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	156

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2023

Notes:	

All above "False" answers must be supported by a finding or management letter comment.

Finding:	None
Management Letter Comment:	N/A