

**JOPLIN SCHOOLS  
JOPLIN, MISSOURI**

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

**FOR THE YEAR ENDED JUNE 30, 2018**

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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, 2018, 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, 2018, 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 11 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 25, 2018 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 25, 2018

## **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, 2018. 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 2018 are as follows:

- The District's financial status, as reflected in total net position, increased by \$39,589,505. Most of this increase was due to the issuance of \$24,465,000 in bonds.
- General revenues are reported at \$94,539,586. Program specific revenues in the form of charges for services, operating of grants and contributions, and capital grants and contributions accounted for \$28,778,858.
- The District had \$83,728,939 in expenditures; \$28,778,858 of the expenditures were offset by program specific charges for services, grants and contributions.
- Total assets of governmental activities were reported at \$68,685,209.
- Among major funds, the General Fund had \$39,886,885 in revenues and \$26,557,924 in expenditures. After transfers to other funds, the General Fund balance increased \$2,918,716 from 2017. The District transferred \$6,498,277 from the General Fund to the Special Revenue Fund and \$3,911,968 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 2018. 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 2018 and 2017:

**TABLE 1**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 68,685,209	\$ 29,176,837
<b>LIABILITIES</b>		
Payroll liabilities	<u>1,338,987</u>	<u>1,420,120</u>
<b>NET POSITION</b>		
Restricted for:		
Scholarships	719,784	591,630
Professional development	19,029	21,096
Capital outlay	12,036,514	2,819,738
Debt service	33,878,189	6,424,176
Unrestricted	<u>20,692,706</u>	<u>17,900,077</u>
Total Net Position	<u>\$ 67,346,222</u>	<u>\$ 27,756,717</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 \$20,692,706. The District has restricted net position of \$33,878,189 for debt service, \$12,036,514 for capital outlay; \$19,029 for professional development and \$719,784 for scholarships.

**TABLE 2**

The following table shows the changes in net position for fiscal year 2018 and 2017.

<b>REVENUES</b>	<u>2018</u>	<u>2017</u>
Program Revenues:		
Charges for services	\$ 3,581,087	\$ 3,610,594
Operating grants and contributions	14,074,774	12,792,386
Capital grants and contributions	<u>11,122,997</u>	<u>3,309,831</u>
Total Program Revenues	<u>28,778,858</u>	<u>19,712,811</u>
General Revenues:		
Property taxes	33,170,805	32,317,652
Sales tax	7,865,701	7,666,159
Basic Formula	21,406,394	21,179,242
M & M surtax	1,762,713	1,853,754
State assessed utilities	1,638,185	1,607,338
Earnings on investments	2,976,960	348,719
Fines and escheats	205,924	216,505
In lieu of tax	881,938	39,843
Financial institution tax	86,913	103,690
Other revenue	79,053	119,111
Special item - bond proceeds	<u>24,465,000</u>	<u>-</u>
Total General Revenues and Special Item	<u>94,539,586</u>	<u>65,452,013</u>
Total Revenues	<u>123,318,444</u>	<u>85,164,824</u>
<b>PROGRAM EXPENSES</b>		
Instruction	37,956,566	37,074,110
Student activities	1,249,699	1,230,097
Student services	2,193,927	2,234,373
Instructional staff support	4,261,457	4,155,455
General administration and central services	2,312,588	3,384,608
Building administration	2,906,625	2,903,004
Operation of plant	6,879,250	7,056,919
Transportation	2,968,459	2,903,328
Food service	3,365,763	3,094,129
Community services	2,396,638	2,492,865
Facility acquisition and construction	6,811,471	7,346,183
Debt Service:		
Principal retirement	5,089,589	51,853,298
Interest and fees	<u>5,336,907</u>	<u>6,962,577</u>
Total Governmental Activities Expenses	<u>83,728,939</u>	<u>132,690,946</u>
CHANGE IN NET POSITION	39,589,505	(47,526,122)
Net Position Beginning of Year	<u>27,756,717</u>	<u>75,282,839</u>
Net Position End of Year	<u>\$ 67,346,222</u>	<u>\$ 27,756,717</u>

## GOVERNMENTAL ACTIVITIES

General revenues and bond proceeds accounted for \$94,539,586 in revenue. General revenues are composed primarily of receipts from taxes, \$33,170,805. 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 \$83,728,939 in expenditures, \$28,778,858 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**

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 37,956,566	\$ 29,206,417	\$ 37,074,110	\$ 27,973,989
Student activities	1,249,699	135,395	1,230,097	(36,176)
Student services	2,193,927	2,193,927	2,234,373	2,223,273
Instructional staff support	4,261,457	4,261,457	4,155,455	4,152,455
General administration and central services	2,312,588	2,312,588	3,384,608	3,384,608
Building administration	2,906,625	2,906,625	2,903,004	2,903,004
Operation of plant	6,879,250	4,890,797	7,056,919	6,567,235
Transportation	2,968,459	2,462,528	2,903,328	2,449,469
Food service	3,365,763	114,551	3,094,129	(279,321)
Community services	2,396,638	321,180	2,492,865	276,645
Facilities acquisition and construction	6,811,471	(4,281,880)	7,346,183	4,547,079
Debt service:				
Principal retirement	5,089,589	5,089,589	51,853,298	51,853,298
Interest and fees	5,336,907	5,336,907	6,962,577	6,962,577
Total Governmental Activities	<u>\$ 83,728,939</u>	<u>\$ 54,950,081</u>	<u>\$ 132,690,946</u>	<u>\$ 112,978,135</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 \$123,318,444 and expenditures of \$83,728,939. The District's total fund balances increased by \$39,589,505.

## **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 2018 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 \$9,872,280 above the final budgeted amount.

**Table 4**  
**Debt Administration**

The District had the following debt outstanding at June 30:

	<u>2018</u>	<u>2017</u>
2005 General Obligation Refunding Bonds	\$ 1,200,000	\$ 2,320,000
2006 General Obligation Refunding Bonds	2,645,000	3,440,000
2012 General Obligation Building Bonds	34,000,000	34,250,000
2013 General Obligation Building Bonds	27,000,000	27,000,000
2016 General Obligation Refunding Bonds	42,580,000	43,780,000
2017 Geeral Obligation Refunding Bonds	24,465,000	-
2017 Lease Participation Certificates	12,815,000	14,045,000
Apple Computer Lease	-	494,589
	<u>\$ 144,705,000</u>	<u>\$ 125,329,589</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.

The Apple Computer lease that was used to fund the purchase of technology equipment was paid off in fiscal year 2018.

## **Current Financial Issues and Concerns**

Fiscal year 2018 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, 2018 a balance of \$12,815,000 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; an estimated \$4,000,000 payment from SEMA expected in fiscal year 2019, with the balance to be made up from the Joplin Schools Capital Project Fund. A special investment fund has been established to hold these revenues until June 1, 2020, at which time plans are to redeem all remaining bonds thus saving \$1,286,204 interest expense that would otherwise accrue over the remaining seven years.

In addition to planning to reduce future debt related costs for lease purchase agreements, the district also completed a long-term debt restructuring agreement in late 2017 on bonds issued in 2012 and 2013. Completing this action prior to the end of that calendar year will enable a reduction in interest cost on those bonds amounting to \$2,800,000 and better position the district to give consideration to other facility needs and decrease the need to increase taxes should additional general obligation bonds be issued in the future.

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, 2018**

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	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>68,685,209</u>
<b>LIABILITIES</b>	
Payroll liabilities	<u>1,338,987</u>
<b>NET POSITION</b>	
Restricted for:	
Scholarships	719,784
Professional development	19,029
Capital outlay	12,036,514
Debt service	33,878,189
Unrestricted	<u>20,692,706</u>
Total net position	<u>\$ 67,346,222</u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	Expenditures	PROGRAM REVENUES			Net (Expenditure) Revenue And Change in Net Position Governmental
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 37,956,566	\$ 752,444	\$ 7,968,059	\$ 29,646	\$ (29,206,417)
Student activities	1,249,699	1,114,304	-	-	(135,395)
Student services	2,193,927	-	-	-	(2,193,927)
Instruction staff support	4,261,457	-	-	-	(4,261,457)
General administration & central services	2,312,588	-	-	-	(2,312,588)
Building administration	2,906,625	-	-	-	(2,906,625)
Operation of plant	6,879,250	124,220	1,864,233	-	(4,890,797)
Transportation	2,968,459	-	505,931	-	(2,462,528)
Food service	3,365,763	556,505	2,694,707	-	(114,551)
Community services	2,396,638	1,033,614	1,041,844	-	(321,180)
Facility acquisition and construction	6,811,471	-	-	11,093,351	4,281,880
Debt service:					
Principal retirement	5,089,589	-	-	-	(5,089,589)
Interest and fees	5,336,907	-	-	-	(5,336,907)
<b>Total Governmental Activities</b>	<b>\$ 83,728,939</b>	<b>\$ 3,581,087</b>	<b>\$ 14,074,774</b>	<b>\$ 11,122,997</b>	<b>(54,950,081)</b>
			<b>General Revenues:</b>		
			Basic formula		21,406,394
			Property taxes		33,170,805
			Sales tax		7,865,701
			Earnings on investments		2,976,960
			State assessed utilities		1,638,185
			M&M surtax		1,762,713
			In lieu of tax		881,938
			Other revenue		79,053
			Fines and escheats		205,924
			Financial institution tax		86,913
			<b>Total General Revenues</b>		<b>70,074,586</b>
			Special item - bond proceeds		24,465,000
			<b>Total General Revenues and Special item</b>		<b>94,539,586</b>
			Change in net position		39,589,505
			Net Position Beginning of year		27,756,717
			Net Position End of year		<b>\$ 67,346,222</b>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

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	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 21,580,915</u>	<u>\$ 1,189,591</u>	<u>\$ 33,878,189</u>	<u>\$ 12,036,514</u>	<u>\$ 68,685,209</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Payroll liabilities	<u>\$ 149,396</u>	<u>\$ 1,189,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,338,987</u>
Fund Balances:					
Restricted	738,813	-	33,878,189	-	34,617,002
Committed	-	-	-	1,232,301	1,232,301
Assigned	2,077,446	-	-	10,804,213	12,881,659
Unassigned	<u>18,615,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,615,260</u>
Total fund balances	<u>21,431,519</u>	<u>-</u>	<u>33,878,189</u>	<u>12,036,514</u>	<u>67,346,222</u>
Total Liabilities and Fund Balances	<u>\$ 21,580,915</u>	<u>\$ 1,189,591</u>	<u>\$ 33,878,189</u>	<u>\$ 12,036,514</u>	<u>\$ 68,685,209</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, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local	\$ 28,772,860	\$ 8,923,522	\$ 10,834,657	\$ 1,462,076	\$ 49,993,115
County	1,202,105	205,924	436,080	-	1,844,109
State	1,949,625	20,411,765	-	2,602,096	24,963,486
Federal	7,927,959	2,255,748	-	11,093,351	21,277,058
Other	34,336	709,885	-	31,455	775,676
<b>Total Revenues</b>	<b>39,886,885</b>	<b>32,506,844</b>	<b>11,270,737</b>	<b>15,188,978</b>	<b>98,853,444</b>
<b>EXPENDITURES:</b>					
Instruction	5,756,477	32,134,447	-	65,642	37,956,566
Student activities	1,249,699	-	-	-	1,249,699
Student services	767,679	1,415,333	-	10,915	2,193,927
Instruction staff support	1,791,316	2,082,505	-	387,636	4,261,457
General administration & central services	2,096,223	216,365	-	-	2,312,588
Building administration	981,325	1,925,300	-	-	2,906,625
Operation of plant	6,879,250	-	-	-	6,879,250
Transportation	2,585,392	-	-	383,067	2,968,459
Food service	3,285,096	-	-	80,667	3,365,763
Community services	1,165,467	1,231,171	-	-	2,396,638
Facility acquisition and construction	-	-	-	6,811,471	6,811,471
Debt service:					
Principal retirement	-	-	3,365,000	1,724,589	5,089,589
Interest and fees	-	-	4,916,724	420,183	5,336,907
<b>Total Expenditures</b>	<b>26,557,924</b>	<b>39,005,121</b>	<b>8,281,724</b>	<b>9,884,170</b>	<b>83,728,939</b>
Revenues Over (Under) Expenditures	13,328,961	(6,498,277)	2,989,013	5,304,808	15,124,505
<b>Other Financing Sources (Uses):</b>					
Transfers	(10,410,245)	6,498,277	-	3,911,968	-
Proceeds from sale of bonds	-	-	24,465,000	-	24,465,000
<b>Total Other Financing Sources (Uses)</b>	<b>(10,410,245)</b>	<b>6,498,277</b>	<b>24,465,000</b>	<b>3,911,968</b>	<b>24,465,000</b>
Net change in fund balance	2,918,716	-	27,454,013	9,216,776	39,589,505
Fund balance, beginning	18,512,803	-	6,424,176	2,819,738	27,756,717
Fund balance, ending	\$ 21,431,519	\$ -	\$ 33,878,189	\$ 12,036,514	\$ 67,346,222

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**JUNE 30, 2018**

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	<u>SELF INSURANCE FUND</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 5,795,583</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 5,795,583</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, 2018**

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	SELF INSURANCE FUND
Additions	
Contributions - Employees	\$ 2,390,595
Contributions - District	4,485,398
Interest income	36,853
Other income	<u>20,685</u>
Total additions	<u>6,933,531</u>
Deductions	
Administrative fees	494,440
Benefit claims	<u>4,510,196</u>
Total deductions	<u>5,004,636</u>
Change in Net Position	1,928,895
Net Position, beginning	<u>3,866,688</u>
Net Position, ending	<u><u>\$ 5,795,583</u></u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**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, 2018**

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**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, 2018**

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**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 and sick leave benefits unused and which are vested in the employee are payable upon termination at varying rates depending on the employee's rate of pay.

Teachers' Salaries: In accordance with teacher contracts, payroll and benefits for July and August, 2018 related to 2017-2018 contracts in the amount of \$4,399,740 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, 2018, the bank balances of the District's deposits totaled \$16,464,631. Of this amount, \$250,000 was covered by FDIC insurance and \$16,214,631 was supported by a letter of credit, 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 \$5,237,941 invested with MOHEFA at June 30, 2018.

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 \$32,031,719 invested with MOSIP at June 30, 2018.

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, 2018**

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**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” date 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, 2018, the escrow fund balance was \$26,648,683 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, 2018, the District made contributions of \$4,485,398 and employees/retirees contributed \$2,390,595 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 and Newton County collect the property tax and remits 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 2017.

The assessed valuation of the tangible taxable property for the calendar year 2017 for purposes of local taxation was:

Real Estate:	
Residential	\$ 372,702,460
Agricultural	7,424,550
Commercial	271,975,310
Personal property	<u>247,434,625</u>
Total	<u>\$ 899,536,945</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE D - TAXES** (continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2017 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.7929	\$ 2.7929
Special Revenue Fund	-	-
Debt Service Fund	0.9100	0.9100
Capital Projects Fund	-	-
	<u>\$ 3.7029</u>	<u>\$ 3.7029</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2018, 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](http://www.psr-peers.org).

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-peers.org](http://www.psr-peers.org). Since the prior valuation date the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2018. 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, 2018 were \$4,743,742 equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2018 were \$29,054 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](http://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](http://www.psr-peers.org).

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2018. 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, 2018 were \$907,203 equal to the required contributions.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE F - INTERFUND TRANSFERS**

During the year, the District transferred \$6,498,277 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; \$80,667 food services capital outlay expenditures; \$353,776 transportation capital outlay expenditures; \$3,477,525 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 2017 property tax revenues were reduced by \$2,351,537 under agreements entered into by Jasper County. The District also received \$38,450 from Jasper County associated with these agreements.

**NOTE H - CAPITAL LEASE OBLIGATIONS**

On April 27, 2015, the District entered into a lease purchase agreement for technology equipment. The agreement requires three annual payments of \$499,041 including interest at 0.90%. The final payment on this lease was July 2017.

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
2019	\$ 1,265,000	\$ 379,324	\$ 1,644,324
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>\$ 12,815,000</u>	<u>\$ 1,970,028</u>	<u>\$ 14,785,029</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE I - LONG-TERM DEBT**

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

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Amount due in one year
Bonds Payable	\$ 110,790,000	\$ 24,465,000	\$ 3,365,000	\$ 131,890,000	\$ 3,540,000
Lease Participation Certificates	14,045,000	-	1,230,000	12,815,000	1,265,000
Capital Lease	494,589	-	494,589	-	-
<b>Total</b>	<u>\$ 125,329,589</u>	<u>\$ 24,465,000</u>	<u>\$ 5,089,589</u>	<u>\$ 144,705,000</u>	<u>\$ 4,805,000</u>

During the year, the District issued \$24,465,000 Series 2017 General Obligation Refunding Bonds to cross-over refund \$13,000,000 Series 2012 General Obligation Building Bonds and \$11,825,000 Series 2013 General Obligation Building Bonds on March 1, 2022 and March 1, 2023, respectively. This refunding was undertaken to obtain an economic gain of \$2,110,823.

**NOTE J - BONDS PAYABLE**

Bonds payable at June 30, 2018, consist of:

Series 2005 general obligation refunding bonds due in varying annual installments through March 1, 2017; interest at 3.610%	\$ 1,200,000
Series 2006 general obligation refunding bonds due in varying annual installments through March 1, 2021; interest at 4.240%	2,645,000
Series 2012 general obligation building bonds due in varying annual installments through March 1, 2032; interest at 3.0 to 5.0%	34,000,000
Series 2013 general obligation building bonds due in varying annual installments through March 1, 2033; interest at 3.0 to 5.0%	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%	42,580,000
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>
<b>Total</b>	<u>\$ 131,890,000</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**NOTE J - BONDS PAYABLE** (continued)

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 3,540,000	\$ 5,361,268	\$ 8,901,268
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>\$ 131,890,000</u>	<u>\$ 43,236,019</u>	<u>\$ 175,126,019</u>

**NOTE K - COMMITMENTS**

As of June 30, 2018, the District had entered into various contracts for improvements throughout the District. The total cost of the contracts is \$606,165. No amounts had been expended as of June 30, 2018.

The District also entered into an agreement to purchase eight student buses with a total cost of \$713,536.

**NOTE L - LITIGATION**

As of June 30, 2018, 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, 2018**

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**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, 2018, 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	\$ -	\$ -	\$ 33,878,189	\$ -
Scholarships	719,784	-	-	-
Professional development	<u>19,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted	<u>738,813</u>	<u>-</u>	<u>33,878,189</u>	<u>-</u>
Committed:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,319,701</u>
Assigned:				
Student activities	957,067	-	-	-
Capital projects	-	-	-	10,716,813
Food service	<u>1,120,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>2,077,446</u>	<u>-</u>	<u>-</u>	<u>10,716,813</u>
Unassigned	<u>18,615,260</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 21,431,519</u>	<u>\$ -</u>	<u>\$ 33,878,189</u>	<u>\$ 12,036,514</u>

## **SUPPLEMENTARY INFORMATION**

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 28,176,085	\$ 29,017,613	\$ 28,772,860	\$ (244,753)
County	1,005,000	1,005,000	1,202,105	197,105
State	4,181,449	1,597,011	1,949,625	352,614
Federal	7,042,494	7,935,898	7,927,959	(7,939)
Other	-	20,390	34,336	13,946
<b>Total Revenues</b>	<b>40,405,028</b>	<b>39,575,912</b>	<b>39,886,885</b>	<b>310,973</b>
<b>EXPENDITURES:</b>				
Instruction	5,352,680	6,944,827	5,756,477	1,188,350
Student activities	1,240,236	1,828,204	1,249,699	578,505
Student services	1,016,206	1,024,159	767,679	256,480
Instruction staff support	2,210,836	1,956,911	1,791,316	165,595
General administration & central services	2,618,954	2,639,420	2,096,223	543,197
Building administration	1,075,947	1,075,947	981,325	94,622
Operation of plant	7,803,013	7,809,513	6,879,250	930,263
Transportation	2,740,378	2,734,218	2,585,392	148,826
Food service	3,064,676	2,973,548	3,285,096	(311,548)
Community services	2,783,613	2,873,968	1,165,467	1,708,501
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<b>29,906,539</b>	<b>31,860,715</b>	<b>26,557,924</b>	<b>5,302,791</b>
Revenues Over (Under) Expenditures	10,498,489	7,715,197	13,328,961	5,613,764
<b>Other Financing Sources (Uses):</b>				
Transfers	(11,886,298)	(14,668,761)	(10,410,245)	4,258,516
Net change in fund balance	(1,387,809)	(6,953,564)	2,918,716	9,872,280
Fund balance, beginning	18,512,803	18,512,803	18,512,803	-
Fund balance, ending	<b>\$ 17,124,994</b>	<b>\$ 11,559,239</b>	<b>\$ 21,431,519</b>	<b>\$ 9,872,280</b>

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 9,326,422	\$ 9,072,102	\$ 8,923,522	\$ (148,580)
County	240,000	240,000	205,924	(34,076)
State	19,515,988	19,511,901	20,411,765	899,864
Federal	2,509,424	2,401,410	2,255,748	(145,662)
Other	989,694	1,325,704	709,885	(615,819)
<b>Total Revenues</b>	<u>32,581,528</u>	<u>32,551,117</u>	<u>32,506,844</u>	<u>(44,273)</u>
<b>EXPENDITURES:</b>				
Instruction	33,916,125	33,694,925	32,134,447	1,560,478
Student activities	-	-	-	-
Student services	1,242,283	1,242,283	1,415,333	(173,050)
Instruction staff support	1,405,377	1,444,916	2,082,505	(637,589)
General administration & central services	220,157	220,157	216,365	3,792
Building administration	2,915,227	2,915,227	1,925,300	989,927
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	1,299,657	1,298,470	1,231,171	67,299
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<u>40,998,826</u>	<u>40,815,978</u>	<u>39,005,121</u>	<u>1,810,857</u>
Revenues Over (Under) Expenditures	(8,417,298)	(8,264,861)	(6,498,277)	1,766,584
<b>Other Financing Sources (Uses):</b>				
Transfers	<u>8,417,298</u>	<u>8,264,861</u>	<u>6,498,277</u>	<u>(1,766,584)</u>
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, 2018**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 8,031,873	\$ 10,226,325	\$ 10,834,657	\$ 608,332
County	300,000	300,000	436,080	136,080
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b><u>8,331,873</u></b>	<b><u>10,526,325</u></b>	<b><u>11,270,737</u></b>	<b><u>744,412</u></b>
<b>EXPENDITURES:</b>				
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	3,365,000	3,365,000	3,365,000	-
Interest and fees	<u>4,530,000</u>	<u>5,121,700</u>	<u>4,916,724</u>	<u>204,976</u>
<b>Total Expenditures</b>	<b><u>7,895,000</u></b>	<b><u>8,486,700</u></b>	<b><u>8,281,724</u></b>	<b><u>204,976</u></b>
Revenues Over (Under) Expenditures	436,873	2,039,625	2,989,013	949,388
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of bonds	<u>-</u>	<u>23,969,200</u>	<u>24,465,000</u>	<u>495,800</u>
Net change in fund balance	436,873	26,008,825	27,454,013	1,445,188
Fund balance, beginning	<u>6,424,176</u>	<u>6,424,176</u>	<u>6,424,176</u>	<u>-</u>
Fund balance, ending	<b><u>\$ 6,861,049</u></b>	<b><u>\$ 32,433,001</u></b>	<b><u>\$ 33,878,189</u></b>	<b><u>\$ 1,445,188</u></b>

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 49,079	\$ 560,952	\$ 1,462,076	\$ 901,124
County	-	-	-	-
State	-	2,668,261	2,602,096	(66,165)
Federal	7,644,327	7,675,878	11,093,351	3,417,473
Other	-	-	31,455	31,455
<b>Total Revenues</b>	<u>7,693,406</u>	<u>10,905,091</u>	<u>15,188,978</u>	<u>4,283,887</u>
<b>EXPENDITURES:</b>				
Instruction	9,000	114,391	65,642	48,749
Student activities	-	-	-	-
Student services	11,127	11,127	10,915	212
Instruction staff support	641,000	886,424	387,636	498,788
General administration & central services	30,000	30,000	-	30,000
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	370,000	391,887	383,067	8,820
Food service	-	91,128	80,667	10,461
Community services	-	86,100	-	86,100
Facility acquisition and construction	7,272,721	7,272,775	6,811,471	461,304
<b>Debt service:</b>				
Principal retirement	1,500,000	1,500,000	1,724,589	(224,589)
Interest and fees	400,000	400,000	420,183	(20,183)
<b>Total Expenditures</b>	<u>10,233,848</u>	<u>10,783,832</u>	<u>9,884,170</u>	<u>899,662</u>
Revenues Over (Under) Expenditures	(2,540,442)	121,259	5,304,808	5,183,549
<b>Other Financing Sources (Uses):</b>				
Transfers	3,469,000	6,403,900	3,911,968	(2,491,932)
Net change in fund balance	928,558	6,525,159	9,216,776	2,691,617
Fund balance, beginning	2,819,738	2,819,738	2,819,738	-
Fund balance, ending	<u>\$ 3,748,296</u>	<u>\$ 9,344,897</u>	<u>\$ 12,036,514</u>	<u>\$ 2,691,617</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2018**

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**Budgets and Budgetary Accounting**

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

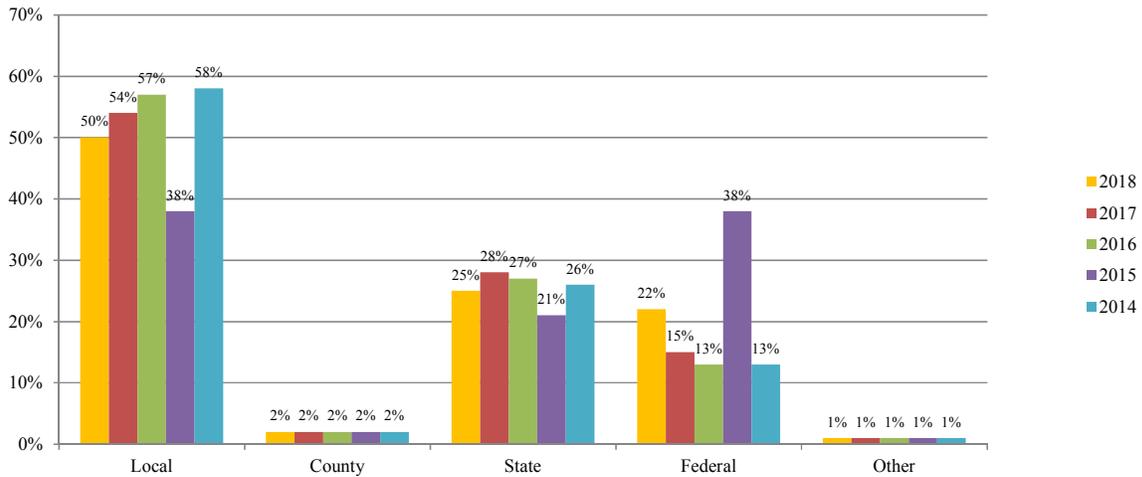
1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to June 30, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues 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, 2018**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>LOCAL:</b>					
Property tax	\$ 25,016,734	\$ -	\$ 8,154,071	\$ -	\$ 33,170,805
Sales tax	-	7,865,701	-	-	7,865,701
M & M surtax	1,430,761	-	-	331,952	1,762,713
Financial institution tax	-	-	-	86,913	86,913
In lieu of tax	-	-	-	881,938	881,938
Earnings on investments	167,076	47,954	2,680,586	81,344	2,976,960
Tuition	-	977,787	-	-	977,787
Community services	59,320	-	-	-	59,320
Food service	556,505	-	-	-	556,505
Student activities	1,114,304	-	-	-	1,114,304
Other local revenue	428,160	32,080	-	79,929	540,169
Total Local	<u>28,772,860</u>	<u>8,923,522</u>	<u>10,834,657</u>	<u>1,462,076</u>	<u>49,993,115</u>
<b>COUNTY:</b>					
Fines and escheats	-	205,924	-	-	205,924
State assessed utilities	1,202,105	-	436,080	-	1,638,185
Total County	<u>1,202,105</u>	<u>205,924</u>	<u>436,080</u>	<u>-</u>	<u>1,844,109</u>
<b>STATE:</b>					
Basic formula	-	18,604,650	-	-	18,604,650
Transportation	505,931	-	-	-	505,931
Basic formula - classroom trust fund	415,341	-	-	2,572,450	2,987,791
Early Childhood Special Ed.	300,000	1,158,581	-	-	1,458,581
Career Education	-	633,865	-	-	633,865
Food service	28,447	-	-	-	28,447
High Need Fund - special education	464,845	-	-	-	464,845
Adult Education & Literacy	241	14,669	-	-	14,910
Educational Screening Prog/PAT	214,138	-	-	-	214,138
Career education enhancement grant	-	-	-	29,646	29,646
Other state revenue	20,682	-	-	-	20,682
Total State	<u>1,949,625</u>	<u>20,411,765</u>	<u>-</u>	<u>2,602,096</u>	<u>24,963,486</u>
<b>FEDERAL:</b>					
Title I	807,429	1,744,156	-	-	2,551,585
Title II.A	290,494	97,311	-	-	387,805
Title III	48,962	-	-	-	48,962
Title IV	1,072	-	-	-	1,072
Adult Education & Literacy	77,303	123,159	-	-	200,462
Perkins Basic Grant	263,392	-	-	-	263,392
Medicaid	264,049	-	-	-	264,049
Individuals with Disabilities	1,489,920	7,589	-	-	1,497,509
Child Nutrition	2,666,260	-	-	-	2,666,260
Dept of Health food service program	144,056	-	-	-	144,056
Early Childhood Special Ed.	-	203,501	-	-	203,501
Resource Officer Training Corps	-	62,788	-	-	62,788
IDEA grants	10,789	17,244	-	-	28,033
Federal emergency mgt agency (FEMA) funds	1,864,233	-	-	4,606,263	6,470,496
Community Development Block Grant	-	-	-	6,487,088	6,487,088
Total Federal	<u>7,927,959</u>	<u>2,255,748</u>	<u>-</u>	<u>11,093,351</u>	<u>21,277,058</u>
<b>OTHER:</b>					
Sale of property	-	-	-	31,030	31,030
Net insurance recovery	-	-	-	425	425
Bond proceeds	-	-	24,465,000	-	24,465,000
Payments from other districts	34,336	709,885	-	-	744,221
Total Other	<u>34,336</u>	<u>709,885</u>	<u>24,465,000</u>	<u>31,455</u>	<u>25,240,676</u>
<b>Total Revenues Collected</b>	<u>\$ 39,886,885</u>	<u>\$ 32,506,844</u>	<u>\$ 35,735,737</u>	<u>\$ 15,188,978</u>	<u>\$ 123,318,444</u>

**JOPLIN SCHOOLS  
COMPARISON OF REVENUES COLLECTED BY SOURCE  
FOR THE YEARS ENDED JUNE 30, 2018, 2017, 2016, 2015 AND 2014**

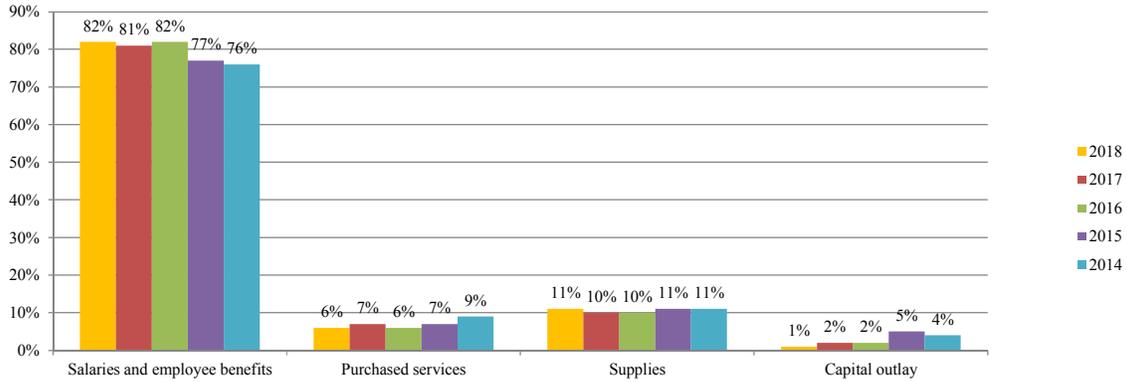
	2018	2017	2016	2015	2014
Local	\$ 49,993,115	\$ 45,770,484	\$ 49,864,442	\$ 110,793,037	\$ 47,471,397
County	1,844,109	1,823,843	1,847,890	1,620,828	1,581,258
State	24,963,486	24,251,759	23,671,688	24,023,742	21,116,361
Federal	21,277,058	12,687,109	11,838,933	44,599,612	10,536,549
Other	775,676	631,629	748,013	4,946,919	4,303,985
<b>Total</b>	<b><u>\$ 98,853,444</u></b>	<b><u>\$ 85,164,824</u></b>	<b><u>\$ 87,970,966</u></b>	<b><u>\$ 185,984,138</u></b>	<b><u>\$ 85,009,550</u></b>



Note: The above graphs do not include proceeds from bonds, leases or insurance recovery.

**JOPLIN SCHOOLS**  
**SCHEDULE OF EXPENDITURES PAID BY OBJECT**  
**FOR THE YEARS ENDED JUNE 30, 2018, 2017, 2016, 2015 AND 2014**

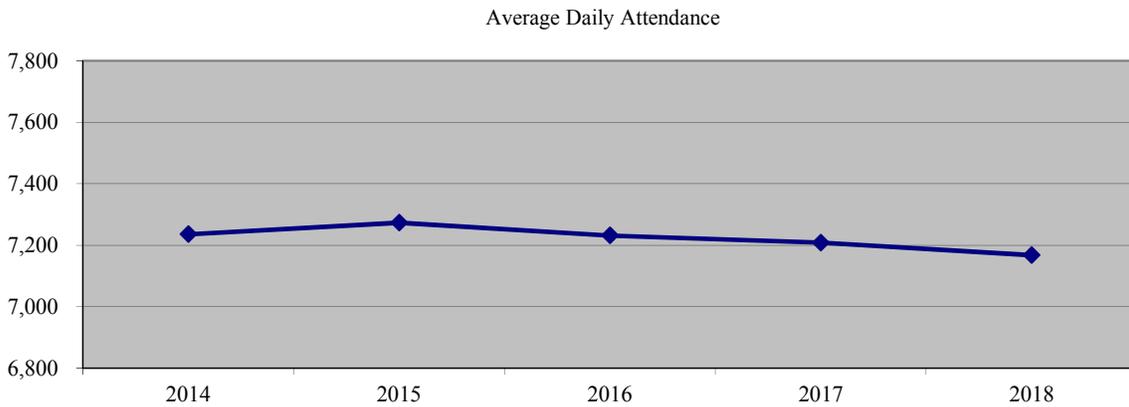
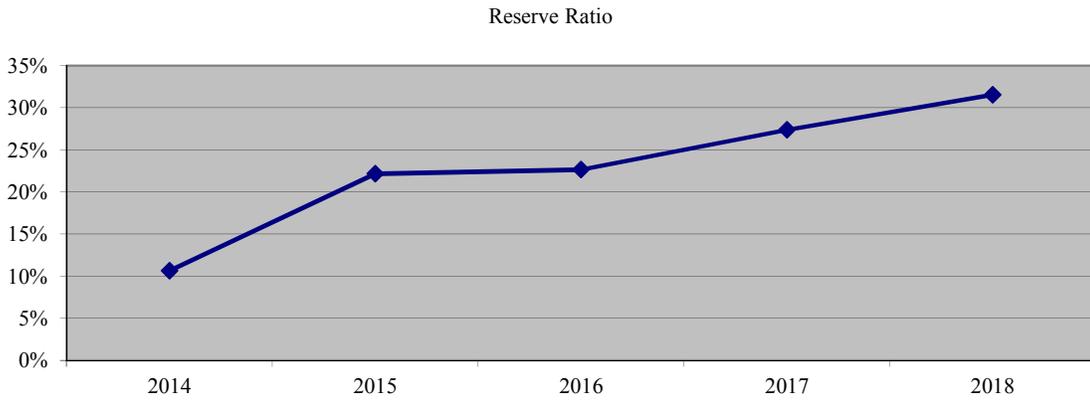
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2018 TOTALS	2017 TOTALS	2016 TOTALS	2015 TOTALS	2014 TOTALS
Salaries	\$ 11,955,080	\$ 30,875,988	\$ -	\$ -	\$ 42,831,068	\$ 42,291,184	\$ 42,055,961	\$ 41,499,027	\$ 42,444,321
Employee benefits	3,694,514	8,129,133	-	-	11,823,647	11,915,775	12,142,259	10,171,426	9,807,072
Purchased services	3,631,569	-	-	-	3,631,569	4,474,313	4,016,355	4,837,059	6,473,767
Supplies	7,276,761	-	-	-	7,276,761	6,721,370	6,844,685	7,630,173	7,338,030
Capital outlay	-	-	-	7,739,398	7,739,398	8,472,429	10,594,942	57,027,799	112,236,391
Principal	-	-	3,365,000	1,724,589	5,089,589	51,853,298	8,078,720	49,309,682	2,430,000
Interest and other charges	-	-	4,916,724	420,183	5,336,907	6,962,577	5,900,091	5,976,500	5,260,413
	<u>\$26,557,924</u>	<u>\$ 39,005,121</u>	<u>\$ 8,281,724</u>	<u>\$ 9,884,170</u>	<u>\$ 83,728,939</u>	<u>\$ 132,690,946</u>	<u>\$ 89,633,013</u>	<u>\$ 176,451,666</u>	<u>\$ 185,989,994</u>



Note: The above graphs do not include expenditures for debt service or for capital improvements.

**JOPLIN SCHOOLS  
SELECTED TRENDS  
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH 2018**

General and Special Revenue Funds	2014	2015	2016	2017	2018
Total Fund Balances - unrestricted	\$ 7,031,264	\$ 14,214,281	\$ 14,743,242	\$ 17,900,077	\$ 20,692,706
Total Expenditures	66,063,190	64,137,685	65,059,258	65,402,642	65,563,045
Reserve Ratio	10.64%	22.16%	22.66%	27.37%	31.56%
Average Daily Attendance	7,236.02	7,273.23	7,231.93	7,208.74	7,167.62



**JOPLIN SCHOOLS  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2018**

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County District Number 049-148

**1. CALENDAR**

A. Standard day length (SDL) - The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Grades K-5	6.8333
Grades 6-8	6.7666
Grades 9-12	6.7167

B. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

Grades K-5	1,150.33
Grades 6-8	1,139.26
Grades 9-12	1,130.97

C. The number of days classes were in session and pupils were under the direction of teachers during this school year was 170 days.

**2. AVERAGE DAILY ATTENDANCE (ADA)**

Grades K-12	7,043.98
Grades K-12 - Remedial	<u>12.96</u>
	7,056.94
Summer School	<u>110.68</u>
Total Average Daily Attendance	<u><u>7,167.62</u></u>

**3. SEPTEMBER MEMBERSHIP**

September Membership FTE Count: 7,550.48

**4. FREE AND REDUCED PRICE LUNCH FTE COUNT (Section 163.011(6), RSMo)**

State FTE Total: Free: 3,988.81  
Reduced: 488.97  
Total: 4,477.78

**5. FINANCE**

A. As required by Section 162.401, RSMo. a bond was purchased for the District's treasurer in the amount of: \$250,000

B. The District's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo. True

**JOPLIN SCHOOLS**  
**SCHEDULE OF SELECTED STATISTICS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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County District Number 049-148

5. **FINANCE** (continued)

- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. True
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. True
- F. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- G. 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. True
- H. The amount spent for approved professional development committee plan activities was: \$ 188,844

6. **TRANSPORTATION** (Section 163.161, RSMo.)

- A. The District's transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True
- C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:  
Eligible ADT: 2,931.00  
Ineligible ADT: 44.50
- D. The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible miles for the year. True
- E. Actual odometer records show the total district-operated and contracted mileage for the year was: 695,867

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: 585,900  
Ineligible miles (non-route/disapproved): 109,967

- F. Number of days the District 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, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster:				
Passed-through Missouri Department of Elementary and Secondary Education:				
School Breakfast Program	10.553	049-148	\$ -	\$ 661,566
National School Lunch Program	10.555	049-148	-	2,004,694
Non-Cash: Food Distribution Program	10.555	049-148	-	314,195
			-	2,980,455
Passed-through Missouri Department of Health and Senior Services:				
Summer Food Service Program	10.559	ERS046-19315	-	140,798
Total Child Nutrition Cluster			-	3,121,253
Passed-through Missouri Department of Health and Senior Services:				
Child and Adult Care Food Program	10.558	ERS4618-1931	-	3,258
Total U.S. Department of Agriculture			-	3,124,511
<b>U.S. Department of Defense</b>				
Direct:				
Reserve Officer Training Corps	12.000		-	64,890
<b>U.S. Department of Housing and Urban Development</b>				
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	-	1,376,765
Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:			-	1,376,765
Passed-through Missouri Department of Economic Development:				
Community Development Block Grants	14.228	2013-DS-02	-	4,984,964
Total U.S. Department of Housing and Urban Development			-	6,361,729
<b>U.S. Department of Education</b>				
Special Education Cluster (IDEA):				
Passed-through Missouri Department of Elementary and Secondary Education:				
Special Education - Grants to States	84.027A	049-148	-	1,812,045
Special Education - Preschool Grants	84.173A	049-148	-	45,296
			-	1,857,341
Passed-through University of Kansas Center for Research:				
Special Education - Grants to States	84.027A		-	500
Total Special Education Cluster			-	1,857,841
Passed-through Missouri Department of Elementary and Secondary Education:				
Adult Basic Education Grant	84.002	049-148	-	202,808
Title I - Grants to Local Education Agencies	84.010A	049-148	-	2,521,716
Career and Technical Education Grants	84.048A	049-148	58,026	215,493
Passed-through Crowder College:				
Career and Technical Education Grants	84.048A		-	20,390
Total Career and Technical Education Grants			58,026	235,883

**JOPLIN SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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 Education</u>				
Passed-through Missouri Department of Elementary and Secondary Education:				
English Language Acquisition State Grants	84.365A	049-148	-	53,052
Improving Teacher Quality State Grants	84.367A	049-148	-	219,935
Student Support and Academic Enrichment Program	84.424A	049-148	-	1,072
Direct:				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063		-	317,051
Federal Direct Student Loan Program	84.268		-	497,087
Total Student Financial Aid Cluster			-	814,138
Total U.S. Department of Education			58,026	5,906,445
Total Expenditures of Federal Awards			<u>\$ 58,026</u>	<u>\$ 15,457,575</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, 2018. 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**

**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 25, 2018 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, 2017 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2018; 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, 2018. 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, 2018, are fairly stated in all material respects.

We noted an immaterial instance 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 25, 2018

**JOPLIN SCHOOLS  
SCHEDULE OF STATE FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

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**TRANSPORTATION**

During our audit of pupils transported, we noted that non-disabled student route miles were understated by 4,996 miles. As a result of our audit, the District has corrected the Application for State Transportation Aid.

**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, 2018, 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 25, 2018.

**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 25, 2018

**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, 2018. 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, 2018.

## 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 25, 2018

**JOPLIN SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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**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?

\_\_\_\_\_ Yes          X     No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes          X     None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes          X     No

*Federal Awards*

Internal control over major federal programs:

• Material weakness(es) identified?

\_\_\_\_\_ Yes          X     No

• Significant deficiency(ies) identified?

\_\_\_\_\_ 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

Identification of major programs:

Student Financial Aid Cluster

CFDA No. 84.063 & 84.268

CDBG - Disaster Recovery Grants -

Pub. L. No. 113-2 Cluster

CFDA No. 14.269

Community Development Block Grants

CFDA No. 14.228

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

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes          X     No

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

None