

**JOPLIN SCHOOLS
JOPLIN, MISSOURI**

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

FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Joplin Schools

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Joplin Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, each major fund and the aggregate remaining fund information of Joplin Schools as of June 30, 2019, 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.

Supplementary and 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, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Management's discussion and analysis on pages 3 through 10 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 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 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 28, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Joplin Schools 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 School District's financial performance as a whole; readers should also review the basic financial statements, the notes to the basic financial statements and other supplementary information to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- The District's financial status, as reflected in total net position, increased by \$10,645,798.
- General revenues are reported at \$70,867,864. Program specific revenues in the form of charges for services, operating of grants and contributions, and capital grants and contributions accounted for \$23,533,898.
- The District had \$83,755,964 in expenditures; \$23,533,898 of the expenditures were offset by program specific charges for services, grants and contributions.
- Total assets of governmental activities were reported at \$79,335,676.
- Among major funds, the General Fund had \$40,999,843 in revenues and \$28,375,360 in expenditures. After transfers to other funds, the General Fund balance increased \$4,201,303 from 2018. The District transferred \$6,223,921 from the General Fund to the Special Revenue Fund and \$2,199,259 from the General Fund to the Capital Projects Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.



Fund financial statements provide the next level of detail. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities. The fund financial statements also look at the District's most significant funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the various funds used by the District to provide programs and activities, the Statement of Net Position and the Statement of Activities summarizes how the District as a whole performed financially during 2019. These statements include all assets and liabilities using the modified cash basis of accounting. The modified cash basis of accounting records revenues when collected and expenditures when paid, as explained in Note A to the financial statements.

These two statements report the District's net position and change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause 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 educational programs, facility conditions and other factors. In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where all 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.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses four governmental funds to account for a multitude of financial transactions. The District considers the following to be major funds: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Governmental Funds

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 the future periods. These funds are reported using the modified cash basis of accounting. 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.

Fiduciary Funds

The District is the trustee, or fiduciary, for healthcare funds. All of the District's fiduciary activities are reported in separate statements. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position for 2019 and 2018:

TABLE 1

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 79,335,676	\$ 68,685,209
LIABILITIES		
Payroll liabilities	<u>1,343,656</u>	<u>1,338,987</u>
NET POSITION		
Restricted for:		
Scholarships	753,856	719,784
Professional development	43,323	19,029
Capital outlay	18,264,089	12,036,514
Debt service	34,095,109	33,878,189
Unrestricted	<u>24,835,643</u>	<u>20,692,706</u>
Total Net Position	<u>\$ 77,992,020</u>	<u>\$ 67,346,222</u>

Unrestricted net position, the part of the net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District are reported at \$24,835,643. The District has restricted net position of \$34,095,109 for debt service, \$18,264,089 for capital outlay; \$43,323 for professional development and \$753,856 for scholarships.

TABLE 2

The following table shows the changes in net position for fiscal year 2019 and 2018.

REVENUES	<u>2019</u>	<u>2018</u>
Program Revenues:		
Charges for services	\$ 3,886,975	\$ 3,581,087
Operating grants and contributions	12,317,493	14,074,774
Capital grants and contributions	<u>7,329,430</u>	<u>11,122,997</u>
Total Program Revenues	<u>23,533,898</u>	<u>28,778,858</u>
General Revenues:		
Property taxes	33,750,564	33,170,805
Sales tax	8,029,619	7,865,701
Basic Formula	23,503,984	21,406,394
M & M surtax	1,862,398	1,762,713
State assessed utilities	1,533,310	1,638,185
Earnings on investments	1,384,684	2,976,960
Fines and escheats	207,471	205,924
In lieu of tax	35,501	881,938
Financial institution tax	36,931	86,913
Other revenue	523,402	79,053
Special item - bond proceeds	<u>-</u>	<u>24,465,000</u>
Total General Revenues and Special Item	<u>70,867,864</u>	<u>94,539,586</u>
Total Revenues	<u>94,401,762</u>	<u>123,318,444</u>
PROGRAM EXPENSES		
Instruction	37,248,610	37,956,566
Student activities	1,147,604	1,249,699
Student services	3,885,566	2,193,927
Instructional staff support	3,401,251	4,261,457
General administration and central services	4,496,776	2,312,588
Building administration	3,868,695	2,906,625
Operation of plant	7,195,530	6,879,250
Transportation	3,683,435	2,968,459
Food service	3,329,362	3,365,763
Community services	3,068,614	2,396,638
Facility acquisition and construction	1,881,830	6,811,471
Debt Service:		
Principal retirement	4,805,000	5,089,589
Interest and fees	<u>5,743,691</u>	<u>5,336,907</u>
Total Governmental Activities Expenses	<u>83,755,964</u>	<u>83,728,939</u>
CHANGE IN NET POSITION	10,645,798	39,589,505
Net Position Beginning of Year	<u>67,346,222</u>	<u>27,756,717</u>
Net Position End of Year	<u>\$ 77,992,020</u>	<u>\$ 67,346,222</u>

GOVERNMENTAL ACTIVITIES

General revenues accounted for \$70,867,864 in revenue. General revenues are composed primarily of receipts from taxes, \$33,750,564. Other sources of general revenues are federal, state, and local aid not restricted for specific purposes, interest and investment earnings and miscellaneous other sources.

The District had \$83,755,964 in expenditures, \$23,533,898 of these expenditures were offset by program specific charges for services, grants and contributions. General revenues were also expended to provide for these programs.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. It identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 37,248,610	\$ 27,869,471	\$ 37,956,566	\$ 29,206,417
Student activities	1,147,604	208,591	1,249,699	135,395
Student services	3,885,566	3,885,566	2,193,927	2,193,927
Instructional staff support	3,401,251	3,401,251	4,261,457	4,261,457
General administration and central services	4,496,776	4,496,776	2,312,588	2,312,588
Building administration	3,868,695	3,868,695	2,906,625	2,906,625
Operation of plant	7,195,530	6,933,657	6,879,250	4,890,797
Transportation	3,683,435	3,038,523	2,968,459	2,462,528
Food service	3,329,362	92,981	3,365,763	114,551
Community services	3,068,614	953,525	2,396,638	321,180
Facilities acquisition and construction	1,881,830	(5,075,661)	6,811,471	(4,281,880)
Debt service:				
Principal retirement	4,805,000	4,805,000	5,089,589	5,089,589
Interest and fees	5,743,691	5,743,691	5,336,907	5,336,907
Total Governmental Activities	<u>\$ 83,755,964</u>	<u>\$ 60,222,066</u>	<u>\$ 83,728,939</u>	<u>\$ 54,950,081</u>

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student activities includes activities that add to a student's educational experience but are not related to educational activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching to pupils.

General administration and central services includes the expenditures associated with administrative and financial supervision of the district. It also includes expenditures related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Building administration includes the cost of salaries and benefits for building level principals and office support staff.

Operation of plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services includes expenditure related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvements of grounds; construction of buildings, remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest and other related charges for debt of the District.

The District's Funds

The District's major funds are accounted for using the modified cash basis of accounting. All major funds had total revenues of \$94,401,762 and expenditures of \$83,755,964. The District's total fund balances increased by \$10,645,798.

General Fund Budgeting Highlights

The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2019 year, the District amended its General Fund budget. The amendments were due to changes in expenditure priorities in the buildings and revenues that exceeded conservatively budgeted amounts. The District uses a budgeting system that estimates

expenditures at a maximum and revenues at conservative levels. Site budgets are tightly controlled but provide flexibility for site management.

The District's ending General Fund balance was \$5,083,522 above the final budgeted amount.

Table 4
Debt Administration

The District had the following debt outstanding at June 30:

	<u>2019</u>	<u>2018</u>
2005 General Obligation Refunding Bonds	\$ -	\$ 1,200,000
2006 General Obligation Refunding Bonds	1,755,000	2,645,000
2012 General Obligation Building Bonds	33,750,000	34,000,000
2013 General Obligation Building Bonds	27,000,000	27,000,000
2016 General Obligation Refunding Bonds	41,380,000	42,580,000
2017 General Obligation Refunding Bonds	24,465,000	24,465,000
2017 Lease Participation Certificates	<u>11,550,000</u>	<u>12,815,000</u>
	<u>\$ 139,900,000</u>	<u>\$ 144,705,000</u>

The Series 2005 bonds in the amount of \$6,600,000 financed the refunding of the outstanding Series 1999 bonds.

The Series 2006 bonds in the amount of \$7,100,000 financed the refunding of the outstanding Series 2001 bonds.

The Series 2012 bonds in the amount of \$35,000,000 and the Series 2013 bonds in the amount of \$27,000,000 financed the acquiring, constructing, repairing, improving, furnishing and equipping school facilities, including a new Joplin High School/Franklin Technical Center, a new East Middle School, two new elementary schools, and repairs and improvements to existing schools to include areas that will serve as community safe rooms (tornado shelters).

The Series 2016 bonds in the amount of \$43,780,000 financed the refunding of the outstanding Series 2007 bonds.

The Series 2017 bonds in the amount of \$24,465,000 will refund a portion of the Series 2012 and Series 2013 bonds.

The Series 2017 lease certificates in the amount of \$14,045,000 financed the refunding of the outstanding Series 2015A lease certificates.

Current Financial Issues and Concerns

Fiscal year 2019 proved itself to be a successful year as the district made progress toward achieving a more secure financial foundation to position itself for greater stability and continuity of operations. Working collaboratively the administration and Board of Education focused more toward the day-to-day educational delivery to the students served and long range future goals of the district.

In 2017, Joplin Schools entered into a \$14,000,045 ten-year lease purchase agreement with Bank of America. These funds allowed Joplin Schools to pay contractors for 2011 tornado rebuilding projects while awaiting reimbursements from the Federal (FEMA) and State (SEMA) Emergency Management Agencies.

As of June 30, 2019 a balance of \$11,550,000 in principal remains to be paid. Funding sources that will be used to cover this obligation are as follows: \$6,470,496 received in fiscal year 2018 from FEMA; \$4,079,754 from SEMA received in fiscal year 2019; \$1,500,000 from Missouri state funding grant disaster relief received in fiscal year 2019. A special investment fund has been established to hold these revenues. A planned payoff of these bonds will take place on November 8, 2019 thus saving \$1,286,204 interest expense that would otherwise accrue over the remaining seven years.

Assuring adequate revenues that will enable Joplin Schools to meet its reoccurring program needs, while also implementing improvement goals, will require continued vigilant oversight. Positive factors that give reason for optimism were seen in both local and state funding in 2018. In a November 7, 2017 article appearing in the Joplin Globe that reported, “For the second straight year, construction in Joplin has set a record dating back nearly two decades.” That observation was confirmed in 2018 when the district saw a four percent increase in the assessed valuation amounting to almost \$35,000,000. Continued increases in the Joplin School’s assessed valuation, and maintaining current student enrollment with potential increases, are critical as the district looks to its future.

In conclusion, Joplin Schools has a solid financial footing to support future operations. It was the combined efforts of district staff, students, patrons, and Board of Education members working together that successfully brought the district through years of extreme challenges to this point. With continued collaboration and cooperation, Joplin Schools will be able to increase its focus toward needed long range planning, while at the same time continuing to assure that it makes the best use of its resources to meet educational needs of all its students.

Contacting the District’s Financial Management

This financial report is designed to provide our taxpayers and creditors with a general overview of the District’s finances and to show the District’s accountability for the funds received. If you have questions about this report or need additional financial information contact the Superintendent or Assistant Superintendent for Business Services, Joplin Schools, P.O. Box 128, Joplin, MO 64802, phone (417) 625-5200.

JOPLIN SCHOOLS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ <u>79,335,676</u>
LIABILITIES	
Payroll liabilities	<u>1,343,656</u>
NET POSITION	
Restricted for:	
Scholarships	753,856
Professional development	43,323
Capital outlay	18,264,089
Debt service	34,095,109
Unrestricted	<u>24,835,643</u>
Total net position	<u>\$ 77,992,020</u>

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	Expenditures	PROGRAM REVENUES			Net (Expenditure)
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Revenue And Change in Net Position
					Governmental
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 37,248,610	\$ 1,110,684	\$ 7,961,847	\$ 306,607	\$ (27,869,472)
Student activities	1,147,604	939,013	-	-	(208,591)
Student services	3,885,566	-	-	-	(3,885,566)
Instruction staff support	3,401,251	-	-	-	(3,401,251)
General administration & central services	4,496,776	-	-	-	(4,496,776)
Building administration	3,868,695	-	-	-	(3,868,695)
Operation of plant	7,195,530	40,779	171,696	-	(6,983,055)
Transportation	3,683,435	-	579,580	65,332	(3,038,523)
Food service	3,329,362	540,042	2,745,738	-	(43,582)
Community services	3,068,614	1,256,457	858,632	-	(953,525)
Facility acquisition and construction	1,881,830	-	-	6,957,491	5,075,661
Debt service:					
Principal retirement	4,805,000	-	-	-	(4,805,000)
Interest and fees	5,743,691	-	-	-	(5,743,691)
Total Governmental Activities	\$ 83,755,964	\$ 3,886,975	\$ 12,317,493	\$ 7,329,430	(60,222,066)
General Revenues:					
					23,503,984
					33,750,564
					8,029,619
					1,384,684
					1,533,310
					1,862,398
					35,501
					523,402
					207,471
					36,931
					<u>70,867,864</u>
					10,645,798
					<u>67,346,222</u>
					<u>\$ 77,992,020</u>

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	<u>\$ 25,812,072</u>	<u>\$ 1,164,406</u>	<u>\$ 34,095,109</u>	<u>\$ 18,264,089</u>	<u>\$ 79,335,676</u>
LIABILITIES AND FUND BALANCES					
Payroll liabilities	<u>\$ 179,250</u>	<u>\$ 1,164,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,343,656</u>
Fund Balances:					
Restricted	797,179	-	34,095,109	-	34,892,288
Committed	-	-	-	1,741,214	1,741,214
Assigned	1,843,483	-	-	16,522,875	18,366,358
Unassigned	<u>22,992,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,992,160</u>
Total fund balances	<u>25,632,822</u>	<u>-</u>	<u>34,095,109</u>	<u>18,264,089</u>	<u>77,992,020</u>
Total Liabilities and Fund Balances	<u>\$ 25,812,072</u>	<u>\$ 1,164,406</u>	<u>\$ 34,095,109</u>	<u>\$ 18,264,089</u>	<u>\$ 79,335,676</u>

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 27,992,871	\$ 9,168,514	\$ 8,756,081	\$ 2,423,267	\$ 48,340,733
County	1,168,604	207,471	364,706	-	1,740,781
State	4,738,937	22,484,724	-	6,176,498	33,400,159
Federal	6,518,414	2,014,357	-	1,152,932	9,685,703
Other	581,017	290,453	-	362,916	1,234,386
Total Revenues	40,999,843	34,165,519	9,120,787	10,115,613	94,401,762
EXPENDITURES:					
Instruction	5,004,375	31,973,157	-	271,078	37,248,610
Student activities	1,147,604	-	-	-	1,147,604
Student services	1,840,074	2,035,474	-	10,018	3,885,566
Instruction staff support	1,886,176	907,967	-	607,108	3,401,251
General administration & central services	2,839,008	1,464,747	-	193,021	4,496,776
Building administration	1,045,446	2,823,249	-	-	3,868,695
Operation of plant	7,114,152	-	-	81,378	7,195,530
Transportation	2,683,629	-	-	999,806	3,683,435
Food service	3,266,329	-	-	63,033	3,329,362
Community services	1,548,567	1,184,846	-	335,201	3,068,614
Facility acquisition and construction	-	-	-	1,881,830	1,881,830
Debt service:					
Principal retirement	-	-	3,540,000	1,265,000	4,805,000
Interest and fees	-	-	5,363,867	379,824	5,743,691
Total Expenditures	28,375,360	40,389,440	8,903,867	6,087,297	83,755,964
Revenues Over (Under) Expenditures	12,624,483	(6,223,921)	216,920	4,028,316	10,645,798
Other Financing Sources (Uses):					
Transfers	(8,423,180)	6,223,921	-	2,199,259	-
Net change in fund balance	4,201,303	-	216,920	6,227,575	10,645,798
Fund balance, beginning	21,431,519	-	33,878,189	12,036,514	67,346,222
Fund balance, ending	\$ 25,632,822	\$ -	\$ 34,095,109	\$ 18,264,089	\$ 77,992,020

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2019

	<u>SELF INSURANCE FUND</u>
ASSETS	
Cash and cash equivalents	<u>\$ 6,051,404</u>
NET POSITION	
Unrestricted	<u>\$ 6,051,404</u>

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2019

	SELF INSURANCE FUND
	<u> </u>
Additions	
Contributions - Employees	\$ 2,094,387
Contributions - District	4,060,079
Interest income	<u>129,506</u>
Total additions	<u>6,283,972</u>
Deductions	
Administrative fees	575,874
Benefit claims	<u>5,452,277</u>
Total deductions	<u>6,028,151</u>
Change in Net Position	255,821
Net Position, beginning	<u>5,795,583</u>
Net Position, ending	<u><u>\$ 6,051,404</u></u>

See accompanying notes to the basic financial statements.

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement 61 modifies 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 a 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, except for fiduciary funds.

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:

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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 the accumulation of 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.

Fiduciary Funds:

Self Insurance Fund: Accounts for transactions of the District's self-funded medical plan for the purpose of providing benefits to eligible employees.

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic resources measurement focus. All assets and liabilities associated with the operation of the District 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 the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Also, salaries 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 salaries 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 and Temporary Investments: Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the District's Treasurer. Investments of the pooled accounts consist primarily of U.S. Government securities and certificates of deposit, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment 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).

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation and Sick Leave: Vacation time and sick leave are considered as expenditures in the year paid. Accumulated vacation benefits unused and which are vested in the employee are payable upon termination at varying rates depending on the employee's rate of pay. Employees are not entitled to reimbursement of accumulated sick leave upon termination of employment.

Teachers' Salaries: In accordance with teacher contracts, payroll and benefits for July and August, 2019 related to 2018-2019 contracts in the amount of \$4,848,531 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

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

NOTE B - CASH AND CASH EQUIVALENTS

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, 2019, the bank balances of the District's deposits totaled \$9,783,971. Of this amount, \$250,000 was covered by FDIC insurance and \$9,533,971 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 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. The District had \$3,737,130 invested with MOHEFA at June 30, 2019.

The Missouri Securities Investment Program (MOSIP) is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nation's largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAAM by Standard and Poor's and meet the permitted investment statutes for Missouri Schools. The District has \$51,420,225 invested with MOSIP at June 30, 2019.

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 states that the portfolio not have a concentration of assets in specific maturity, specific issuer, or specific class of securities.

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE B - CASH AND CASH EQUIVALENTS (continued)

Escrow Funds: The District has established an escrow fund with the proceeds of the 2017 Refunding Bonds for the purpose of refunding \$13,000,000 of the Series 2012 General Obligation Building Bonds and \$11,825,000 of the Series 2013 General Obligation Building Bonds. This fund will be used to meet debt service requirements of the 2017 Refunding Bonds until the “crossover” dates of March 1, 2022 and March 1, 2023, at which time the refunding escrow will be used to retire the refunded bonds. At June 30, 2019, the escrow fund balance was \$25,960,362 which was invested in U.S. Treasury securities.

NOTE C - RISK MANAGEMENT

The District is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors and omissions; natural disasters; employee injuries and illnesses; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health and dental benefits.

The District participates in a self-funded medical plan covering substantially all employees. The plan operates on a fiscal year ended September 30. The administration of the plan is provided through a third party claims administrator. Plan contributions for employee and dependent coverage are made by the District and employees. For the year ended June 30, 2019, the District made contributions of \$4,060,079 and employees/retirees contributed \$2,094,387 to the plan.

NOTE D - TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. Jasper County and Newton County 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 2018.

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

Real Estate:	
Residential	\$ 376,054,790
Agricultural	7,406,320
Commercial	284,923,970
Personal property	<u>246,397,943</u>
Total	<u>\$ 914,783,023</u>

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE D - 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:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.7864	\$ 2.7864
Special Revenue Fund	-	-
Debt Service Fund	0.9100	0.9100
Capital Projects Fund	-	-
	<u>\$ 3.6964</u>	<u>\$ 3.6964</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2019, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

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.

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. 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.

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE E - RETIREMENT PLAN (continued)

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2019. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions 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, 2019 were \$4,886,310 equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2019 were \$16,161 equal to the required contributions.

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 in a position that requires 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

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-peers.org.

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

The District's contributions to PEERS for the year ended June 30, 2019 were \$939,494 equal to the required contributions.

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE F - INTERFUND TRANSFERS

During the year, the District transferred \$6,223,921 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

The District also made the following transfers from the General Fund to the Capital Projects Fund; \$63,033 food services capital outlay expenditures; \$334,952 transportation capital outlay expenditures; \$1,801,274 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 G - TAX ABATEMENTS

The District's 2018 property tax revenues were reduced by \$2,374,417 under agreements entered into by Jasper County. The District also received \$35,501 from Jasper County associated with these agreements.

NOTE H - LEASE PARTICPATION CERTIFICATES

On April 1, 2016, the District entered into a \$17,100,000 Series 2015A lease purchase agreement to refinance the Series 2014A Certificates of Participation. The original lease was used to provide the short-term funding needed to complete construction until the District collects FEMA, SEMA and grant reimbursements. These Series 2015A Certificates of Participation matured on June 1, 2017 and were refinanced by \$14,045,000 Series 2017 Certificates of Participation. The lease certificates are payable in annual installments of principal and interest at 2.96% due semi-annually through June 1, 2027.

Future minimum lease payments on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,300,000	\$ 341,880	\$ 1,641,880
2021	1,340,000	303,400	1,643,400
2022	1,380,000	263,736	1,643,736
2023	1,420,000	222,888	1,642,888
2024	1,460,000	180,856	1,640,856
2025	1,505,000	137,640	1,642,640
2026	1,550,000	93,092	1,643,092
2027	1,595,000	47,212	1,642,212
	<u>\$ 11,550,000</u>	<u>\$ 1,590,704</u>	<u>\$ 13,140,704</u>

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE I - LONG-TERM DEBT

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

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Amount due in one year
Bonds Payable	\$ 131,890,000	\$ -	\$ 3,540,000	\$ 128,350,000	\$ 4,130,000
Lease Participation Certificates	12,815,000	-	1,265,000	11,550,000	1,300,000
Total	<u>\$ 144,705,000</u>	<u>\$ -</u>	<u>\$ 4,805,000</u>	<u>\$ 139,900,000</u>	<u>\$ 5,430,000</u>

NOTE J - BONDS PAYABLE

Bonds payable at June 30, 2019, consist of:

Series 2006 general obligation refunding bonds due in varying annual installments through March 1, 2021; interest at 4.240%	\$ 1,755,000
Series 2012 general obligation building bonds due in varying annual installments through March 1, 2032; interest at 3.0 to 4.0%	33,750,000
Series 2013 general obligation building bonds due in varying annual installments through March 1, 2033; interest at 3.0 to 4.494%	27,000,000
Series 2016 general obligation refunding bonds due in varying annual installments through March 1, 2027; interest at 2.0 to 5.0%	41,380,000
Series 2017 general obligation refunding bonds due in varying annual installments through March 1, 2033; interest at 3.25 to 5.0%	<u>24,465,000</u>
Total	<u>\$ 128,350,000</u>

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE J - BONDS PAYABLE (continued)

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 4,130,000	\$ 5,212,712	\$ 9,342,712
2021	4,325,000	5,017,900	9,342,900
2022	17,950,000	4,813,300	22,763,300
2023	17,275,000	3,920,800	21,195,800
2024	5,950,000	3,062,050	9,012,050
2025	6,400,000	2,826,550	9,226,550
2026	6,830,000	2,573,050	9,403,050
2027	7,100,000	2,433,950	9,533,950
2028	7,900,000	2,220,950	10,120,950
2029	8,700,000	1,928,950	10,628,950
2030	9,285,000	1,580,950	10,865,950
2031	9,725,000	1,148,200	10,873,200
2032	11,205,000	759,200	11,964,200
2033	11,575,000	376,188	11,951,188
	<u>\$ 128,350,000</u>	<u>\$ 37,874,750</u>	<u>\$ 166,224,750</u>

NOTE K - COMMITMENTS

As of June 30, 2019, the District had entered into various contracts for improvements throughout the District. The total cost of the contracts is \$11,378,212. As of June 30, 2019, there were \$1,374,069 of costs remaining on these projects

The District also entered into an agreement to purchase four student buses with a total cost of \$367,145.

NOTE L - LITIGATION

As of June 30, 2019, the District had several unsettled claims at various stages of litigation. At this time, outcomes cannot be predicted, however the District is vigorously defending against each claim.

NOTE M - 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 (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

JOPLIN SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE M - 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.

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined.

As of June 30, 2019, fund balances are composed of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Restricted:				
Debt service	\$ -	\$ -	\$ 34,095,109	\$ -
Scholarships	753,856	-	-	-
Professional development	<u>43,323</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted	<u>797,179</u>	<u>-</u>	<u>34,095,109</u>	<u>-</u>
Committed:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,741,214</u>
Assigned:				
Student activities	816,086	-	-	43,860
Capital projects	-	-	-	16,479,015
Food service	<u>1,027,397</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>1,843,483</u>	<u>-</u>	<u>-</u>	<u>16,522,875</u>
Unassigned	<u>22,992,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 25,632,822</u>	<u>\$ -</u>	<u>\$ 34,095,109</u>	<u>\$ 18,264,089</u>

SUPPLEMENTARY INFORMATION

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 29,199,332	\$ 27,816,721	\$ 27,992,871	\$ 176,150
County	1,192,750	1,174,162	1,168,604	(5,558)
State	4,491,865	4,767,740	4,738,937	(28,803)
Federal	7,102,096	6,531,408	6,518,414	(12,994)
Other	55,000	53,655	581,017	527,362
Total Revenues	42,041,043	40,343,686	40,999,843	656,157
EXPENDITURES:				
Instruction	7,922,034	5,569,370	5,004,375	564,995
Student activities	1,280,000	1,272,386	1,147,604	124,782
Student services	926,604	2,032,317	1,840,074	192,243
Instruction staff support	2,187,801	2,376,632	1,886,176	490,456
General administration & central services	818,217	3,060,934	2,839,008	221,926
Building administration	2,675,955	1,146,018	1,045,446	100,572
Operation of plant	7,737,012	8,144,531	7,114,152	1,030,379
Transportation	3,029,699	2,813,670	2,683,629	130,041
Food service	3,270,013	3,323,848	3,266,329	57,519
Community services	737,205	2,563,774	1,548,567	1,015,207
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	30,584,540	32,303,480	28,375,360	3,928,120
Revenues Over (Under) Expenditures	11,456,503	8,040,206	12,624,483	4,584,277
Other Financing Sources (Uses):				
Transfers	(14,702,606)	(8,922,425)	(8,423,180)	499,245
Net change in fund balance	(3,246,103)	(882,219)	4,201,303	5,083,522
Fund balance, beginning	21,431,519	21,431,519	21,431,519	-
Fund balance, ending	\$ 18,185,416	\$ 20,549,300	\$ 25,632,822	\$ 5,083,522

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 8,836,500	\$ 8,993,500	\$ 9,168,514	\$ 175,014
County	200,000	211,798	207,471	(4,327)
State	17,952,446	22,377,815	22,484,724	106,909
Federal	2,638,904	2,638,904	2,014,357	(624,547)
Other	515,000	730,100	290,453	(439,647)
Total Revenues	30,142,850	34,952,117	34,165,519	(786,598)
EXPENDITURES:				
Instruction	36,421,016	33,223,210	31,973,157	1,250,053
Student activities	-	-	-	-
Student services	-	2,089,783	2,035,474	54,309
Instruction staff support	1,609,926	952,107	907,967	44,140
General administration & central services	228,963	1,068,361	1,464,747	(396,386)
Building administration	3,085,551	3,020,009	2,823,249	196,760
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	1,403,000	1,184,846	218,154
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	41,345,456	41,756,470	40,389,440	1,367,030
Revenues Over (Under) Expenditures	(11,202,606)	(6,804,353)	(6,223,921)	580,432
Other Financing Sources (Uses):				
Transfers	11,202,606	6,804,353	6,223,921	(580,432)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 9,503,432	\$ 9,003,431	\$ 8,756,081	\$ (247,350)
County	432,250	363,439	364,706	1,267
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	9,935,682	9,366,870	9,120,787	(246,083)
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
General administration & central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	3,540,000	3,540,000	3,540,000	-
Interest and fees	4,877,300	5,366,268	5,363,867	2,401
Total Expenditures	8,417,300	8,906,268	8,903,867	2,401
Net change in fund balance	1,518,382	460,602	216,920	(243,682)
Fund balance, beginning	33,878,189	33,878,189	33,878,189	-
Fund balance, ending	<u>\$ 35,396,571</u>	<u>\$ 34,338,791</u>	<u>\$ 34,095,109</u>	<u>\$ (243,682)</u>

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 186,000	\$ 2,150,721	\$ 2,423,267	\$ 272,546
County	-	-	-	-
State	30,000	6,161,463	6,176,498	15,035
Federal	-	259,854	1,152,932	893,078
Other	-	314,900	362,916	48,016
Total Revenues	<u>216,000</u>	<u>8,886,938</u>	<u>10,115,613</u>	<u>1,228,675</u>
EXPENDITURES:				
Instruction	20,000	311,029	271,078	39,951
Student activities	-	-	-	-
Student services	11,000	11,000	10,018	982
Instruction staff support	641,000	609,958	607,108	2,850
General administration & central services	-	193,021	193,021	-
Building administration	-	-	-	-
Operation of plant	-	85,835	81,378	4,457
Transportation	785,000	1,045,000	999,806	45,194
Food service	30,000	63,652	63,033	619
Community services	-	271,700	335,201	(63,501)
Facility acquisition and construction	1,987,812	2,289,926	1,881,830	408,096
Debt service:				
Principal retirement	1,265,000	1,265,000	1,265,000	-
Interest and fees	380,000	380,000	379,824	176
Total Expenditures	<u>5,119,812</u>	<u>6,526,121</u>	<u>6,087,297</u>	<u>438,824</u>
Revenues Over (Under) Expenditures	(4,903,812)	2,360,817	4,028,316	1,667,499
Other Financing Sources (Uses):				
Transfers	3,500,000	2,118,072	2,199,259	81,187
Net change in fund balance	(1,403,812)	4,478,889	6,227,575	1,748,686
Fund balance, beginning	12,036,514	12,036,514	12,036,514	-
Fund balance, ending	<u>\$ 10,632,702</u>	<u>\$ 16,515,403</u>	<u>\$ 18,264,089</u>	<u>\$ 1,748,686</u>

JOPLIN SCHOOLS
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2019

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to June 30, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District 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 budget information included in the financial statements.
6. Budgets for the District governmental funds are prepared on the modified cash basis of accounting.

JOPLIN SCHOOLS
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 25,442,032	\$ -	\$ 8,308,532	\$ -	\$ 33,750,564
Sales tax	-	8,029,619	-	-	8,029,619
M & M surtax	-	-	-	1,862,398	1,862,398
Financial institution tax	-	-	-	36,931	36,931
In lieu of tax	-	-	-	35,501	35,501
Earnings on investments	507,543	48,984	447,549	380,608	1,384,684
Tuition	-	1,089,911	-	-	1,089,911
Community services	175,272	-	-	-	175,272
Food service	540,042	-	-	-	540,042
Student activities	939,013	-	-	-	939,013
Other local revenue	388,969	-	-	107,829	496,798
Total Local	<u>27,992,871</u>	<u>9,168,514</u>	<u>8,756,081</u>	<u>2,423,267</u>	<u>48,340,733</u>
COUNTY:					
Fines and escheats	-	207,471	-	-	207,471
State assessed utilities	1,168,604	-	364,706	-	1,533,310
Total County	<u>1,168,604</u>	<u>207,471</u>	<u>364,706</u>	<u>-</u>	<u>1,740,781</u>
STATE:					
Basic formula	-	20,745,210	-	-	20,745,210
Transportation	579,580	-	-	-	579,580
Basic formula - classroom trust fund	2,966,226	-	-	-	2,966,226
Early Childhood Special Ed.	290,369	1,092,339	-	-	1,382,708
Career Education	1,848	611,262	-	306,607	919,717
Food service	26,016	-	-	-	26,016
High Need Fund - special education	652,197	-	-	-	652,197
Residential Placement	249	-	-	-	249
Adult Education & Literacy	4,000	35,913	-	-	39,913
Educational Screening Prog/PAT	183,346	-	-	-	183,346
State emergency mgt agency (SEMA) funds	-	-	-	4,304,559	4,304,559
Other state revenue	35,106	-	-	1,565,332	1,600,438
Total State	<u>4,738,937</u>	<u>22,484,724</u>	<u>-</u>	<u>6,176,498</u>	<u>33,400,159</u>
FEDERAL:					
Title I	725,161	1,374,473	-	-	2,099,634
Title II.A	42,806	471,249	-	-	514,055
Title III	43,728	-	-	-	43,728
Title IV	125,081	-	-	-	125,081
Adult Education & Literacy	50,666	102,849	-	-	153,515
Perkins Basic Grant	254,701	-	-	-	254,701
Medicaid	293,870	-	-	-	293,870
PELL grant	512	-	-	-	512
Individuals with Disabilities	1,830,447	-	-	-	1,830,447
Child Nutrition	2,719,722	-	-	-	2,719,722
Dept of Health food service program	238,857	-	-	-	238,857
Resource Officer Training Corps	-	65,786	-	-	65,786
IDEA grants	19,738	-	-	-	19,738
Federal emergency mgt agency (FEMA) funds	171,696	-	-	-	171,696
Community Development Block Grant	-	-	-	1,152,932	1,152,932
Other federal	1,429	-	-	-	1,429
Total Federal	<u>6,518,414</u>	<u>2,014,357</u>	<u>-</u>	<u>1,152,932</u>	<u>9,685,703</u>
OTHER:					
Sale of property	-	-	-	362,916	362,916
Payments from other districts	581,017	290,453	-	-	871,470
Total Other	<u>581,017</u>	<u>290,453</u>	<u>-</u>	<u>362,916</u>	<u>1,234,386</u>
Total Revenues Collected	<u>\$ 40,999,843</u>	<u>\$ 34,165,519</u>	<u>\$ 9,120,787</u>	<u>\$ 10,115,613</u>	<u>\$ 94,401,762</u>

**JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2019**

County District Number 049-148

1. CALENADAR (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
	PK	PK		6.0000	174	1,044.00
	K	05		6.8333	170	1,150.33
	K	05		6.7500	170	1,136.50
	06	08		6.7666	170	1,139.26
	09	12		6.7167	170	1,131.04

2. AVERAGE DAILY ATTENDANCE (ADA)

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
	PK	31.71	0.00		0.00	0.00	31.71
	K-05	3,416.22	4.36	9.83	5.03	154.50	3,589.93
	06-08	1,635.68	.54	3.17	0.25	33.86	1,672.45
	09-12	1,714.35	146.73	1.36	0.97	59.81	1,923.23
Grand Total		6,797.95	151.64	14.36	6.25	248.07	7,218.27

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
	K-05	3,609.00	0.80		3,609.80
	06-08	1,745.00	0.00		1,745.00
	09-12	1,996.00	119.90		2,115.90
Grand Total		7,350.00	120.70		7,470.70

**JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2019**

County District Number 049-148

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
1050	885.76	171.22			1,056.98
3000	374.00	41.00			415.00
3030	244.00	54.00			298.00
3050	353.00	59.00			412.00
4030	337.00	29.00			366.00
4040	109.00	13.00			122.00
4060	313.00	28.00			341.00
4100	126	18.00			144.00
4170	276.00	31.00			307.00
4180	132.00	21.00			153.00
4200	117.00	27.00			144.00
4260	260.00	24.00			284.00
4300	115.00	29.00			144.00
4320	162.00	29.00			191.00
4360	167.00	15.00			182.00
Grand Total	3,970.76	589.22			4,559.98

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

**JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2019**

County District Number 049-148

5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$250,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	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)	True

**JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2019**

County District Number 049-148

5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$182,947

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	2,977.50
	Ineligible ADT	51.50
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:	706,664
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	604,084
	Ineligible Miles (Non-Route/Disapproved)	102,580
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	170

JOPLIN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster:				
Passed-through Missouri Department of Elementary and Secondary Education:				
School Breakfast Program	10.553	049-148	\$ -	\$ 676,725
National School Lunch Program	10.555	049-148	-	2,042,997
Non-Cash: Food Distribution Program	10.555	049-148	-	290,919
			<u>-</u>	<u>3,010,641</u>
Passed-through Missouri Department of Health and Senior Services:				
Summer Food Service Program	10.559	ERS0461931S	-	227,357
Total Child Nutrition Cluster			<u>-</u>	<u>3,237,998</u>
Passed-through Missouri Department of Health and Senior Services:				
Child and Adult Care Food Program	10.558	ERS4618-1931	-	11,500
Total U.S. Department of Agriculture			<u>-</u>	<u>3,249,498</u>
<u>U.S. Department of Defense</u>				
Direct:				
Reserve Officer Training Corps	12.000		-	63,683
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through City of Joplin, Missouri:				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:				
Community Development Block Grant - Disaster Recovery Grants	14.269	B-13-MS-29-0001	-	82,808
Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:			<u>-</u>	<u>82,808</u>
Passed-through Missouri Department of Economic Development:				
Community Development Block Grants	14.228	2013-DS-02	-	274,890
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>357,698</u>
<u>U.S. Department of Education</u>				
Passed-through Missouri Department of Elementary and Secondary Education:				
Special Education - Grants to States	84.027A	049-148	-	1,761,808
Special Education - Preschool Grants	84.173A	049-148	-	48,993
Total Special Education Cluster			<u>-</u>	<u>1,810,801</u>
Adult Basic Education Grant	84.002	049-148	-	120,509
Title I - Grants to Local Educational Agencies	84.010A	049-148	-	2,493,752
Career and Technical Education Grants	84.048A	049-148	61,813	222,055
Passed-through Crowder College:				
Career and Technical Education Grants	84.048A		-	28,655
Total Career and Technical Education Grants			<u>61,813</u>	<u>250,710</u>
English Language Acquisition State Grants	84.365A	049-148	-	46,233
Improving Teacher Quality State Grants	84.367A	049-148	-	271,083
Student Support and Academic Enrichment Program	84.424A	049-148	-	300,397
Direct:				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063		-	337,817
Federal Direct Student Loan Program	84.268		-	492,992
Total Student Financial Aid Cluster			<u>-</u>	<u>830,809</u>
Total U.S. Department of Education			<u>61,813</u>	<u>6,124,294</u>

JOPLIN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<u>U.S. Department of Health and Human Services</u>				
Passed-through Missouri Department of Social Services:				
Temporary Assistance for Needy Families	93.558		-	1,429
Total Expenditures of Federal Awards			<u>\$ 61,813</u>	<u>\$ 9,796,602</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Joplin Schools under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Joplin Schools, it is not intended to and does not present the financial position, change in net position or cash flows of Joplin Schools.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Joplin Schools has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE

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

To the Board of Education
Joplin Schools

We have audited the administration's assertions, included in its representation letter dated October 28, 2019 that Joplin Schools 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, 2018 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2019; 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 actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2019. 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, 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 audit 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, 2019, are fairly stated in all material respects.

We 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 and use of the Board of Education, 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 28, 2019

**JOPLIN SCHOOLS
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

ATTENDANCE

Condition: The District's remedial hours reported on the Attendance Hours Summary Core Data report did not agree with remedial records maintained by the District.

Criteria: Attendance information must be reconciled to the information submitted to DESE.

Cause: The District did not have a reconciliation and review process to ensure the information was accurate.

Effect: Inaccurate information was reported on the Attendance Hours Summary Core Data report.

Recommendation: We recommend that the District implement a reconciliation and review process to ensure the information in the District's attendance software agrees to the data uploaded to MOSIS and reported to DESE.

Auditee's Response: We have implemented a reconciliation and review process to ensure that information in the District's attendance software agrees to the data uploaded to MOSIS and reported to DESE.

COMPETITIVE PURCHASING

Condition: We noted the remodel of the adult technology center was not advertised in a local publication.

Criteria: RSMo section 177.083.1 states that any school district authorizing construction of facilities which may exceed an expenditure cost of fifteen thousand dollars shall publicly advertise, once a week for two consecutive weeks, in a newspaper of general circulation, qualified pursuant to chapter 493, located within the city in which the school district is located.

Cause: The construction project was advertised on the District's website and four bids were received, however, it was not advertised in a local publication.

Effect: The District did not comply with RSMo section 177.083.1.

Recommendation: We recommend the District comply with RSMo section 177.083.1 for all construction projects to insure that the District receives the benefit of the lowest and best bids.

Auditee's Response: All future construction projects will be advertised in a local publication to comply with RSMo section 177.083.1.

**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
Joplin Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information for Joplin Schools as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 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 intended 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 28, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Joplin Schools

Report on Compliance for Each Major Federal Program

We have audited Joplin Schools compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
October 28, 2019

JOPLIN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____	Yes	_____ X _____	No
_____	Yes	_____ X _____	None reported

Noncompliance material to financial statements noted?

_____	Yes	_____ X _____	No
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Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____	Yes	_____ X _____	No
_____	Yes	_____ X _____	None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____ X _____	No
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Identification of major programs:

Child Nutrition Cluster
 Special Education Cluster

CFDA No. 10.553, 10.555 and 10.559
 CFDA No. 84.027 and 84.173

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____	Yes	_____ X _____	No
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B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None