



Performance in Distinction

**Centerville R-I School District
Centerville, Missouri**

**Financial Statements
with
Independent Auditor's Report**

Year Ended June 30, 2019

**Centerville R-I School District
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Centerville R-I School District (the "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 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 cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis of accounting 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 cash basis financial position of the governmental activities and each major fund of Centerville R-I School District, as of June 30, 2019, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the 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.

Report on Supplementary and Other Information

Our audit was performed for the purpose of forming opinions on the financial statements as a whole that collectively comprise Centerville R-I School District's financial statements. The accompanying budgetary comparison information, Schedule of Expenditures by Object – Cash Basis and Management's Discussion and Analysis are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information and the Schedule of Expenditures by Object – Cash Basis presented on pages 25 to 28 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole on the basis of accounting described in Note 1.

Management's Discussion and Analysis on pages 3 to 8 has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 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. 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 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.

Catlett & Associates, LLC

October 14, 2019

Management's Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

The discussion and analysis of the Centerville R-I School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements to enhance their understanding of the District's financial performance.

The financial statements of the District have been prepared on the cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when occurred, and the presentation of expenditures/expenses when paid versus when incurred.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2019 (FY19), as compared to the fiscal year ended June 30, 2018 (FY18) include the following:

Total net position increased \$16,705 during fiscal year ended June 30, 2019 and increased \$45,418 during FY18. Total receipts amounted to \$1,060,738 during FY19 and \$1,060,745 during FY18. Total disbursements during FY19 were \$1,044,033 compared to \$1,015,327 during FY18.

Primary District revenue sources were:

- Local receipts, primarily tax and Prop C receipts, that totaled \$417,900;
- County revenues, primarily federal forest receipts and taxes from state assessed utilities, that totaled \$67,916;
- State aid, primarily basic foundation formula, entitlements, and grants, that totaled \$408,257;
- Federal and other revenues, primarily under the child nutrition program, special education, Title I, and other grants that totaled \$166,665.

District disbursements totaled \$1,044,033. These included:

- Instruction costs of \$610,458;
- Support services of \$426,749;
- Community services of \$6,826.

The unrestricted ending fund balance (Incidental + Teachers' Funds) at June 30, 2019 was \$232,456, which was 22.27% of annual operating expenses. This was an increase of 1.02% from the previous year's unrestricted ending fund balance as a percentage of annual operating expenses. The unrestricted Capital Projects Fund balance at June 30, 2019 totaled \$34,931, which was unchanged from the unrestricted Capital Projects Fund balance at June 30, 2018.

USING THIS ANNUAL REPORT

This annual report consists of three parts: (1) the Management's Discussion and Analysis section; (2) the financial statements and notes to the financial statements; and (3) supplementary information.

The Management's Discussion and Analysis section serves as an introduction to the District's financial statements. The financial statements include government-wide and fund financial statements, each of which presents the District's financial information from different perspectives.

Management’s Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

USING THIS ANNUAL REPORT (Continued)

The government-wide financial statements consist of the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis and the governmental fund financial statements consist of the Governmental Funds Balance Sheet – Cash Basis and the Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis. For governmental activities, these financial statements tell how services were financed in the short term as well as what resources remain for future spending. The statements also provide an increasingly detailed look at specific financial activities.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES – CASH BASIS

While these documents contain a number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did the district do financially during 2018-2019?” The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis answers this question. The District’s policy is to prepare its financial statements on the cash basis of accounting, which is an “other comprehensive basis of accounting” than generally accepted accounting principles. Consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

These statements also report the District’s ending net position and changes in net position. The change in net position is important in that it tells the reader whether or not the financial position of the District as a whole has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District’s property tax base, current property tax laws in Missouri, required education programs, and other factors.

The Statements of Activities – Cash Basis reports the receipts and disbursements of all governmental activities. Governmental activities are the activities where most of the District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

GOVERNMENTAL FUND FINANCIAL STATEMENTS – CASH BASIS

An analysis of the District’s governmental funds begins as indicated in the table of contents to the audit report. The fund financial statements provide detailed information about the District’s major funds. The District uses several funds to account for a multitude of financial transactions. However, the fund financial statements focus on the District’s most significant funds which include the General (Incidental) Fund, Special Revenue (Teachers’) Fund, and Capital Projects Fund.

Most of the District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The governmental fund statements provide a detailed, short term view of the District’s general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. As both the government-wide and governmental fund statements are prepared using the cash basis of accounting, there are no differences between net position and the ending fund balances in total.

Management's Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Change in Net Position

Ending net position at June 30, 2019, and June 30, 2018, totaled \$267,387 and \$250,682 respectively. Cash basis net position of the District at June 30, 2019 and June 30, 2018 consisted of the following:

	6/30/2019	6/30/2018	Increase (Decrease)
Restricted net position	\$ -	\$ -	\$ -
Unrestricted net position	267,387	250,682	16,705
Total net position	<u>\$ 267,387</u>	<u>\$ 250,682</u>	<u>\$ 16,705</u>

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

This section shows a current year to prior year comparison of governmental fund balances. The comparison shows the three major funds. All three are the governmental fund type.

	6/30/2019	6/30/2018	Increase (Decrease)
General and special revenue funds	\$ 232,456	\$ 215,751	\$ 16,705
Capital projects fund	34,931	34,931	-
Total fund balance	<u>\$ 267,387</u>	<u>\$ 250,682</u>	<u>\$ 16,705</u>

	6/30/2019	6/30/2018	Increase (Decrease)
Restricted funds	\$ -	\$ -	\$ -
Assigned funds	34,931	34,931	-
Unassigned funds	232,456	215,751	16,705
Total fund balance	<u>\$ 267,387</u>	<u>\$ 250,682</u>	<u>\$ 16,705</u>

Financial Analysis of the District's Funds

The major funds experienced noteworthy changes from the prior year and are highlighted as follows:

- The General Fund had \$619,896 in receipts, \$420,510 in disbursements, and transfers to the Special Revenue Fund totaling \$182,681 during FY19. The General Fund balance increased \$16,705 from June 30, 2018.
- The Special Revenue (Teachers') Fund had \$440,842 in receipts, received \$182,681 in transfers from the General Fund, and had \$623,523 in disbursements. The ending fund balance of the Special Revenue Fund at June 30, 2019, remained at \$0, which was unchanged from the ending fund balance at June 30, 2018.
- The Capital Projects Fund had no receipts and no disbursements. The Capital Projects Fund balance remained unchanged from June 30, 2018.

Management's Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

GOVERNMENTAL ACTIVITIES

The following is a summary of the receipts collected for the years ended June 30, 2019, and 2018:

	6/30/2019	6/30/2018
Program receipts		
Charges for services	\$ 17,951	\$ 22,293
Operating grants and contributions	244,808	243,592
General revenue		
Property taxes and other county taxes	344,809	346,078
Proposition C receipts	82,627	84,225
State aid	319,342	319,091
Interest	14,901	12,127
Miscellaneous	36,300	33,339
	<u>\$ 1,060,738</u>	<u>\$ 1,060,745</u>

The table below shows the cost of each of the District's functions, as well as each function's net cost (i.e., the total cost of the program less receipts generated by and federal and state grants received for program-related activities).

	6/30/2019		6/30/2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 610,458	416,168	\$ 580,780	371,570
Pupil services	2,500	2,500	2,500	2,500
Improvement of instruction	5,584	5,584	3,341	3,341
Board of Education and executive administration	90,565	90,565	97,638	97,638
Business and central services	57,738	57,738	48,582	48,582
Operation of plant	98,334	98,334	97,613	97,613
Pupil transportation	108,757	88,676	117,798	100,955
Food service	63,271	15,983	60,411	20,579
Community services	6,826	5,726	6,664	6,664
Totals	<u>\$ 1,044,033</u>	<u>\$ 781,274</u>	<u>\$ 1,015,327</u>	<u>\$ 749,442</u>

The dependence upon tax receipts is apparent. General funding sources, including local property taxes, funded 46% of the total cost of program services during FY19. The community as a whole provides significant support for the District through local property taxes.

Management's Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

GOVERNMENTAL ACTIVITIES (Continued)

Instruction costs include activities related to teaching students, student activities, and the interaction between teacher and pupil.

Pupil services costs include activities related to attendance, guidance, health, psychological, and speech and audio assistance.

Improvements of instruction costs include activities related to assisting staff with the content and process of teaching pupils.

Board of Education and executive administration costs include activities related to the elected or appointed body as well as the overall general administration of the District.

Business and central services costs include activities associated with administrative and financial supervision of the District. It also includes activities related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

Operation of plant costs include activities related to the maintenance of school grounds, buildings, and equipment in an effective working condition.

Pupil transportation costs include activities related to the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service costs include activities related to the preparation, delivery, and serving of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services costs include activities related to student activities provided by the District which are designed to provide opportunities for parents and students to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment, and skill improvement. These services also include the District's early childhood childcare programs.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Missouri law and is prepared under the cash basis of accounting as discussed above.

During June 2019, the 2018-2019 budget was amended to reflect what was actually spent or received during FY19. There were no significant differences between actual and originally budgeted receipts. Actual disbursements were about \$28,700, or 3% greater than originally budgeted disbursements. The most significant difference between originally budgeted and actual disbursements was due to greater than anticipated instruction costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Centerville R-I School District is financially stable. The District is appreciative of community support.

During the 2018-2019 school year, the District maintained present equipment hoping to get a more out of equipment before replacing it.

Management's Discussion and Analysis
Centerville R-I School District
June 30, 2019
(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)

A continued concern of the administration and the District's Board of Education (the "Board") includes the potential ramifications of state educational funding. The District received approximately 38% of its operating funds from the state during FY19. Future changes in state funding, which the District anticipates being less during the next couple of years, could significantly impact this district as well as others. The uncertainty of this impact on the District will require careful vigilance by the administration and the Board.

The District has committed itself to financial excellence for many years. In addition, the District's system of financial planning, budgeting, and internal financial controls are well regarded. The staff and administration overseeing the business office continue seeking ways of enhancing District financial functions by reviewing processes for accountability, accuracy, and effectiveness. The District plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to provide citizens, taxpayers, and other interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. The District's Superintendent, Mr. Joseph Minks, can be contacted at Centerville R-I School District offices at 2354 S Green Street, Centerville, Missouri if there are any questions regarding this report or if additional information is needed.

FINANCIAL STATEMENTS
AND RELATED NOTES

**Centerville R-I School District
Statement of Net Position – Cash Basis
June 30, 2019**

ASSETS

Current Assets

Cash \$ 267,387

TOTAL ASSETS \$ 267,387

NET POSITION

Unrestricted \$ 267,387

TOTAL NET POSITION \$ 267,387

**Centerville R-I School District
Statement of Activities – Cash Basis
Year Ended June 30, 2019**

Function/ Programs	Program Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 610,458	\$ 17,308	\$ 176,982	\$ -	\$ (416,168)
Health services	2,500	-	-	-	(2,500)
Improvement of instruction	2,365	-	-	-	(2,365)
Professional development	3,219	-	-	-	(3,219)
Board of Education services	13,304	-	-	-	(13,304)
Executive administration	77,261	-	-	-	(77,261)
Business, fiscal, internal service	50,826	-	-	-	(50,826)
Operation of plant	98,334	-	-	-	(98,334)
Pupil transportation	108,757	-	20,081	-	(88,676)
Food services	63,271	643	46,645	-	(15,983)
Central office support services	6,912	-	-	-	(6,912)
Community services	6,826	-	1,100	-	(5,726)
Grand Total	1,044,033	17,951	244,808	-	(781,274)
GENERAL RECEIPTS					
Taxes:					
		Property taxes levied for general purposes			276,587
		Other taxes			68,222
		Proposition C receipts			82,627
State aid					319,342
Interest					14,901
Miscellaneous					36,300
		TOTAL GENERAL RECEIPTS			797,979
Change in net position					16,705
Net position, beginning of year					250,682
Net position, end of year					<u>\$ 267,387</u>

**Centerville R-I School District
 Governmental Funds Balance Sheet – Cash Basis
 June 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Cash	\$ 232,456	\$ -	\$ 34,931	\$ 267,387
TOTAL ASSETS	<u>\$ 232,456</u>	<u>\$ -</u>	<u>\$ 34,931</u>	<u>\$ 267,387</u>
 FUND BALANCES				
Assigned	\$ -	\$ -	\$ 34,931	\$ 34,931
Unassigned	232,456	-	-	232,456
TOTAL FUND BALANCES	<u>\$ 232,456</u>	<u>\$ -</u>	<u>\$ 34,931</u>	<u>\$ 267,387</u>

Centerville R-I School District
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis
All Governmental Funds
Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
CASH RECEIPTS				
Local	\$ 335,273	\$ 82,627	\$ -	\$ 417,900
County	64,689	3,227	-	67,916
State	53,269	354,988	-	408,257
Federal	165,294	-	-	165,294
Other	1,371	-	-	1,371
TOTAL CASH RECEIPTS	619,896	440,842	-	1,060,738
CASH DISBURSEMENTS				
Current				
Instruction	66,574	543,884	-	610,458
Health services	2,500	-	-	2,500
Improvement of instruction	2,365	-	-	2,365
Professional development	3,219	-	-	3,219
Board of Education services	13,304	-	-	13,304
Executive administration	857	76,404	-	77,261
Business, fiscal, internal services	50,826	-	-	50,826
Operation of plant	98,334	-	-	98,334
Pupil transportation	108,757	-	-	108,757
Food services	63,271	-	-	63,271
Central office support services	6,912	-	-	6,912
Community services	3,591	3,235	-	6,826
TOTAL CASH DISBURSEMENTS	420,510	623,523	-	1,044,033
Cash receipts in excess of (less than) cash disbursements	199,386	(182,681)	-	16,705
OTHER FINANCING SOURCES (USES)				
Transfers	(182,681)	182,681	-	-
Fund balance, beginning of year	215,751	-	34,931	250,682
Fund balance, end of year	\$ 232,456	\$ -	\$ 34,931	\$ 267,387

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Centerville R-I School District (the "District") was established under the Statutes of the State of Missouri. The District operates as a "seven director" district with a seven member Board of Education (the "Board") as described in RSMo Chapter 162.

As discussed further in Note 1C, the financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting. The more significant of the District's accounting policies are described below.

A. Principles Used to Determine Scope of Reporting Entity:

The Board is elected by the registered voters of the District and has the authority to make decisions, employ personnel, and significantly influence operations. It also has the primary accountability for fiscal matters.

In evaluating how to define the District for financial reporting purposes management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP.

Based upon the application of these criteria, the District is not aware of any entity which should be considered as a component unit of the entity.

B. Government-Wide Financial Statements:

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis are government-wide financial statements. They report information on all of the District's non-fiduciary activities. Governmental activities include programs supported primarily by taxes, state foundation funds, federal funds, grants, and other intergovernmental receipts. The District has no business type activities that rely solely on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program receipts. Direct expenses are those that are clearly identifiable with a specific function. Program receipts include:

- 1) charges to individuals who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and
- 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Taxes and other items not properly included among program receipts are reported instead as general receipts. Major individual governmental funds are reported as separate columns in the fund financial statements.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the governmental funds utilize a cash measurement focus, within the limitations of the cash basis of accounting as defined below. Only cash and cash equivalents are included on their balance sheets. Their operating statements present sources and uses of cash during a given period. These funds use fund balance as their measure of cash at the end of the period.

Basis of Accounting

The financial statements are presented on a cash basis of accounting. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when occurred, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

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

D. Fund Accounting:

The District reports the following major governmental funds:

- 1) **General Fund:** Primary operating fund of the District and accounts for disbursements for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not required to be accounted for in another fund.
- 2) **Special Revenue Fund:** Accounts for specific revenue sources that are legally restricted for the payment of salaries and certain employee benefits for certified personnel performing in certificate-required positions.
- 3) **Capital Projects Fund:** Accounts for receipts designated for the acquisition or construction of major capital assets and all other capital outlays.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Net Position:

Net position on the Statement of Net Position – Cash Basis includes the following:

- 1) Restricted – Consists of cash with restriction constraints placed on its use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- 2) Unrestricted – Cash not included in the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

F. Governmental Fund Financial Statements:

The governmental fund financial statements, the Governmental Funds Balance Sheet – Cash Basis, and the Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis, report on the financial condition and results of operations of the governmental funds.

The District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of its resources reported in governmental funds. As such, the District has identified June 30, 2019 fund balances as follows:

- 1) Restricted fund balance – that portion of the fund balance which can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- 2) Assigned fund balance – that portion of the fund balance that can be used only for specific purposes but do not meet the criteria to be classified as restricted or committed, and,
- 3) Unassigned fund balance – that portion of the fund balance which includes all spendable amounts not contained in the other governmental fund types.

The District had no restricted fund balances at June 30, 2019.

G. Basis of Presentation – Fund Accounting:

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes only cash transactions arising from cash receipts and cash disbursements.

H. 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.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Internal and Interfund Balances and Activities:

Governmental Fund Financial Statements

Interfund activity within the governmental fund categories is reported as follows:

- 1) Interfund loans – Amounts provided with requirement for repayment are reported as interfund receivables and payables.
- 2) Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3) Interfund transfers – Flow of assets from one fund to another where payment is not expected are reported as transfers in and out.
- 4) Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

Government-Wide Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- 1) Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position.
- 2) Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds are not eliminated in the Statement of Activities.

J. Budgets and Budgetary Accounting:

The District follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
- 2) Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board a proposed budget for the fiscal year beginning July 1. The proposed 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, the budget document is available for public inspection.
- 4) Prior to July 1, the budget is legally enacted by a vote of the Board.
- 5) Subsequent to its formal approval of the budget, the Board 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. Budgets amounts are as originally adopted and as finally amended by the Board.
- 6) Budgets are adopted on the cash basis of accounting for all governmental funds.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Teachers' Salaries:

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

L. Post Employment Benefits:

- 1) Retiree Benefits – In addition to the pension benefits described in Note 4, the District allows retirees and their family members to retain health coverage through the District by remitting the total cost of premiums to the District. Premiums are remitted to the appropriate insurance company by the District. The District remits funds received from retirees. No expense is incurred by the District.
- 2) COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration charge, which the District has elected to waive, is paid in full by the insured for the actual month covered. This program is offered for the duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2019.

M. Cash and Cash Equivalents:

Cash resources from all funds are combined to form a pool of cash and temporary investments. Investments of the pooled accounts primarily consist of certificates of deposit and are carried at cost, which approximates fair value. Interest income earned is allocated to the contributing funds based on each funds' proportionate share of funds invested on a monthly basis.

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

N. Use of Estimates:

The preparation of financial statements in conformity with the cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

2. DEPOSITS

The District maintains a cash and equivalents pool that is available for use by all funds. Cash equivalents refers to certificates of deposit or cash in demand accounts in financial institutions.

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2019, the carrying amount of the District's deposits was \$267,387 and the bank balance was \$336,059. At June 30, 2019, the District's bank balance was fully secured by federal depository insurance or fully collateralized with securities held by the District's safe keeping agent pledged in the name of the District.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

2. DEPOSITS (Continued)

Custodial credit risk is the risk that in the event of a bank failure a government’s deposits may not be returned. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Missouri state law. Missouri state law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits. The balances of the District’s deposits were sufficiently collateralized at June 30, 2019.

Investments

The District may purchase any investment allowed by the State Treasurer. These include:

- 1) obligations of the United States government or any agency, or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or
- 2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

At June 30, 2019, the District had no investments.

3. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31. All unpaid taxes become delinquent January 1, of the following year. The county collects the property taxes and remits them to the District on an annual basis.

The District also receives sales tax collected by the state and remitted based on eligible pupil counts.

The assessed valuation of the tangible taxable property for the calendar year 2018 for purposes of local taxation was:

Residential and Farm Residential Property	\$ 2,744,520
Agricultural - Include any Forest Crop Land	713,080
Commercial - Include Locally Assessed Railroad and Utility (LARRU)	1,077,410
Personal - Include Locally Assessed Railroad and Utility (LARRU)	<u>1,771,122</u>
Total	<u><u>\$ 6,306,132</u></u>

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

3. TAXES (Continued)

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

	Authorized		Authorized Adjustment		Net Tax Rate
General Fund	\$ 4.2384	\$	-	\$	4.2384
Total All Funds	\$ 4.2384	\$	-	\$	4.2384

4. PENSION PLANS

Financial reporting information pertaining to the District’s participation in Public School Retirement System of Missouri (PSRS) and Public Education Employee Retirement System of Missouri (PEERS) is subject to GASB Statement No. 68, *Accounting and Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* under the cash basis of accounting as described in Note 1 above.

General Information about the Pension Plan

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

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965.

Statutes governing PSRS and PEERS are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri (the “Board of Trustees”).

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

4. PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

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 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 was used to calculate benefits for members who had 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.

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 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 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.

Summary Plan Descriptions detailing the provisions of the plans can be found on PSRS/PEERS website at www.psr-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

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

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

4. PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Cost-of-Living Adjustments ("COLA") (Continued)

- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during the year ended June 30, 2019. The District was required to match the contributions made by employees. The contribution rate is set each year by the 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.

PEERS members were required to contribute 6.86% of their annual covered salary during the year ended June 30, 2019. The District was required to match the contributions made by employees. The contribution rate is set each year by the 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 \$51,150 and \$9,858, respectively, for the year ended June 20, 2019.

5. INTERFUND TRANSFERS

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

Transfers from the General Fund

Special Revenue Fund

To "zero" teachers' fund	\$ 182,681
Total transfers to Special Revenue Fund	<u>\$ 182,681</u>

Transfers are used to 1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, 2) move receipts restricted for debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and 3) use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

6. CONTINGENCIES

Grant Audit – The District receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The District is not aware of any noncompliance with federal or state provisions that might require the District to provide reimbursement.

Centerville R-I School District
Notes to Accompanying Financial Statements
June 30, 2019

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft to and destruction of property, errors and omissions, injuries to employees, and natural disasters. To mitigate these risks, the District participates in the Missouri United School Insurance Council (MUSIC), which is a public entity risk pool operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. Should contributions received by MUSIC not be sufficient, special assessments can be made to member districts.

SUPPLEMENTARY INFORMATION

Centerville R-I School District
Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget
and Actual – General Fund – Cash Basis
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
CASH RECEIPTS				
Local	\$ 323,773	\$ 335,273	\$ 335,273	\$ -
County	75,666	64,689	64,689	-
State	50,268	53,269	53,269	-
Federal	166,479	165,294	165,294	-
Other	-	1,371	1,371	-
TOTAL CASH RECEIPTS	616,186	619,896	619,896	-
CASH DISBURSEMENTS				
Current				
Instruction	61,657	66,574	66,574	-
Health services	2,500	2,500	2,500	-
Improvement of instruction	140	2,365	2,365	-
Professional development	3,201	3,219	3,219	-
Board of Education services	18,114	13,304	13,304	-
Executive administration	2,710	857	857	-
Business, fiscal, internal services	48,583	50,826	50,826	-
Operation of plant	97,614	98,334	98,334	-
Pupil transportation	117,796	108,757	108,757	-
Food services	60,412	63,271	63,271	-
Central office support services	-	6,912	6,912	-
Community services	2,966	3,591	3,591	-
TOTAL CASH DISBURSEMENTS	415,693	420,510	420,510	-
Cash receipts in excess of (less than) cash disbursements	200,493	199,386	199,386	-
OTHER FINANCING SOURCES (USES)				
Transfers	(155,079)	(182,681)	(182,681)	-
Fund balance, beginning of year	215,751	215,751	215,751	
Fund balance, end of year	<u>\$ 261,165</u>	<u>\$ 232,456</u>	<u>\$ 232,456</u>	

Centerville R-I School District
Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget
and Actual – Special Revenue Fund – Cash Basis
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
CASH RECEIPTS				
Local	\$ 84,225	\$ 82,627	\$ 82,627	\$ -
County	3,749	3,227	3,227	-
State	356,584	354,988	354,988	-
TOTAL CASH RECEIPTS	444,558	440,842	440,842	-
CASH DISBURSEMENTS				
Current				
Instruction	519,125	543,884	543,884	-
Executive administration	76,813	76,404	76,404	-
Community services	3,699	3,235	3,235	-
TOTAL CASH DISBURSEMENTS	599,637	623,523	623,523	-
Cash receipts in excess of (less than) cash disbursements	(155,079)	(182,681)	(182,681)	-
OTHER FINANCING SOURCES (USES)				
Transfers	155,079	182,681	182,681	-
Fund balance, beginning of year	-	-	-	
Fund balance, end of year	\$ -	\$ -	\$ -	

Centerville R-I School District
Schedule of Receipts, Disbursements and Changes in Fund Balance – Budget
and Actual – Capital Projects Fund – Cash Basis
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
CASH RECEIPTS				
TOTAL CASH RECEIPTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH DISBURSEMENTS				
TOTAL CASH DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash receipts in excess of (less than) cash disbursements	-	-	-	-
Fund balance, beginning of year	34,931	34,931	34,931	
Fund balance, end of year	<u>\$ 34,931</u>	<u>\$ 34,931</u>	<u>\$ 34,931</u>	

Centerville R-I School District
Schedule of Expenditures by Object – Cash Basis
Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 125,702	\$ 350,700	\$ -	\$ 476,402
Employee benefits	49,085	100,720	-	149,805
Purchased services	107,192	172,103	-	279,295
Supplies	138,531	-	-	138,531
Total	\$ 420,510	\$ 623,523	\$ -	\$ 1,044,033

STATE COMPLIANCE SECTION

INDEPENDENT ACCOUNTANT’S REPORT ON MANAGEMENT’S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

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

We have examined management’s assertions, included in its representation letter dated October 14, 2019, that Centerville R-I School District (the “District”) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure by the District’s records of average daily attendance and average daily pupil transportation and other statutory requirements as listed in the Schedule of Selected Statistics. As discussed in that representation letter, management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on management’s assertions about the District’s compliance based on our examination.

Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence about the District’s compliance with those requirements 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, management’s assertions that Centerville R-I School District complied with the aforementioned requirements for the year ended June 30, 2019 are fairly stated in all material respects.

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

Catlett & Associates, LLC

October 14, 2019

**Centerville R-I School District
Schedule of Selected Statistics – Unaudited
Year Ended June 30, 2019**

1 Calendar (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
090-075	K	8		7.0000	163	1,126.00
090-075	9	9		7.0000	163	1,072.39
090-075	10	12		7.0000	163	1,046.96

2 Average Daily Attendance (ADA)

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
090-075	K to 8	61.85	-	0.45	-	-	62.30
090-075	9 to 9	8.43	-	-	-	-	8.43
090-075	10 to 12	16.43	-	0.02	-	-	16.45
Grand Total		86.71	-	0.47	-	-	87.18

3 September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
090-075	K	8.00	-	-	8.00
090-075	1	5.00	-	-	5.00
090-075	2	9.00	-	-	9.00
090-075	3	6.00	-	-	6.00
090-075	4	5.00	-	-	5.00
090-075	5	6.00	-	-	6.00
090-075	6	10.00	-	-	10.00
090-075	7	7.00	-	-	7.00
090-075	8	11.00	-	-	11.00
090-075	9	9.00	-	-	9.00
090-075	10	9.00	-	-	9.00
090-075	11	7.00	-	-	7.00
090-075	12	3.00	-	-	3.00
Grand Total		95.00	-	-	95.00

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
090-075	79	1	-	-	80
Grand Total	79	1	-	-	80

Centerville R-I School District
Schedule of Selected Statistics – Unaudited
Year Ended June 30, 2019

5 Finance

Section	Question	Answer
5.1	The District maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	<u>TRUE</u>
5.2	The District 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:	<u>TRUE</u>
	Remediation	<u>TRUE</u>
	Traditional Instruction (Full and Part-Time Students)	<u>TRUE</u>
5.3	The District 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.	<u>TRUE</u>
5.4	The District 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.	<u>TRUE</u>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of:	<u>\$ 50,000.00</u>
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<u>TRUE</u>
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.	<u>NA</u>
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.	<u>TRUE</u>
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.	<u>NA</u>
5.10	The District 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.	<u>TRUE</u>

**Centerville R-I School District
Schedule of Selected Statistics – Unaudited
Year Ended June 30, 2019**

5 Finance

Section	Question	Answer
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.	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$ 3,219.34</u>
	All above "false" answers are supported by a finding or management letter comment: Finding #: <u>N/A</u> Management Letter Comment #: <u>N/A</u>	

6 Transportation (Section 163.161, RSMo)

6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<u>TRUE</u>
6.2	The District's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	<u>TRUE</u>
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: Ineligible ADT:	<u>76.0</u> <u>1.5</u>
6.4	The District'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.	<u>TRUE</u>
6.5	Actual odometer records show the total District-operated and contracted mileage for the year was:	<u>40,402</u>
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: Ineligible Miles (Non-Route/Disapproved):	<u>38,106</u> <u>2,296</u>
6.7	Number of days the District operated the school transportation system during the regular school year:	<u>163</u>
	All above "false" answers are supported by a finding or management letter comment: Finding #: <u>N/A</u> Management Letter Comment #: <u>N/A</u>	

FEDERAL COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education of
Centerville R-I School District
Centerville, 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 Centerville R-I School District (the "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 financial statements prepared on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and have issued our report thereon dated October 14, 2019.

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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Catlett & Associates, LLC

October 14, 2019