

Lone Jack C-6
School District

BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2019

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	3
Basic Financial Statements	
Statement of Net Position—Modified Cash Basis.....	6
Statement of Activities—Modified Cash Basis.....	7
Statement of Assets and Fund Balances—Governmental Funds—Modified Cash Basis.....	9
Statement of Receipts, Disbursements, and Changes in Fund Balances— Governmental Funds—Modified Cash Basis.....	10
Notes to the Financial Statements.....	11
Supplementary Information	
Budgetary Comparison Schedule—General Fund.....	23
Budgetary Comparison Schedule—Special Revenue Fund.....	24
Budgetary Comparison Schedule—Debt Service Fund.....	25
Budgetary Comparison Schedule—Capital Projects Fund.....	26
Notes to the Budgetary Comparison Schedules.....	27
Other Financial Information	
Schedule of Receipts by Source.....	29
Schedule of Disbursements by Object.....	31
Schedule of Transportation Costs Eligible for State Aid.....	33
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 <i>Government Auditing Standards</i>	35
Schedule of Findings and Responses.....	37
Supplementary State Information	
Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations.....	39
Schedule of Selected Statistics.....	40



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Lone Jack C-6 School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Lone Jack C-6 School District as of June 30, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the modified cash basis of accounting described in Note 1.

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Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lone Jack C-6 School District's basic financial statements. The data contained under Other Financial Information, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Other Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 2, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2019

Government-Wide Financial Statements

Lone Jack C-6 School District

Statement of Net Position—Modified Cash Basis

June 30, 2019

	Governmental Activities
	<u> </u>
Assets	
Cash and cash equivalents	\$ 1,998,153
Investments	494,075
Total Assets	<u><u>\$ 2,492,228</u></u>
Net Position	
Restricted for:	
Professional development	\$ 10,847
Scholarships	11,204
Student activities	110,679
Debt service	1,035,021
Unrestricted	1,324,477
Total Net Position	<u><u>\$ 2,492,228</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, 2019

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>			<u>Net</u> <u>(Disbursements)</u> <u>and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	
Governmental Activities					
Instruction	\$ (3,811,222)	\$ 403,691	\$ 294,706	\$ -	\$ (3,112,825)
Student services	(364,490)	-	3,500	-	(360,990)
Instructional staff support	(195,263)	-	14,644	-	(180,619)
Building administration	(424,419)	-	-	-	(424,419)
General administration	(689,500)	-	-	-	(689,500)
Operation of plant	(636,242)	-	-	-	(636,242)
Transportation	(323,015)	-	44,877	-	(278,138)
Food service	(285,336)	209,939	66,905	-	(8,492)
Community services	(317,296)	219,607	17,575	-	(80,114)
Facilities acquisition and construction	(1,262,951)	-	-	-	(1,262,951)
Debt service	(784,712)	-	-	-	(784,712)
Net Program (Disbursements)					
Receipts	<u>\$ (9,094,446)</u>	<u>\$ 833,237</u>	<u>\$ 442,207</u>	<u>\$ -</u>	(7,819,002)
General Receipts					
Ad valorem tax receipts					3,252,762
Prop C sales tax receipts					597,027
Other tax receipts					54,748
County receipts					164,198
State receipts					2,641,199
Interest receipts					61,888
Other receipts					5,297
Total General Receipts					<u>6,777,119</u>
Special Item					
Net insurance recovery					<u>4,880</u>
<i>(Decrease) in Net Position</i>					(1,037,003)
Net Position—Beginning of year					<u>3,529,231</u>
Net Position—End of year					<u><u>\$ 2,492,228</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, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 1,449,264	\$ -	\$ 548,753	\$ 136	\$ 1,998,153
Investments	7,807	-	486,268	-	494,075
Total Assets	<u>\$ 1,457,071</u>	<u>\$ -</u>	<u>\$ 1,035,021</u>	<u>\$ 136</u>	<u>\$ 2,492,228</u>
Fund Balances					
Restricted for:					
Professional development	\$ 10,847	\$ -	\$ -	\$ -	\$ 10,847
Scholarships	11,204	-	-	-	11,204
Student activities	110,679	-	-	-	110,679
Debt service	-	-	1,035,021	-	1,035,021
Assigned to:					
Capital outlay	-	-	-	136	136
Unassigned	1,324,341	-	-	-	1,324,341
Total Fund Balances	<u>\$ 1,457,071</u>	<u>\$ -</u>	<u>\$ 1,035,021</u>	<u>\$ 136</u>	<u>\$ 2,492,228</u>

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, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 3,190,962	\$ 597,055	\$ 885,719	\$ 41,712	\$ 4,715,448
County	114,177	3,433	46,588	-	164,198
State	115,863	2,579,867	-	61,332	2,757,062
Federal	195,806	130,538	-	-	326,344
Other	-	89,511	-	-	89,511
Total Receipts	3,616,808	3,400,404	932,307	103,044	8,052,563
Disbursements					
Instruction	481,276	3,287,970	-	41,976	3,811,222
Student services	179,057	185,433	-	-	364,490
Instructional staff support	72,943	119,013	-	3,307	195,263
Building administration	139,206	285,213	-	-	424,419
General administration	513,502	146,195	-	29,803	689,500
Operation of plant	624,842	-	-	11,400	636,242
Transportation	316,523	6,492	-	-	323,015
Food service	283,937	-	-	1,399	285,336
Community services	269,737	47,559	-	-	317,296
Facilities acquisition and construction	-	-	-	1,262,951	1,262,951
Debt service	-	-	778,592	6,120	784,712
Total Disbursements	2,881,023	4,077,875	778,592	1,356,956	9,094,446
<i>Excess (Deficit) of Receipts Over Disbursements</i>	735,785	(677,471)	153,715	(1,253,912)	(1,041,883)
Other Financing Sources (Uses)					
Net insurance recovery	-	-	-	4,880	4,880
Operating transfers in	-	677,471	-	22,322	699,793
Operating transfers (out)	(699,793)	-	-	-	(699,793)
Total Other Financing Sources (Uses)	(699,793)	677,471	-	27,202	4,880
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	35,992	-	153,715	(1,226,710)	(1,037,003)
Fund Balance, July 1, 2018	1,421,079	-	881,306	1,226,846	3,529,231
Fund Balance, June 30, 2019	\$ 1,457,071	\$ -	\$ 1,035,021	\$ 136	\$ 2,492,228

See accompanying notes to the financial statements.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

1. Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts, and disbursements. The 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, 2019

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.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

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

Capital Outlay

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

Compensated Absences

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

Long-Term Debt

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

Teachers' Salaries

The salary payment schedule of the District for the 2018-2019 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2019 payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash and 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, 2019

Equity Classification

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

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

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

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

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

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

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

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

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

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

In the Statement of Activities, receipts that are derived directly from each activity, or from parties outside the District’s taxpayers, are reported as program receipts. These include various grants from the state and federal governments. All other governmental receipts are reported as general. 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, 2019

2. Cash & Cash Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2019, all bank balances on deposit were insured or collateralized with securities.

3. Investments

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

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit	9/28/2021	\$ 7,807
Pro-rata shares of investment contracts with BOK Financial	N/A	222,927
Missouri Securities Investment Program (MOSIP) - Cash Management Funds	N/A	263,341
Total Investments		<u>\$ 494,075</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, 2019, 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.

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

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

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 2018 for purposes of local taxation was:

Real estate	\$ 49,313,268
Personal property	10,879,075
Total Assessed Valuation	<u><u>\$ 60,192,343</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.9557	\$ 3.9557
Debt Service Fund	1.3927	1.3927
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, 2019, aggregated approximately 101 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.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

Any PSRS member who is required to contribute to Social Security comes under the requirements of Sections 169.070 (9) RSMo, known as the “two-thirds statute.” PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members’ benefits are further calculated at two-thirds the normal benefit amount.

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

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

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

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

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2019. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2019. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$460,662 and \$63,760, respectively, for the year ended June 30, 2019.

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

6. General Obligation Bonds Payable

Bonds payable at June 30, 2019, consist of:

\$3,310,000 general obligation refunding bond issue dated March 15, 2012, due in varying annual installments through March 1, 2021, with interest at 1.13% to 2.00%.	\$ 805,000
\$1,100,000 qualified school construction bond (QSCB) issue dated November 19, 2009, due in varying annual installments through September 15, 2025, with interest at 1.60%.	1,100,000
\$2,690,000 general obligation bond issue dated May 13, 2015, due in varying annual installments through March 1, 2030, with interest at 0.40% to 3.10%.	2,390,000
\$3,750,000 general obligation bond issue dated June 8, 2017, due in varying annual installments through March 1, 2032, with interest at 1.00% to 3.10%.	3,350,000
	<u>\$ 7,645,000</u>

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

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

	Total
Bonds Payable, July 1, 2018	\$ 8,240,000
Bonds Issued	-
Bonds Retired	(595,000)
Bonds Payable, June 30, 2019	\$ 7,645,000

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

Year Ended June 30,	Principal	Interest	Principal Intercepts	Total
2020	\$ 400,000	\$ 174,854	\$ 150,000	\$ 724,854
2021	505,000	168,452	150,000	823,452
2022	150,000	159,966	150,000	459,966
2023	400,000	157,490	150,000	707,490
2024	475,000	150,390	150,000	775,390
2025	1,575,000	128,165	(900,000)	803,165
2026	605,000	114,015	-	719,015
2027	640,000	100,756	-	740,756
2028	650,000	94,159	-	744,159
2029	685,000	67,862	-	752,862
2030	735,000	48,360	-	783,360
2031	405,000	25,575	-	430,575
2032	420,000	13,020	-	433,020
	\$ 7,645,000	\$ 1,403,064	\$ (150,000)	\$ 8,898,064

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 beginning 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, 2019, the total sinking fund at UMB Bank was \$303,621.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

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, 2019, was:

Constitutional debt limit	\$ 9,028,851
General obligation bonds payable	(7,645,000)
Amount available in Debt Service Fund	1,035,021
Legal Debt Margin	\$ 2,418,872

7. Operating Lease

The District has a thirty-six month operating lease for copiers through Datamax Office Systems that will end October 2019. The lease calls for monthly payments of \$1,301 (\$15,612 annually). The total amount expended for the year ended June 30, 2019 was \$15,612.

8. Certificates of Participation

Certificates of participation payable at June 30, 2019, consists of:

\$472,000 certificates of participation issue dated October 18, 2018, due in varying annual installments through March 1, 2028; interest at 3.25% to 3.75%.	<u>\$ 472,000</u>
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The District had \$454,905 in unspent proceeds remaining in the Project Fund at June 30, 2019.

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

	<u>Total</u>
Lease Payable, July 1, 2018	\$ -
Lease Issued	472,000
Lease Retired	-
Lease Payable, June 30, 2019	\$ 472,000

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

The following is a summary of the future minimum lease payments at June 30, 2019:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 16,565	\$ 16,565
2021	-	16,565	16,565
2022	62,000	16,565	78,565
2023	65,000	14,550	79,550
2024	65,000	12,438	77,438
2025	65,000	10,162	75,162
2026	70,000	7,888	77,888
2027	70,000	5,437	75,437
2028	75,000	2,813	77,813
	<u>\$ 472,000</u>	<u>\$ 102,983</u>	<u>\$ 574,983</u>

9. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2019, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits, will not have a material effect on any of the individual government funds or the overall financial position of the District.

10. 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.

11. 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 \$85 per day. The District will pay an employee upon retirement or resignation for accumulated paid time off. Total compensated absences payable at June 30, 2019, was \$102,820.

Lone Jack C-6 School District

Notes to the Financial Statements

June 30, 2019

12. Interfund Transfers

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 699,793
Special Revenue Fund	677,471	-
Capital Projects Fund	22,322	-
	<u>\$ 699,793</u>	<u>\$ 699,793</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. 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.

13. Post-Employment Benefits

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

14. Commitments

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

- Fisher Track in the amount of \$480,915 for the track and field project.
- Self-Insurance Pool of Greater Kansas City in the amount of \$235,728 for exiting the plan. The balance requires annual payments through July 2020.

15. Subsequent Event

On July 15, 2019, the District entered into an operating lease with Dell Financial Services for copiers. The lease was approved at the July 2019 Board of Education meeting. The lease requires annual payments of \$34,458 for three years.

Supplementary Information

Lone Jack C-6 School District

Budgetary Comparison Schedule—General Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 2,866,274	\$ 3,190,962	\$ 3,190,962	\$ -
County	97,200	114,177	114,177	-
State	282,817	115,863	115,863	-
Federal	215,030	195,806	195,806	-
Total Receipts	3,461,321	3,616,808	3,616,808	-
Disbursements				
Instruction	389,254	481,276	481,276	-
Student services	120,106	179,057	179,057	-
Instructional staff support	85,163	72,943	72,943	-
Building administration	101,978	139,206	139,206	-
General administration	408,177	513,502	513,502	-
Operation of plant	541,624	624,842	624,842	-
Transportation	289,169	316,523	316,523	-
Food service	307,716	283,937	283,937	-
Community services	260,637	269,737	269,737	-
Total Disbursements	2,503,824	2,881,023	2,881,023	-
<i>Excess of Receipts Over Disbursements</i>	957,497	735,785	735,785	-
Other Financing (Uses)				
Operating transfers (out)	(791,337)	(699,793)	(699,793)	-
<i>Excess of Receipts Over Disbursements and Other (Uses)</i>	166,160	35,992	35,992	-
Fund Balance, July 1, 2018	1,421,079	1,421,079	1,421,079	-
Fund Balance, June 30, 2019	\$ 1,587,239	\$ 1,457,071	\$ 1,457,071	\$ -

Lone Jack C-6 School District

Budgetary Comparison Schedule—Special Revenue Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 614,080	\$ 597,055	\$ 597,055	\$ -
County	7,585	3,433	3,433	-
State	2,497,366	2,579,867	2,579,867	-
Federal	107,521	130,538	130,538	-
Other	125,000	89,511	89,511	-
Total Receipts	3,351,552	3,400,404	3,400,404	-
Disbursements				
Instruction	3,351,767	3,287,970	3,287,970	-
Student services	152,201	185,433	185,433	-
Instructional staff support	128,978	119,013	119,013	-
Building administration	296,475	285,213	285,213	-
General administration	145,389	146,195	146,195	-
Transportation	6,492	6,492	6,492	-
Community services	61,587	47,559	47,559	-
Total Disbursements	4,142,889	4,077,875	4,077,875	-
<i>(Deficit) of Receipts Over Disbursements</i>	(791,337)	(677,471)	(677,471)	-
Other Financing Sources				
Operating transfers in	791,337	677,471	677,471	-
<i>Excess of Receipts and Other Sources Over Disbursements</i>	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-
Fund Balance, June 30, 2019	\$ -	\$ -	\$ -	\$ -

Lone Jack C-6 School District

Budgetary Comparison Schedule—Debt Service Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 793,021	\$ 885,719	\$ 885,719	\$ -
County	41,000	46,588	46,588	-
Total Receipts	834,021	932,307	932,307	-
Disbursements				
Debt service	929,184	778,592	778,592	-
Total Disbursements	929,184	778,592	778,592	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(95,163)	153,715	153,715	-
Fund Balance, July 1, 2018	881,306	881,306	881,306	-
Fund Balance, June 30, 2019	\$ 786,143	\$ 1,035,021	\$ 1,035,021	\$ -

Lone Jack C-6 School District

Budgetary Comparison Schedule—Capital Projects Fund

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 50,700	\$ 41,712	\$ 41,712	\$ -
State	52,973	61,332	61,332	-
Total Receipts	<u>103,673</u>	<u>103,044</u>	<u>103,044</u>	<u>-</u>
Disbursements				
Instruction	25,500	41,976	41,976	-
Student services	1,000	-	-	-
Instructional staff support	1,000	3,307	3,307	-
Building administration	1,000	-	-	-
General administration	40,000	29,803	29,803	-
Operation of plant	10,000	11,400	11,400	-
Food service	1,000	1,399	1,399	-
Facilities acquisition and construction	10,000	1,262,951	1,262,951	-
Debt service	-	6,120	6,120	-
Total Disbursements	<u>89,500</u>	<u>1,356,956</u>	<u>1,356,956</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	14,173	(1,253,912)	(1,253,912)	-
Other Financing Sources				
Net insurance recovery	-	4,880	4,880	-
Transfers in	-	22,322	22,322	-
Total Other Financing Sources	<u>-</u>	<u>27,202</u>	<u>27,202</u>	<u>-</u>
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	14,173	(1,226,710)	(1,226,710)	-
Fund Balance, July 1, 2018	1,226,846	1,226,846	1,226,846	-
Fund Balance, June 30, 2019	<u>\$ 1,241,019</u>	<u>\$ 136</u>	<u>\$ 136</u>	<u>\$ -</u>

Lone Jack C-6 School District

Note to the Budgetary Comparison Schedules

June 30, 2019

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on 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

Lone Jack C-6 School District

Schedule of Receipts by Source

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 2,215,102	\$ -	\$ 779,881	\$ -	\$ 2,994,983
Delinquent taxes	190,742	-	67,037	-	257,779
School district trust fund (Prop C)	-	597,027	-	-	597,027
M&M surtax	-	-	14,090	39,921	54,011
In lieu of tax	546	-	191	-	737
Reg day school tuition (K-12) from individuals	31,850	-	-	-	31,850
Earnings from temporary deposits	35,549	28	24,520	1,791	61,888
Food service - sales to pupils	144,526	-	-	-	144,526
Food service non-program	65,413	-	-	-	65,413
Admissions - student activities	37,966	-	-	-	37,966
Student organization membership dues and fees	23,335	-	-	-	23,335
Other pupil activity income	148,179	-	-	-	148,179
Community services	219,607	-	-	-	219,607
PK tuition from parents	72,850	-	-	-	72,850
Rentals	4,242	-	-	-	4,242
Gifts	625	-	-	-	625
Miscellaneous local revenue	430	-	-	-	430
Total Local	3,190,962	597,055	885,719	41,712	4,715,448
County					
Fines, escheats, etc.	-	3,433	-	-	3,433
State assessed utilities	114,177	-	46,588	-	160,765
Total County	114,177	3,433	46,588	-	164,198
State					
Basic formula - state monies	-	2,395,869	-	-	2,395,869
Transportation	44,877	-	-	-	44,877
Early childhood special education	14,467	-	-	-	14,467
Basic formula - classroom trust fund	-	183,998	-	61,332	245,330
Educational screening prog/PAT	17,575	-	-	-	17,575
Career education	1,494	-	-	-	1,494
Food service - state	1,869	-	-	-	1,869
Residential placement/excess cost	8,677	-	-	-	8,677
High need fund - special education	26,904	-	-	-	26,904
Total State	115,863	2,579,867	-	61,332	2,757,062

Lone Jack C-6 School District

Schedule of Receipts by Source

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	9,506	-	-	-	9,506
IDEA grants	764	-	-	-	764
IDEA entitlement funds, part B IDEA	28,676	93,398	-	-	122,074
School lunch program	54,426	-	-	-	54,426
School breakfast program	10,610	-	-	-	10,610
Title I - ESEA	24,840	37,140	-	-	61,980
Title IV.A student support and academic enrichment	9,303	-	-	-	9,303
Title II, part A&B, ESEA - teacher & principal training	13,744	-	-	-	13,744
Title VI, part B rural education initiative	43,937	-	-	-	43,937
Total Federal	195,806	130,538	-	-	326,344
Other Sources					
Net insurance recovery	-	-	-	4,880	4,880
Tuition from other LEAs - regular term	-	89,511	-	-	89,511
Total Other Sources	-	89,511	-	4,880	94,391
Total Receipts	\$ 3,616,808	\$ 3,400,404	\$ 932,307	\$ 107,924	\$ 8,057,443

The above presentation agrees to the Annual Secretary of the Board Report (ASBR).

Lone Jack C-6 School District

Schedule of Disbursements by Object

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Certificated - regular salaries	\$ -	\$ 2,432,154	\$ -	\$ -	\$ 2,432,154
Certificated - administrators salaries	-	355,640	-	-	355,640
Certificated - part-time salaries	18,475	56,591	-	-	75,066
Certificated supplemental pay	-	168,994	-	-	168,994
Certificated unused leave and/or severance pay	417	25,268	-	-	25,685
Classified salaries regular	645,119	112,182	-	-	757,301
Classified salaries - part-time	84,340	65	-	-	84,405
Teacher's retirement	4,370	458,644	-	-	463,014
Non-teacher retirement	51,662	9,763	-	-	61,425
Old age survivor and disability (OASDI)	41,604	9,577	-	-	51,181
Medicare	9,859	42,089	-	-	51,948
Employee insurance	93,906	324,383	-	-	418,289
Workers' compensation insurance	20,130	-	-	-	20,130
Unemployment compensation	817	-	-	-	817
Purchased instructional services - tuition	41,780	82,525	-	-	124,305
Pupil services	2,511	-	-	-	2,511
Audit services	11,500	-	-	-	11,500
Data processing and technology related services	22,576	-	-	-	22,576
Legal services	11,177	-	-	-	11,177
Election services	25	-	-	-	25
Repairs and maintenance	125,967	-	-	-	125,967
Rentals - equipment	246	-	-	-	246
Water and sewer	38,955	-	-	-	38,955
Trash removal	5,293	-	-	-	5,293
Technology-related repairs and maintenance	5,920	-	-	-	5,920
Contracted transportation to and from school	216,385	-	-	-	216,385
Other contracted pupil transportation (non-route)	58,616	-	-	-	58,616

Lone Jack C-6 School District

Schedule of Disbursements by Object

Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Travel	29,514	-	-	-	29,514
Property insurance	34,031	-	-	-	34,031
Liability insurance	34,523	-	-	-	34,523
Fidelity bond premiums	92	-	-	-	92
Communication	52,374	-	-	-	52,374
Advertising	877	-	-	-	877
Dues and membership	15,880	-	-	-	15,880
Other purchased services	604,382	-	-	-	604,382
General supplies	337,812	-	-	-	337,812
Supplies - technology - related	51,016	-	-	-	51,016
Textbook	24,362	-	-	-	24,362
Library books	5,128	-	-	-	5,128
Food supplies - exclude non-food supplies	1,084	-	-	-	1,084
Electric	117,120	-	-	-	117,120
Gas - natural	26,881	-	-	-	26,881
Gasoline/diesel	34,297	-	-	-	34,297
Buildings	-	-	-	1,249,988	1,249,988
Improvements other than buildings	-	-	-	12,962	12,962
Regular equipment	-	-	-	37,551	37,551
Equipment - classroom instructional apparatus	-	-	-	16,236	16,236
Technology - related hardware	-	-	-	28,562	28,562
Technology software	-	-	-	5,537	5,537
Principal - bonded indebtedness	-	-	595,000	-	595,000
Interest - bonded indebtedness	-	-	182,797	-	182,797
Interest - lease purchase agreements	-	-	-	6,120	6,120
Fees - bonded indebtedness	-	-	795	-	795
Total Disbursements	<u>\$ 2,881,023</u>	<u>\$ 4,077,875</u>	<u>\$ 778,592</u>	<u>\$ 1,356,956</u>	<u>\$ 9,094,446</u>

Lone Jack C-6 School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2019

	District Owned	Contracted	Total
Certificated salaries	\$ -	\$ 6,492	\$ 6,492
Purchased services	-	275,001	275,001
Supplies	-	34,297	34,297
Depreciation	4,594	-	4,594
	<u>\$ 4,594</u>	<u>\$ 315,790</u>	<u>\$ 320,384</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
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 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, 2019, 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 2, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness. It is identified as item 2019-001.

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 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 responses. We did not audit the District's response and, accordingly, 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 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 2, 2019

Lone Jack C-6 School District

Schedule of Findings and Responses

Year Ended June 30, 2019

Material Weakness

2019-001 Segregation of duties

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

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

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

Recommendation: We realize 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.

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



Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

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

We have examined management's assertions that Lone Jack C-6 School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2019. Lone Jack C-6 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 2, 2019

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Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	5	-	7.0170	160	1,111.9820
1050	6	12	-	7.0170	160	1,111.9820

2. Average Daily Attendance (ADA)

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	K	43.42	-	-	-	2.95	46.37
	1	55.69	-	0.09	-	3.35	59.13
	2	36.91	-	0.03	-	1.19	38.13
	3	43.55	-	0.09	-	1.84	45.48
	4	43.97	-	0.17	-	1.67	45.81
	5	45.54	-	0.07	-	1.39	47.00
1050	6	56.51	-	0.11	-	1.46	58.08
	7	39.09	-	0.01	-	0.80	39.90
	8	35.52	-	0.01	-	-	35.53
	9	54.32	-	0.11	-	0.09	54.52
	10	47.81	-	0.10	-	0.13	48.04
	11	42.97	-	0.04	-	0.32	43.33
	12	32.75	-	0.02	-	0.03	32.80
Grand Total	K-12	578.05	-	0.85	-	15.22	594.12

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

3. September Membership

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	K	47.00	-	-	47.00
	1	59.00	-	-	59.00
	2	38.00	-	-	38.00
	3	46.00	-	-	46.00
	4	46.00	-	-	46.00
	5	48.00	-	-	48.00
1050	6	59.00	-	-	59.00
	7	40.00	-	-	40.00
	8	37.00	-	-	37.00
	9	58.00	-	-	58.00
	10	50.00	-	-	50.00
	11	47.00	-	-	47.00
	12	41.00	-	-	41.00
Grand Total	K-12	616.00	-	-	616.00

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	30.00	11.00	-	-	41.00
1050	30.00	14.00	-	-	44.00
Grand Total	60.00	25.00	-	-	85.00

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

5. Finance

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	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	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$18,586

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	268.0
	Ineligible ADT	57.0

Lone Jack C-6 School District

Schedule of Selected Statistics

Year Ended June 30, 2019

6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	95,694
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	63,804
	Ineligible Miles (Non-Route/Disapproved)	31,890
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	160

Finding:	None
Management Letter Comment:	N/A