

**MID-BUCHANAN R-V SCHOOL DISTRICT  
FAUCETT, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**MID-BUCHANAN R-V SCHOOL DISTRICT  
TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1
<b>Basic Financial Statements:</b>	
Statement of Net Position - Modified Cash Basis.....	3
Statement of Activities - Modified Cash Basis.....	4
Balance Sheet - Modified Cash Basis - Governmental Funds .....	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds .....	6
Notes to the Basic Financial Statements .....	7
<b>Supplementary Information:</b> .....	17
<b>Budgetary Comparison Schedule - Modified Cash Basis:</b>	
General Fund.....	18
Special Revenue Fund.....	19
Debt Service Fund .....	20
Capital Projects Fund.....	21
Notes to the Budgetary Comparison Schedule.....	22
Schedule of Revenues Collected by Source .....	23
Schedule of Selected Statistics.....	24
<b>Internal Control and Compliance:</b> .....	28
Independent Auditors' Report on Administration's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations .....	29
Schedule of State Findings.....	30
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> .....	32
Schedule of Findings and Responses.....	34

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Mid-Buchanan R-V School District

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Mid-Buchanan R-V School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's 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 the 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 includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Mid-Buchanan R-V School District as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

## ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020 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. 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 the District's internal control over financial reporting and compliance.

## ***Basis of Accounting***

We draw attention to Note A of the financial statements that 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 opinions are not modified with respect to this matter.

*Westbrook & Co., P.C.*

Richmond, Missouri  
October 7, 2020

**MID-BUCHANAN R-V SCHOOL DISTRICT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 3,848,121</u>
<b>NET POSITION</b>	
Restricted for:	
Scholarships	\$ 1,675
Capital outlay	356,333
Debt service	754,253
Unrestricted	<u>2,735,860</u>
Total net position	<u>\$ 3,848,121</u>

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Expenditures	PROGRAM REVENUES			Net (Expenditures) Revenues and Change in Net Position Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 3,431,802	\$ 3,763	\$ 722,904	\$ -	\$ (2,705,135)
Student activities	442,100	183,213	-	-	(258,887)
Student services	312,051	-	-	-	(312,051)
Instructional staff support	586,976	-	-	-	(586,976)
General administration and central services	528,224	-	-	-	(528,224)
Building administration	507,754	-	-	-	(507,754)
Operation of plant	651,118	-	-	-	(651,118)
Transportation	424,488	-	66,513	-	(357,975)
Food service	323,596	150,760	119,935	-	(52,901)
Community services	232,003	157,943	10,170	-	(63,890)
Facility acquisition and construction	166,979	-	-	-	(166,979)
Debt service:					
Principal retirement	2,817,719	-	-	-	(2,817,719)
Interest and fees	215,916	-	-	-	(215,916)
<b>Total Governmental Activities</b>	<b>\$ 10,640,726</b>	<b>\$ 495,679</b>	<b>\$ 919,522</b>	<b>\$ -</b>	<b>(9,225,525)</b>

<b>General Revenues:</b>	
Basic formula	2,613,898
Property taxes	3,827,755
Sales tax	736,611
State assessed utilities	266,012
Fines and escheats	14,317
Earnings on investments	115,838
M&M surtax	55,392
Other revenue	11,906
<b>Total General Revenues</b>	<b>7,641,729</b>
Change in net position	(1,583,796)
Net Position Beginning of Year	5,431,917
Net Position End of Year	<u>\$ 3,848,121</u>

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,532,696	\$ 204,839	\$ 754,253	\$ 356,333	\$ 3,848,121
<b>FUND BALANCES</b>					
Restricted	\$ 1,675	\$ -	\$ 754,253	\$ -	\$ 755,928
Committed	-	-	-	356,333	356,333
Assigned	152,981	-	-	-	152,981
Unassigned	2,378,040	204,839	-	-	2,582,879
Total fund balances	\$ 2,532,696	\$ 204,839	\$ 754,253	\$ 356,333	\$ 3,848,121

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS, GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local	\$ 3,806,304	\$ 760,066	\$ 672,900	\$ 148	\$ 5,239,418
County	210,559	14,317	55,453	-	280,329
State	68,658	2,761,437	-	200,000	3,030,095
Federal	133,543	369,782	-	-	503,325
Other	3,763	-	-	-	3,763
Total Revenues	<u>4,222,827</u>	<u>3,905,602</u>	<u>728,353</u>	<u>200,148</u>	<u>9,056,930</u>
<b>EXPENDITURES:</b>					
Instruction	347,798	3,084,004	-	-	3,431,802
Student activities	274,125	167,975	-	-	442,100
Student services	97,185	214,866	-	-	312,051
Instructional staff support	328,557	102,303	-	156,116	586,976
General administration and central services	316,217	212,007	-	-	528,224
Building administration	133,244	374,510	-	-	507,754
Operation of plant	649,228	-	-	1,890	651,118
Transportation	424,488	-	-	-	424,488
Food service	317,978	-	-	5,618	323,596
Community services	109,334	122,669	-	-	232,003
Facility acquisition and construction	-	-	-	166,979	166,979
Debt service:					
Principal retirement	-	-	2,810,001	7,718	2,817,719
Interest and fees	-	-	213,125	2,791	215,916
Total Expenditures	<u>2,998,154</u>	<u>4,278,334</u>	<u>3,023,126</u>	<u>341,112</u>	<u>10,640,726</u>
Revenues Over (Under) Expenditures	1,224,673	(372,732)	(2,294,773)	(140,964)	(1,583,796)
<b>Other Financing Sources (Uses):</b>					
Transfers	(898,628)	571,856	-	326,772	-
Net change in fund balances	326,045	199,124	(2,294,773)	185,808	(1,583,796)
Fund balance, beginning	<u>2,206,651</u>	<u>5,715</u>	<u>3,049,026</u>	<u>170,525</u>	<u>5,431,917</u>
Fund balance, ending	<u>\$ 2,532,696</u>	<u>\$ 204,839</u>	<u>\$ 754,253</u>	<u>\$ 356,333</u>	<u>\$ 3,848,121</u>

See accompanying notes to the basic financial statements.



**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and therefore, no other agency has been included as component unit in the District's financial statements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the District.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Measurement Focus

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic measurement focus. All assets and liabilities arising from cash basis transactions are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Salaries and benefits for teachers are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such benefits are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Pooled Cash: Cash resources of the individual funds are combined to form a pool of cash, which is managed by the District's Treasurer. Interest income received is allocated to contributing funds based on cash balances. The investment pool is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District).

Vacation and Sick Leave: Vacation, personal days, and sick leave are considered as expenditures in the year paid. Unlimited sick leave accumulation is allowed in the District. Upon leaving the District, specified employees are eligible to be reimbursed for unused sick leave days at \$25 per day up to sixty days, if the individual has 10 or more years experience.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

OPEB Liabilities: As the District uses the modified cash basis of accounting, OPEB liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

Teachers' Salaries: Payroll checks written and held in June 2020, for July and August 2020 payrolls related to 2019-2020 contracts in the amount of \$521,679 are included in the financial statements as an expenditure paid in the month of June. The District has changed its method of holding only checks for insurance deductions for the year ended June 30, 2019, to holding all payroll checks, including taxes and deductions, until the months they are due for the year ended June 30, 2020. This practice is common for Missouri school districts.

**NOTE B - DEPOSITS AND INVESTMENTS**

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2020, the bank balances of the District's deposits totaled \$481,569. Of this amount \$250,000 was covered by FDIC insurance and \$231,569 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the current debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. At June 30, 2020, the District had \$258,489 invested with MOHEFA.

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nations' largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAA by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District had \$3,893,863 invested with MOSIP at June 30, 2020.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy places no limit on the amounts the District may invest in any one issuer.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE C - 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. DeKalb, Daviess and Gentry Counties collect the property tax and remit it to the District.

The District also receives sales tax collected by the state and remitted based on weighted average daily attendance. 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. The District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2019.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was:

Real Estate:		
Residential	\$	40,635,340
Agriculture		3,240,600
Commercial		4,788,876
Personal Property		<u>20,124,611</u>
	\$	<u><u>68,789,427</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2019 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 4.6759	\$ 4.6759
Special Revenue Fund	-	-
Debt Service Fund	0.9000	0.9000
Capital Projects Fund	-	-
	<u>\$ 5.5759</u>	<u>\$ 5.5759</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

**NOTE D - INSURANCE**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District has joined with other schools to form the Missouri United School Insurance Council (MUSIC), a public entity risk pool currently operating as a common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,000,000, property claims to various amounts and worker's compensation claims to statutory limits. The District maintains reinsurance for claims in excess of \$3,000,000 up to \$2,000,000 which are not covered by MUSIC.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE E - RETIREMENT PLAN**

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution.

The members' benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at [www.psr-peers.org](http://www.psr-peers.org).

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 5 years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-peers.org](http://www.psr-peers.org). Since the prior valuation date the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2020. 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 for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2020 was \$502,992.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE E - RETIREMENT PLAN** (continued)

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-s-peers.org](http://www.psr-s-peers.org).

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2020. 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 PEERS for the year ended June 30, 2020 was \$62,210.

**NOTE F - LONG-TERM DEBT**

Changes in long-term debt during the fiscal year were as follows:

	Balance			Balance	Amount
	July 1, 2019	Additions	Retirements	June 30, 2020	Due Within One Year
Bonds Payable	\$ 6,695,000	\$ -	\$ 2,810,000	\$ 3,885,000	\$ 565,000
Direct Borrowings	-	59,484	7,718	51,766	10,902
Lease Certificates of Participation	-	750,000	-	750,000	-
<b>Total</b>	<b>\$ 6,695,000</b>	<b>\$ 809,484</b>	<b>\$ 2,817,718</b>	<b>\$ 4,686,766</b>	<b>\$ 575,902</b>

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE G - GENERAL OBLIGATION BONDS**

Bonds payable at June 30, 2020 consist of:

Series 2010 general obligation bonds due in varying annual installments through March 1, 2021, interest at 3.00 to 3.40%	\$ 355,000
Series 2015 general obligation bonds due in varying annual installments through March 1, 2027, interest at 1.30 to 5.00%	1,200,000
Series 2017 general obligation refunding bonds due in varying annual installments through March 1, 2028, interest at 1.40 to 2.30%	<u>2,330,000</u>
Total	<u><u>\$ 3,885,000</u></u>

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2021	\$ 565,000	\$ 81,153	\$ 646,153
2022	465,000	65,892	530,892
2023	460,000	58,618	518,618
2024	500,000	50,598	550,598
2025	510,000	41,197	551,197
2026	570,000	30,907	600,907
2027	575,000	18,632	593,632
2028	<u>240,000</u>	<u>5,520</u>	<u>245,520</u>
Total	<u><u>\$ 3,885,000</u></u>	<u><u>\$ 352,517</u></u>	<u><u>\$ 4,237,517</u></u>

**NOTE H - DIRECT BORROWINGS**

On September 8, 2019, the District entered into a lease agreement for copier equipment. The lease is for five years requiring monthly payments of \$1,168 through June 10, 2024; interest at 6.64%. The remaining balance as of June 30, 2020 was \$51,766.

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayment of outstanding amounts to become immediately due if the District is unable to make payments.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE I - LEASE CERTIFICATES OF PARTICIPATION**

On May 5, 2020, the District issued \$750,000 Series 2020 Lease Certificates of Participation for the purposes of improving District buildings and facilities. The lease is for ten years requiring varying annual installments through March 1, 2030; interest at 2.00 to 2.75%.

Debt service requirements to maturity are:

Year ending	Certificates of Participation	
June 30,	Principal	Interest
2021	\$ -	\$ 15,026
2022	75,000	18,275
2023	75,000	16,775
2024	80,000	15,275
2025	80,000	13,675
2026	85,000	11,675
2027	85,000	9,550
2028	90,000	7,425
2029	90,000	4,950
2030	90,000	2,475
Total	\$ 750,000	\$ 115,101

**NOTE J - OPERATING AGREEMENTS**

On February 24, 2015, the District entered into an operating lease agreement for copy machines. The lease is for 5 years and requires monthly installments of \$1,466 beginning March 1, 2015 and continuing through February 28, 2020. Lease expense for the year ended June 30, 2020 was \$11,727.

**NOTE K - INTERFUND TRANSFERS**

During the year, the District transferred \$571,856 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund. The District also made a \$326,772 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

**NOTE L - FUND BALANCES - GOVERNMENTAL FUNDS**

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.



**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE L - FUND BALANCES - GOVERNMENTAL FUNDS (continued)**

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Fund. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

As of June 30, 2020, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Restricted:				
Scholarships	\$ 1,675	\$ -		\$ -
Debt Service	<u>          -</u>	<u>          -</u>	754,253	<u>          -</u>
Committed:				
Capital outlay	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>356,333</u>
Assigned:				
Student activities	152,981	-	-	-
Teacher salaries	<u>          -</u>	204,839	<u>          -</u>	<u>          -</u>
Total assigned	<u>152,981</u>	<u>204,839</u>	<u>          -</u>	<u>          -</u>
Unassigned	<u>2,378,040</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total fund balances	<u>\$ 2,532,696</u>	<u>\$ 204,839</u>	<u>\$ 754,253</u>	<u>\$ 356,333</u>

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE M - COMMITMENTS**

During the year, the Board approved contracts for the purchase of chromebooks and for various facility improvements throughout the District. The total amount committed by the District for these project but not paid as of June 30, 2020 was \$475,158.

**NOTE N - SUBSEQUENT EVENT**

The COVID-19 outbreak has caused a severe impact to the United States economy. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the District's operations and finances

## **SUPPLEMENTARY INFORMATION**

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUDEATARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 3,507,341	\$ 3,581,024	\$ 3,806,304	\$ 225,280
County	180,000	180,000	210,559	30,559
State	71,600	78,600	68,658	(9,942)
Federal	96,677	172,720	133,543	(39,177)
Other	-	-	3,763	3,763
<b>Total Revenues</b>	<u>3,855,618</u>	<u>4,012,344</u>	<u>4,222,827</u>	<u>210,483</u>
<b>EXPENDITURES:</b>				
Instruction	251,607	387,374	347,798	39,576
Student activities	202,912	134,500	274,125	(139,625)
Student services	-	108,861	97,185	11,676
Instructional staff support	301,625	357,479	328,557	28,922
General administration and central services	299,219	318,755	316,217	2,538
Building administration	146,230	130,629	133,244	(2,615)
Operation of plant	670,969	663,511	649,228	14,283
Transportation	461,403	511,782	424,488	87,294
Food service	340,810	320,274	317,978	2,296
Community services	117,876	116,196	109,334	6,862
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<u>2,792,651</u>	<u>3,049,361</u>	<u>2,998,154</u>	<u>51,207</u>
Revenues Over (Under) Expenditures	1,062,967	962,983	1,224,673	261,690
<b>Other Financing Sources (Uses):</b>				
Transfers	(754,548)	(898,628)	(898,628)	-
Net change in fund balance	308,419	64,355	326,045	261,690
Fund balance, beginning	<u>2,206,651</u>	<u>2,206,651</u>	<u>2,206,651</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,515,070</u>	<u>\$ 2,271,006</u>	<u>\$ 2,532,696</u>	<u>\$ 261,690</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 754,522	\$ 765,000	\$ 760,066	\$ (4,934)
County	9,000	9,000	14,317	5,317
State	3,023,518	2,898,776	2,761,437	(137,339)
Federal	266,329	375,000	369,782	(5,218)
Other	-	-	-	-
<b>Total Revenues</b>	<u>4,053,369</u>	<u>4,047,776</u>	<u>3,905,602</u>	<u>(142,174)</u>
<b>EXPENDITURES:</b>				
Instruction	3,369,625	3,130,024	3,084,004	46,020
Student activities	161,967	185,389	167,975	17,414
Student services	206,811	223,084	214,866	8,218
Instructional staff support	97,283	106,612	102,303	4,309
General administration and central services	145,452	217,887	212,007	5,880
Building administration	387,077	376,319	374,510	1,809
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	112,454	122,369	122,669	(300)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<u>4,480,669</u>	<u>4,361,684</u>	<u>4,278,334</u>	<u>83,350</u>
Revenues Over (Under) Expenditures	(427,300)	(313,908)	(372,732)	(58,824)
<b>Other Financing Sources (Uses):</b>				
Transfers	<u>427,300</u>	<u>571,856</u>	<u>571,856</u>	<u>-</u>
Net change in fund balance	-	257,948	199,124	(58,824)
Fund balance, beginning	<u>5,715</u>	<u>5,715</u>	<u>5,715</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,715</u>	<u>\$ 263,663</u>	<u>\$ 204,839</u>	<u>\$ (58,824)</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 601,703	\$ 659,533	\$ 672,900	\$ 13,367
County	50,000	49,000	55,453	6,453
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>651,703</u>	<u>708,533</u>	<u>728,353</u>	<u>19,820</u>
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration and central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	355,000	480,000	2,810,001	(2,330,001)
Interest and fees	210,750	212,907	213,125	(218)
<b>Total Expenditures</b>	<u>565,750</u>	<u>692,907</u>	<u>3,023,126</u>	<u>(2,330,219)</u>
<b>Revenues Over (Under) Expenditures</b>	85,953	15,626	(2,294,773)	(2,310,399)
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
<b>Net change in fund balance</b>	85,953	15,626	(2,294,773)	(2,310,399)
<b>Fund balance, beginning</b>	<u>3,049,026</u>	<u>3,049,026</u>	<u>3,049,026</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 3,134,979</u>	<u>\$ 3,064,652</u>	<u>\$ 754,253</u>	<u>\$ (2,310,399)</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 1,000	\$ -	\$ 148	\$ 148
County	-	-	-	-
State	-	200,000	200,000	-
Federal	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>1,000</u>	<u>200,000</u>	<u>200,148</u>	<u>148</u>
<b>EXPENDITURES:</b>				
Instruction	3,000	5,000	-	5,000
Student activities	-	-	-	-
Student services	760	760	-	760
Instructional staff support	80,000	147,000	156,116	(9,116)
General administration and central services	1,000	500	-	500
Building administration	-	-	-	-
Operation of plant	15,000	2,000	1,890	110
Transportation	2,509	-	-	-
Food service	5,000	9,000	5,618	3,382
Community services	-	-	-	-
Facility acquisition and construction	170,000	170,000	166,979	3,021
Debt service:				
Principal retirement	-	-	7,718	(7,718)
Interest and fees	-	-	2,791	(2,791)
<b>Total Expenditures</b>	<u>277,269</u>	<u>334,260</u>	<u>341,112</u>	<u>(6,852)</u>
<b>Revenues Over (Under) Expenditures</b>	<b>(276,269)</b>	<b>(134,260)</b>	<b>(140,964)</b>	<b>(6,704)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	<u>327,248</u>	<u>326,772</u>	<u>326,772</u>	<u>-</u>
<b>Net change in fund balance</b>	<b>50,979</b>	<b>192,512</b>	<b>185,808</b>	<b>(6,704)</b>
<b>Fund balance, beginning</b>	<u>170,525</u>	<u>170,525</u>	<u>170,525</u>	<u>-</u>
<b>Fund balance, ending</b>	<u><u>\$ 221,504</u></u>	<u><u>\$ 363,037</u></u>	<u><u>\$ 356,333</u></u>	<u><u>\$ (6,704)</u></u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2020**

---

**Budgetary Process**

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 proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues 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 final budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid, except for teachers' salaries.



**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF REVENUES COLLECTED BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>LOCAL:</b>					
Property tax	\$ 3,209,917	\$ -	\$ 617,838	\$ -	\$ 3,827,755
Sales tax	-	736,611	-	-	736,611
Financial institution tax	2	-	-	-	2
M & M surtax	46,451	-	8,941	-	55,392
Earnings on investments	69,717	-	46,121	-	115,838
Food service	150,760	-	-	-	150,760
Student activities	183,065	-	-	148	183,213
Community services	134,488	-	-	-	134,488
Tuition	-	23,455	-	-	23,455
Other local revenue	11,904	-	-	-	11,904
<b>Total Local</b>	<u>3,806,304</u>	<u>760,066</u>	<u>672,900</u>	<u>148</u>	<u>5,239,418</u>
<b>COUNTY:</b>					
Fines and escheats	-	14,317	-	-	14,317
State assessed utilities	210,559	-	55,453	-	266,012
<b>Total County</b>	<u>210,559</u>	<u>14,317</u>	<u>55,453</u>	<u>-</u>	<u>280,329</u>
<b>STATE:</b>					
Basic formula	-	2,640,301	-	-	2,640,301
Transportation	66,513	-	-	-	66,513
Early Childhood Special Education	-	8,400	-	-	8,400
Basic formula - classroom trust fund	-	39,664	-	200,000	239,664
Educational screening	-	10,170	-	-	10,170
Food service	2,145	-	-	-	2,145
Career education	-	9,370	-	-	9,370
High need fund - special education	-	53,532	-	-	53,532
<b>Total State</b>	<u>68,658</u>	<u>2,761,437</u>	<u>-</u>	<u>200,000</u>	<u>3,030,095</u>
<b>FEDERAL:</b>					
Title I	-	167,984	-	-	167,984
Title II, Part A	-	38,824	-	-	38,824
Title IV	-	19,480	-	-	19,480
Individuals with Disabilities	-	132,128	-	-	132,128
Early Childhood Special Education	15,753	-	-	-	15,753
IDEA grants	-	3,336	-	-	3,336
Food service	70,804	-	-	-	70,804
CARES Act Food service	46,986	-	-	-	46,986
Medicaid	-	8,030	-	-	8,030
<b>Total Federal</b>	<u>133,543</u>	<u>369,782</u>	<u>-</u>	<u>-</u>	<u>503,325</u>
<b>OTHER:</b>					
Tuition from other districts	3,763	-	-	-	3,763
<b>Total Revenues Collected</b>	<u>\$ 4,222,827</u>	<u>\$ 3,905,602</u>	<u>\$ 728,353</u>	<u>\$ 200,148</u>	<u>\$ 9,056,930</u>

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number: 011-078

**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	6		6.6833	124	800.1800
1050	7	12		6.6167	124	791.9200

**2. ATTENDANCE HOURS**

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-6	304,185.57	0.00	0.00	0.00	27,389.00	331,574.57
1050	7-12	239,164.11	0.00	0.00	0.00	3,303.00	242,467.11
<b>Grand Total</b>		<b>543,349.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,692</b>	<b>574,041.68</b>

**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-6	401.00	0.00		401.00
1050	7-12	323.00	0.00		323.00
<b>Grand Total</b>		<b>724.00</b>	<b>0.00</b>		<b>724.00</b>

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number: 011-078

**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	65.00	14.00			79.00
1050	41.00	13.00			54.00
<b>Grand Total</b>	<b>106.00</b>	<b>27.00</b>			<b>133.00</b>

**5. FINANCE**

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

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

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number: 011-078

	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	N/A
<b>5.3</b>	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
<b>5.4</b>	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
<b>5.5</b>	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
<b>5.6</b>	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
<b>5.7</b>	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
<b>5.8</b>	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
<b>5.9</b>	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved 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
<b>5.10</b>	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
<b>5.11</b>	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
<b>5.12</b>	The amount spent for approved professional development committee plan activities was:	\$44,097
<b>5.13</b>	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.	False

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number: 011-078

**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:	True
	Eligible ADT	507.0
	Ineligible ADT	23.5
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:	83,569
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	67,850
	Ineligible Miles (Non-Route/Disapproved)	15,719
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	124

Management Letter Comment: See "Required Reports" comment in Required Communications letter.

## **INTERNAL CONTROL AND COMPLIANCE**

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

To the Board of Education  
Mid-Buchanan R-V School District

We have audited the administration's assertions, included in its representation letter dated October 7, 2020, that Mid-Buchanan R-V School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2019 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2020; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2020. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2020 are fairly stated in all material respects.

We also noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information of the Board of Education, the administration 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.

*Westbrook & Co., P.C.*

October 7, 2020

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF STATE FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**BUDGET**

*Condition:* The District did not include a budget summary in the original budget document.

*Criteria:* Chapter 67, RSMo requires the budget to include a general budget summary which summarizes the budgetary requirements of the District, including budgeted revenues, expenditures and transfers.

*Cause:* The District did not prepare the budget with the required components.

*Effect:* The District did not comply with state statutes.

*Recommendation:* We recommend that the District include the required components in their original budget document.

*Auditee's Response:* A budget summary will be included in the annual budget report that will be presented to the Board of Education each fiscal year.

**BUDGET**

*Condition:* The Debt Service Fund actual expenditures of \$3,023,126 exceeded budgeted amounts of \$692,907 by \$2,330,219 and the Capital Projects Fund actual expenditures of \$341,112 exceeded budgeted amounts of \$334,260 by \$6,852.

*Criteria:* Chapter 67, RSMo prohibits the expenditures of public monies unless those expenditures have been authorized.

*Cause:* The District did not amend the budget as needed to account for unanticipated expenditures.

*Effect:* The District did not comply with state statutes.

*Recommendation:* We recommend that the District consider amending budgeted expenditures when additional costs are anticipated.

*Auditee's Response:* The district administration misunderstood the process of reporting the debt service refunding initiated by the district several years ago in regards to the 2015 series bonds. This misunderstanding has been cleared up and the district administration has increased capacity regarding how to correctly report those types of expenditures. The District will implement monthly budget reviews to ensure anticipated expenditures that may exceed original budget approval amounts are presented to the Board as budget amendments for consideration.

**BUDGET**

*Condition:* The District did not include the estimated revenues and expenditures to be received from all sources for the prior two years in the original budget document.

*Criteria:* Chapter 67, RSMo requires that the budget include the estimated revenues to be received from all sources for the current budget year along with a comparative statement of the actual or estimated revenues for the prior year years. These revenues must be itemized by year, fund and sources. Chapter 67 RSMO also requires the budget include the proposed expenditures for the current budget year, with a comparative statement of actual or estimated expenditures for the prior years. These expenditures must be itemized by year, fund, function and object.



**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF STATE FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

*Cause:* The District did not prepare the budget with the required components.

*Effect:* The District did not comply with state statutes.

*Recommendation:* We recommend that the District include the required components in their original budget document.

*Auditee's Response:* The District will include all components of statutory budget requirements including all revenue and expenditure information pertaining to the previous two years.

**TRANSPORTATION**

*Condition:* The District incorrectly included PK and Early Childhood Special Education riders in the Non-Disabled ridership count.

*Criteria:* Non-Disabled ridership should only include Grades K-12 riders.

*Cause:* The District does not have a review process in place.

*Effect:* Incorrect ridership was reported to DESE.

*Recommendation:* We recommend that the District implement a review process to ensure accurate and complete ridership is reported to DESE.

*Auditee's Response:* As part of a team reconciliation meeting that will now take place at year end each school year, ridership lists will be assessed by the team to ensure Pre-K students are not included in ridership on the Application for Transportation Aid.

**TRANSPORTATION**

*Condition:* Maintenance mileage which should have been included in ineligible non-route mileage was reported as route mileage by the bus company. Also, food delivery miles were not included in eligible route miles as allowed. State regulations require route mileage and other non-route mileage be reported separately on the Application for State Transportation Aid.

*Criteria:* Mileage reported to DESE should agree with the mileage provided by the transportation contractor.

*Cause:* The District does not have a review and reconciliation process.

*Effect:* Inaccurate mileage was reported to DESE.

*Recommendation:* We recommend that the District implement a review and reconciliation process to ensure accurate and complete mileage is reported to DESE.

*Auditee's Response:* The District will implement an annual reconciliation process to ensure we are carefully reporting miles at year end. This process will include a team meeting with all transportation officials (superintendent, bookkeeper, transportation director, and Jarnik regional manager) to reconcile reportable miles.

**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***

To the Board of Education  
Mid-Buchanan R-V School District

We have audited, 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, the modified cash basis financial statements of the governmental activities and each major fund of Mid-Buchanan R-V School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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 as 2020-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
October 7, 2020

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020**

---

MATERIAL WEAKNESS

2020-001 SEGREGATION OF DUTIES

*Condition:* The bookkeeper has the ability to perform the following duties: record deposits, set up new employees, input payroll information, post journal entries, set up new vendors, create disbursements, maintain the general ledger and perform the bank reconciliation.

*Criteria:* Accounting duties should be segregated so that one individual does not have sole care, custody and control of District assets.

*Cause:* The size of the District has not allowed for adequate segregation of duties.

*Effect:* Inadequate internal controls could allow for errors or fraud to occur.

*Recommendation:* Consideration should be given to reassigning duties performed by the bookkeeper and/or adding mitigating controls or review processes to improve internal controls. While the superintendent opens and reviews the bank statement, deposits and check images, the District should continue to monitor activities where segregation of duties cannot be achieved.

*Auditee's Response:* The District will carefully consider other ways to assign responsibilities that will allow for better segregation of duties. Although the bookkeeper has the ability to input new vendors, record deposits, and enter new employees; she does not actually do those entries as our HR director does that. The duties of entering payroll information, maintaining the general ledger, and performing bank reconciliation are also monitored by the Superintendent. The District will implement a monthly review of all journal and adjusting entries.