

JASPER COUNTY R-V SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Thomas & Douglas

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Committed To
Quality, Excellence,
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INDEPENDENT AUDITORS' REPORT

To The Board of Education
Jasper County R-V School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Jasper County R-V School District as of and for the fiscal year ended June 30, 2013. These collectively comprise the 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 the financial statements in accordance with the cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the 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 entity'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 entity'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 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 present fairly, in all material respects, the respective financial position – cash basis of the governmental activities and each major fund of Jasper County R-V School District, as of June 30, 2013, and the respective changes in financial position – cash basis for the fiscal year then ended in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note I.B.3 of the financial statements, which describes the basis of accounting. The financial statements are prepared using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 11-16 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of presenting the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

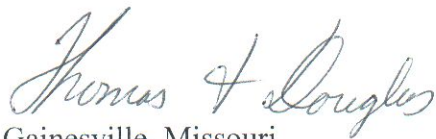
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County R-V School District's basic financial statements. The accompanying supplementary information on pages 37-49 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for budgetary comparison information on page 37, 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 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 supplementary information on pages 38-49 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jasper County R-V School District's basic financial statements. The budgetary comparison information included in the supplemental information on page 37 is presented for additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 on our consideration of the Jasper County R-V School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County R-V School district's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Thomas F. Douglas".

Gainesville, Missouri
December 18, 2013

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING, COMPLIANCE, AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

To The Board of Education
Jasper County R-V School District

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Jasper County R-V School District as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Jasper County R-V School District's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County R-V School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jasper County R-V School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County R-V School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs referenced as Finding 2013-1 and Finding 2013-2 on pages 47-48 to be material weaknesses.

Compliance and Other Matters

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

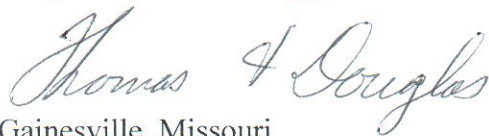
We noted certain matters we reported to management of Jasper County R-V School District in a separate letter dated December 18, 2013.

Jasper County R-V School District's Response to Findings

Jasper County R-V School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jasper County R-V School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Gainesville, Missouri
December 18, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Jasper County R-V School District

Report on Compliance for Each Major Federal Program

We have audited Jasper County R-V School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Jasper County R-V School District's major federal program for the fiscal year ended June 30, 2013. Jasper County R-V School District's major federal program is 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 requirements of laws, regulation, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Jasper County R-V School District's major federal program 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Jasper County R-V School 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 the major federal program. However, our audit does not provide a legal determination of Jasper County R-V School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Jasper County R-V School District complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Jasper County R-V School District is responsible for establishing and maintaining effective internal control over compliance for compliance requirements of federal programs. In planning and performing our audit of compliance, we considered Jasper County R-V School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Jasper County R-V School 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 the 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.

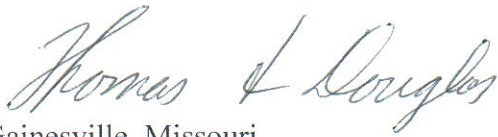
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance 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 on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Jasper County R-V School District as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated December 18, 2013. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of

additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, reading "Thomas L. Douglas".

Gainesville, Missouri
December 18, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

To the Board of Education
Jasper County R-V School District

Report on Compliance with Revised Statutes of the State of Missouri and Missouri Department of Elementary and Secondary Education Regulations

We have audited Jasper County R-V School District's compliance with the compliance requirements as required by Revised Statutes of the State of Missouri and Missouri Department of Elementary and Secondary Education regulations. We have performed auditing procedures to test compliance with requirements governing budgets (Chapter 67, RSMo) and methods of maintaining pupil attendance and transportation records (Chapter 165.121.3(7)RSMo).

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations of the State of Missouri and Missouri Department of Elementary and Secondary Education.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Jasper County R-V School District based on our audit of the compliance requirements referred to above. We conducted our audit of compliance 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 noncompliance with the compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Jasper County R-V School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

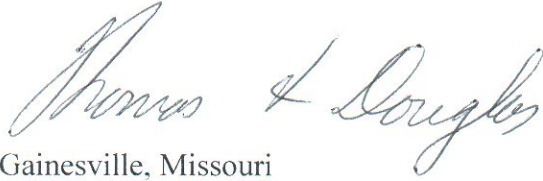
We believe that our audit provides a reasonable basis for our opinion on such compliance. However, our audit does not provide a legal determination of Jasper County R-V School District's compliance with these laws and regulations.

Opinion on Compliance with Budget Procedures and Methods of Maintaining Pupil Attendance and Transportation Records

In our opinion Jasper County R-V School District's budgetary and disbursement procedures were in compliance with the budgetary statute (Chapter 67 RSMo). It is further our opinion pupil attendance and transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance, resident membership on the last Wednesday of September, 2012, students eligible to receive free and reduced lunches on the last Wednesday of January 2013, average number of eligible and ineligible pupils transported on a regular basis, actual eligible and ineligible mileage data, and allowable cost for pupil transportation in compliance with state and administrative rules.

Intended Use of this Report

The report is intended for the information of management, Board of Education, others within the entity, and Missouri Department of Elementary and Secondary Education. This report is not intended for, nor should it be used by, other than the specified parties.

A handwritten signature in cursive script, reading "Thomas L. Douglas".

Gainesville, Missouri
December 18, 2013

JASPER COUNTY R-V SCHOOL DISTRICT
201 W MERCER ST
JASPER, MO 64755

(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the district's financial performance presents an overview of the financial status and activity for the fiscal year ending June 30, 2013. Please read it in conjunction with the financial statements, notes to the financial statements, and other supplemental information.

The financial statements are presented using the cash basis of accounting. Capital assets, depreciation expense, accumulated depreciation, and debt have been omitted from the financial statements in accordance with the cash basis presentation.

FINANCIAL HIGHLIGHTS

Cash and investment balances of Jasper County R-V School District **decreased** \$996,778 to \$1,388,059. The decrease was primarily due to facility construction costs to finish the FEMA storm shelter and building lease purchase payments for the building project.

Total revenues of the governmental funds **increased** \$251,345 or 6% to \$4,767,155. The increase was due primarily to FEMA grant reimbursements for construction costs of the storm shelter

Expenses for the operating funds (General and Teachers funds) **decreased** \$130,053 or 3% to \$4,408,926. The decrease was due primarily to the elimination of a certified staff position, converting an additional full time position to a part time position, and performing most bus mechanical work in house rather than contracting to outside sources.

Capital asset expenditures were \$1,417,394 which includes \$1,183,300 for facility construction and improvements; \$88,598 for instructional equipment; \$24,410 for facility equipment; \$10,757 for a school bus lease purchase payment; and \$110,329 for school building lease purchase payments. The FEMA Hazard Mitigation Grant funded \$647,616 of the facility construction costs incurred during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts:

Management's Discussion and Analysis,

Basic financial statements (district-wide and fund financial statements), including Notes to the Financial Statements,

Required Supplemental Information, and

Supplemental information.

The financial statements consist of two kinds of statements which present the district's financial status and activities based on current sources of, uses of, and available financial resources.

District-wide financial statements – present only current financial measurements of the district's financial status and activities. The district-wide statements are the Statement of Net Position-Cash Basis and Statement of Activities-Cash Basis.

The fund financial statements focus on individual funds, presenting the district's financial position and results operations in more detail. These statements also only present current financial measurements of the district's financial status and activities.

The financial statements are supported by Notes to Financial Statements which present required disclosures and more detailed information. The Notes to Financial Statements are followed by sections of Required Supplemental Information and Supplemental Information which are presented for additional analysis.

DISTRICT-WIDE STATEMENTS

The district-wide financial statements present information of the District as a whole using the cash basis of accounting. The district-wide financial statements present net position and how it has changed. Net position – cash basis is a measure of current financial resources.

Changes in unrestricted net position can be an indicator of an improving or deteriorating current financial condition.

Additional non-financial factors such as changes in the property tax base, debt, condition of school facilities and buses, and changes in student attendance should be considered in assessing the district's overall health.

District activities are categorized as Governmental Activities in the district-wide financial statements.

Governmental Activities: The basic services are presented such as regular and special education, transportation, food service, and administration. Property taxes, sales taxes, state formula aid, and grants finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements present more detailed information. Funds are accounting devices for tracking specific sources of funding and spending on particular programs.

Governmental Funds: The basic services are presented in the governmental funds. The focus is on the flow of cash and other financial resources that can readily be converted to cash and balances remaining which are current financial resources. The governmental fund financial statements present a detailed short-term view which can help determine the financial resources available in the near future to finance the district's programs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Total net position, excluding fiduciary activities, is \$1,388,059 of which \$1,323,053 is unrestricted; \$13,448 is restricted for student scholarships; and \$51,558 is restricted for band equipment acquisitions.

Unrestricted net position **decreased** \$996,397 or 43% to \$1,323,053.

Schedule 1

NET POSITION

	<u>Governmental Activities</u>		<u>Total Percentage</u>
	<u>2013</u>	<u>2012</u>	<u>Change .</u>
ASSETS			<u>2013-2012.</u>
Cash & Investments	<u>\$1,388,059</u>	<u>\$2,384,837</u>	<u>(42%) .</u>
TOTAL ASSETS	<u>1,388,059</u>	<u>2,384,837</u>	<u>(42%) .</u>
NET POSITION			
Restricted	65,006	65,387	
Unrestricted	<u>1,323,053</u>	<u>2,319,450</u>	<u>(43%) .</u>
TOTAL NET POSITION	<u>\$1,388,059</u>	<u>\$2,384,837</u>	<u>(42%) .</u>

GOVERNMENTAL ACTIVITIES

Jasper County R-V School District primarily relied on local property taxes, sales taxes, and state basic formula aid for funding deficits of the governmental activities with 34% of general revenues coming from local property taxes, 12% from sales taxes, and 50% from state basic formula aid.

The major governmental activities included: instruction, pupil support services, administration, food service, pupil transportation and other support services.

The cost of all governmental activities was \$5,826,320, which includes \$1,183,300 of facility construction costs and \$121,086 of debt repayments.

Instruction represented 59% of the cost of governmental activities, excluding facility construction and debt costs.

Pupil Support Services (this area includes Guidance, Media Services-Library, Health/ Psychology/ Speech Services and Attendance Services) represents 7% of the cost of governmental activities, excluding facility construction and debt costs.

Administration (includes Board of Education, District-wide, and Building Level Administrative Services) represents 9% of the cost of governmental activities, excluding facility construction and debt costs.

Operation of facilities represented 13% of the cost of governmental activities, excluding facility construction and debt costs.

Transportation represented 4% of the cost of governmental activities, excluding facility construction and debt costs.

Food Services represented 4% of the cost of governmental activities, excluding facility construction and debt costs.

Facility construction costs represented 20% of the total cost of all governmental activities.

Debt costs represented 2% of the total cost of all governmental activities.

JASPER COUNTY R-V SCHOOL DISTRICT
CHANGES IN NET POSTION

	Governmental Activities		Change
	2013	2012	2013-2012
Revenues			
Program Revenues:			
Charges for services	\$ 222,924	\$ 277,083	\$ (54,159)
Operating grants & contributions	495,773	631,731	(135,958)
Capital grants & contributions	667,665	106,555	561,110
General Revenues			
Local	1,615,713	1,578,152	37,561
County	75,131	70,827	4,304
State	1,675,452	1,794,266	(118,814)
Federal		45,089	(45,089)
Investment income	9,447	10,508	(1,061)
Special Items			
Sale		1,600	(1,600)
Sale of surplus property	5,050		5,050
TOTAL REVENUE	4,767,155	4,515,811	251,344
Program Expenses			
Instruction	2,646,806	2,830,368	(183,562)
Student services	330,526	351,324	(20,798)
Instructional staff support	83,171	74,381	8,790
Building administration	225,103	219,063	6,040
Genl admin & central serv	196,585	197,554	(969)
Operation of plant	585,168	514,909	70,259
Transportation	201,172	185,179	15,993
Food service	181,677	202,796	(21,119)
Community services	71,726	52,864	18,862
Facilities acq. & constr	1,183,300	546,696	636,604
Debt services:			
Principal	79,078	10,757	68,321
Interest	42,008		42,008
TOTAL EXPENSES	5,826,320	5,185,891	640,429
PRIOR PERIOD ADJUSTMENT	62,387		62,387
CHANGES IN NET POSITION	\$ (996,778)	\$ (670,080)	\$ (326,698)

Net cost of all governmental activities was \$4,439,958 with \$1,386,362 of the total cost being financed by revenues generated from the governmental activities.

SCHEDULE 3
NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction	\$ 2,646,806	\$ 2,830,368	\$ 2,205,185	\$ 2,267,987
Student services	330,526	351,324	329,459	347,383
Instructional staff support	83,171	74,381	83,171	59,288
Building administration	225,103	219,063	225,103	219,063
Genl admin & central serv	196,585	197,554	196,585	197,554
Operation of plant	585,168	514,909	585,168	493,312
Transportation	201,172	185,179	155,935	131,542
Food service	181,677	202,796	(10,589)	(17,968)
Community services	71,726	52,864	13,171	(11,201)
Facilities acq. & constr	1,183,300	546,696	535,684	472,805
Debt services:				
Principal	79,078	10,757	79,078	10,757
Interest	42,008		42,008	
TOTAL	\$ 5,826,320	\$ 5,185,891	\$ 4,439,958	\$ 4,170,522

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds present combined fund balances of \$1,388,059. This is **below** last year's ending fund balances of \$2,384,837 by \$996,078.

The District originally budgeted a **deficit** of revenues to expenses in the General Fund of \$93,419 and ended the fiscal year with a **surplus** of \$363,302. The surplus primarily resulted from the addition of student activity revenues which were not originally budgeted.

The amount expended from the Teachers Fund was \$3,458 **more** than the original budget which was primarily due to teacher salary adjustments resulting from additional college credits earned by teachers.

The fund balance of the Capital Projects Fund **decreased** \$498,947 to \$225,164. The primary reason for this decrease is construction costs for completing the FEMA building project and lease purchase payments on the building.

BUDGETARY HIGHLIGHTS

During the course of the year, the district amended the annual budgets three times. The primary reasons for the amendments were to adjust budgeted expenditures and FEMA reimbursements as cost and reimbursements became known.

DEBT

The District has \$1,430,000 of school building lease purchase principal and \$29,664 of school bus lease purchase principal outstanding at June 30, 2013.

DEBT ACTIVITY

	<u>Governmental Activities</u>		<u>Change</u>
	<u>2013</u>	<u>2012 .</u>	<u>2013-2012</u>
School Building Lease Purchase	\$1,430,000	\$1,500,000	(\$70,000)
School Bus Lease Purchase	29,644	38,743	(9,079)
Total	<u>\$1,459,664</u>	<u>\$1,538,743</u>	<u>(\$79,079)</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, regulatory agencies, funding agencies and creditors with a general overview of the district's finances and demonstrate financial accountability. Questions concerning information provided in this report or requests for additional information should be addressed to the office of the Superintendent.

**JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2013**

ASSETS

Pooled cash	\$ 666,030
Non-Pooled Cash	126
Non-Pooled Cash Equivalents	13,375
Non-Pooled Investments	643,522
Restricted assets:	
Non-Pooled cash	5,006
Non-Pooled Investments	60,000

TOTAL ASSETS

1,388,059

NET POSITION

Restricted for:	
Student Scholarships	13,448
Band Equipment	51,558
Unrestricted	1,323,053

TOTAL NET POSITION

\$ 1,388,059

The accompanying Notes to Financial Statements are an integral part of this statement.

**JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
JUNE 30, 2013**

ASSETS

Non-Pooled cash	\$ 7,133
Non-Pooled investments	7,493

TOTAL ASSETS

14,626

NET POSITION

Held in trust for:

Employee Flexible Benefits	6,969
Community Education Fund	7,657

TOTAL NET POSITION

\$ 14,626

The accompanying Notes to Financial Statements are an integral part of this statement.

**JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Cash	Program Cash Receipts		Capital	Net
	Disbursements	Charges for Services	Operating Grants and Contrib.	Grants and Contrib.	(Disbursements, Receipts and Changes in Net Position)
Governmental activities:					
Instructional services	\$ 2,646,806	\$ 147,868	\$ 273,704	\$ 20,049	\$ (2,205,185)
Student services	330,526		1,067		(329,459)
Instructional staff support	83,171				(83,171)
Building administration	225,103				(225,103)
Genl admin¢ral serv	196,585				(196,585)
Operation of plant	585,168				(585,168)
Transportation	201,172		45,237		(155,935)
Food service	181,677	59,781	132,485		10,589
Community services	71,726	15,275	43,280		(13,171)
Facilities acq & constr	1,183,300			647,616	(535,684)
Debt Services:					
Principal	79,078				(79,078)
Interest	42,008				(42,008)
Net program (disb) receipts \$	<u>(5,826,320)</u>	<u>\$ 222,924</u>	<u>\$ 495,773</u>	<u>\$ 667,665</u>	<u>\$ (4,439,958)</u>
General receipts:					
Local receipts					
Property taxes				\$	1,145,796
Sales taxes					399,431
Other local					70,486
County receipts					75,131
State receipts					
Basic formula-state monies					1,503,769
Basic formula-classroom trust fund					171,683
Investment income					9,447
Total general receipts					<u>3,375,743</u>
Special Items:					
Sale of surplus equipment					<u>5,050</u>
Decrease in net position					(1,059,165)
Net position-Beginning of year					2,384,837
Prior Period Adjustment					<u>62,387</u>
Net position-Ending of year					<u>\$ 1,388,059</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>GOVERNMENTAL FUND TYPES</u>			
	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers') Fund</u>	<u>Capital Projects Fund</u>	<u>Total Memorandum Only 6/30/2013</u>
ASSETS:				
Pooled cash	\$ 539,387	\$	\$ 126,643	\$ 666,030
Non-Pooled Cash	126			126
Non-Pooled Cash Equivalents	13,375			13,375
Non-Pooled Investments	595,000		48,522	643,522
Restricted Assets:				
Non-Pooled cash	5,006			5,006
Non-Pooled Investments	10,000		50,000	60,000
TOTAL ASSETS	<u>1,162,894</u>		<u>225,165</u>	<u>1,388,059</u>
FUND BALANCES:				
Restricted-Students scholarships	13,448			13,448
Restricted-Band equipment	1,558		50,000	51,558
Assigned			175,165	175,165
Unassigned	<u>1,147,888</u>			<u>1,147,888</u>
TOTAL FUND BALANCES	<u>\$ 1,162,894</u>	<u>\$</u>	<u>\$ 225,165</u>	<u>\$ 1,388,059</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Memorandum Only 6/30/2013
REVENUES:				
Local	\$ 1,417,808	\$ 414,706	\$	\$ 1,832,514
County	62,625	12,506		75,131
State	206,385	1,586,632		1,793,017
Federal	360,070	18,137	667,665	1,045,872
Investment income	9,441	5		9,446
Rec'd other districts		6,124		6,124
Other			5,050	5,050
Total Revenues	<u>2,056,329</u>	<u>2,038,110</u>	<u>672,715</u>	<u>4,767,155</u>
EXPENDITURES:				
Instruction	465,584	2,131,027	50,196	2,646,807
Student services	107,999	221,115	1,412	330,526
Instructional staff support	33,982	49,190		83,171
Building administration	63,836	159,964	1,303	225,103
Genl admin & central serv	100,182	95,903	500	196,585
Operation of plant	525,830		59,338	585,168
Transportation	190,172	11,000		201,172
Food service	181,417		259	181,677
Community services	24,025	47,700		71,726
Facilities acq. & constr			1,183,300	1,183,300
Debt services:				
Principal			79,078	79,078
Interest			42,008	42,008
Total Expenditures	<u>1,693,027</u>	<u>2,715,899</u>	<u>1,417,394</u>	<u>5,826,320</u>
REVENUES OVER (UNDER)				
EXPENDITURES	363,302	(677,789)	(744,679)	(1,059,165)
FUND BALANCES,				
BEGINNING OF YEAR	1,660,726		724,111	2,384,837
PRIOR PERIOD ADJUSTMENT	62,387			62,387
TRANSFERS IN (OUT)	<u>(923,521)</u>	<u>677,789</u>	<u>245,732</u>	
FUND BALANCES,				
END OF YEAR	\$ <u>1,162,894</u>	\$ <u></u>	\$ <u>225,164</u>	\$ <u>1,388,059</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**JASPER COUNTY R-V SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The accounting and reporting framework and significant accounting principles and practices of Jasper County R-V School District are presented in subsequent sections of this note. The remainder of the notes present additional explanatory information and required disclosures for the district's financial status and activities.

The financial statements are presented using the cash basis of accounting which is explained in Note I.B.3. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The financial statements apply generally accepted accounting principles and Governmental Accounting Standards Board (GASB) pronouncements relevant to the cash basis of accounting.

I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

I.B.1. COMPONENT UNITS

Jasper County R-V School District is a public school district with seven publicly elected board members. The financial statements are presented for the primary government. The reporting entity includes the governing board and any related organizations for which oversight responsibility is exercised.

Management has developed criteria to assess whether outside agencies with activities which benefit the District, including joint agreements which serve pupils from numerous districts, should be included within the financial reporting entity. The criteria includes, but is not limited to, the level of oversight responsibility exercised by the District (which includes financial dependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Management has determined no outside agency meets this criteria. Therefore, no other agency has been included as a component unit in the financial statements.

I.B.2. GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements are the Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis. These financial statements present information of the District as a whole, excluding fiduciary activities. Governmental activities are primarily financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities – Cash Basis presents expenses by function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities. It may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which are fees and other charges to users of the district's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues may be subject to externally imposed restrictions to specific program uses. Taxes and other revenue sources not directly connected to specific functions are presented as general revenues.

Fund Financial Statements

Fund financial statements are presented for the governmental funds. Major individual governmental funds are presented separately. Funds presented as a major fund which do not meet the major fund criteria of GASB statement No. 34 and 37 are particularly important to the financial statement intended users. Each fund is accounted for with a separate set of self-balancing accounts consisting of assets, fund equity, revenues, and expenditures. Resources are allocated to and accounted for in specific funds based upon the spending purpose and the means by which spending activities are controlled. The following are the major funds presented in the fund financial statements.

Governmental Funds:

General (Incidental) Fund: Accounts for general activities, including student activities and food service, which are not designated in a separate fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction and resources restricted or assigned for the payment of teacher and administrator salaries and benefits..

Capital Projects (Building) Fund: Accounts for the receipt and disbursement of funds for acquisition and construction of capital assets and lease/purchase obligations.

Statement of Fiduciary Net Position

This financial statement presents resources held in trust for employee flexible benefits reimbursements and the Community Education Fund. The employee flexible benefit amount has been set aside by employees through payroll deductions. The Community Education Fund amount has been donated and accumulated from outside sources. The District is the trustee for these resources which are not subject to potential claims of the district's general creditors.

I.B.3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus is the term used to describe “how” transactions are recorded. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements and the fiduciary fund financial statement present data using the current financial resources measurement focus and the cash basis of accounting. Internal activity (between or within funds) is eliminated from the government-wide financial statements. Revenues are recorded when cash is received. Expenses are recorded when cash is disbursed.

Governmental fund financial statements present data using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recorded when cash is disbursed. Internal activity between funds, such as transfers, are presented in the fund financial statements.

The “current financial resources” measurement focus presents only current financial assets and net position or fund balances. The operating statements present sources and uses of the current financial resources during a given period.

Total Columns on Combined Statements

The "Totals (Memorandum Only)" columns are presented to facilitate financial analysis. They do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

I.C. ASSETS, CAPITAL ASSETS, FUND EQUITY, AND CAPITAL LEASE

I.C.1. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District maintains a cash pool for the General, Teachers, and Capital Projects Funds of the primary government. Each fund’s portion of the pool is displayed in the statement of Cash Basis Assets and Fund Balances as “pooled cash.”

Non-pooled investments, non-pooled cash, and non-pooled cash equivalents are separately held and presented in the fund financial statements. The district’s investments consist of certificates of deposit. The district’s cash equivalents consist of money market funds.

The District considers certificates of deposits with original maturities in excess of three months as investments and those with original maturities of less than three months as cash equivalents. The District considers money market funds as cash equivalents.

Investments are presented at cost. Management intends to hold investments to maturity. Cash deposits are presented at carrying amount which is fair value.

I.C.2. CAPITAL ASSETS AND DEPRECIATION

Capital asset costs are presented as current expenditures when incurred. Capital assets, accumulated depreciation, and depreciation expense are not presented in the government-wide or fund financial statements in accordance with the cash basis presentation.

I.C.3. FUND EQUITY

The governmental fund financial statements present restricted fund balance for amounts not available for appropriation or legally restricted for specified purposes.

The General Fund presents restricted fund balance student scholarships and band activity expenditures. The Capital Projects Fund presents restricted fund balance for donations restricted for band equipment acquisitions. These restrictions result from donor imposed restrictions on the use of the funds.

The Statement of Cash Basis Assets and Fund Balances-Governmental Funds presents assigned and unassigned fund balances in the governmental funds. In accordance with Missouri State Statute, Missouri Department of Elementary and Secondary regulation, and school board policy, the residual fund balance of the Capital Projects Fund has been assigned for future capital outlay expenditures (including acquisition and improvement costs of equipment, furnishings, land, buildings, vehicles, and buses). The residual fund balance of the General Fund remains unassigned.

District policy requires first the use of restricted, then assigned, and lastly unassigned funds for eligible expenditures, when available.

I.C. 4. CAPITAL LEASE

Capital lease expenditures are presented as current expenditures when incurred. No liabilities are presented in the government-wide of fund financial statements for future capital lease obligations in accordance with the cash basis presentation.

II. DETAILED NOTES ON FUNDS

II.A. ASSETS

II.A.1. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk for deposits is the risk in the event of a bank failure, deposits may not be returned or collateral securities in the possession of an outside party would not be recovered. District policy requires deposits to be 100 percent secured by collateral valued at market less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements must be approved prior to deposit of funds as provide by law. The School Board approves and designates an authorized depository institution based on evaluation of solicited responses and certifications.

District deposits are insured or collateralized with securities pledged by the financial institution and held by the pledging financial institution's agent in the name of the District.

Investments

Investments consist of certificates of deposits which are also secured by FDIC insurance or collateralized with securities pledged by the financial institution and held by the pledging financial institution's agent in the name of the District.

Cash Equivalents

Cash equivalents consist of funds invested in Money Market Accounts with EdwardJones. These investments have original maturities of less than three months and are presented as cash equivalents in the financial statements. These funds are not secured by FDIC insurance or collateral pledges.

District Policy

Credit Risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. Investing activities are managed under the custody of the district treasurer. Investing is performed in accordance with investment policies adopted by the School Board complying with State Statutes. District funds may be invested in collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions when secured by appropriate collateral.

Interest Rate Risk is the risk changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. District policy requires investment maturities are matched with anticipated cash flows. Concentration of Credit Risk is the risk of loss attributed to the magnitude of the investment in a single issuer.

Custodial Credit Risk for investments is the risk the value of investments or collateral securities in the possession of an outside party will not be recovered in the event of failure of the counter party. District policy requires investments to be FDIC insured or collateralized with collateral held by a third party custodian in the district's name with current custodial agreement.

II.A.2. RESTRICTED ASSETS AND RESTRICTED NET POSITION

Net position is restricted for student scholarship expenditures in the amount of \$13,448 and band activity and equipment costs in the amount of \$51,558.

Cash and investments are restricted for student scholarships totaling \$13,448 and \$51,558 for band activity and equipment costs.

II.B. DEBT

Capital Leases

The District's outstanding lease purchase agreements includes a twenty year lease acquired in 2012 in the principal amount of \$1,500,000 for the financing of school facility construction costs. The interest rates for the school building lease vary from 2% to 4.625%. The District entered into a five year lease in 2012 to finance the acquisition of a school bus for \$49,500 at 4.33% interest.

Payment requirements for the capital leases to maturity are:

Year Ending June 30 .	<u>Governmental Activities .</u>	
	<u>Principal</u>	<u>Interest</u>
2014	64,472	56,598
2015	64,882	55,088
2016	70,310	53,284
2017	60,000	51,338
2018	60,000	49,538
2019-2023	335,000	215,831
2024-2028	410,000	144,719
2029-2032	395,000	46,125
Total	<u>\$1,459,664</u>	<u>\$672,521</u>

Principal and interest payments are presented as current expenditures when incurred in the government-wide Statement of Activities-Cash Basis and the Capital Projects Fund Statement of Cash Basis Receipts, Disbursements, and Changes in Cash Basis Fund Balance in accordance with the cash basis presentation.

Capital lease activity for the fiscal year is:

	<u>Balance 7/1/12</u>	<u>Amount Borrowed</u>	<u>Amount Repaid</u>	<u>Balance 6/30/13</u>	<u>Due within One Year</u>
Primary Government					
<u>Governmental Activities</u>					
School Building Lease	\$1,500,000	\$ -0-	\$ 70,000	\$1,430,000	\$ 55,000
School Bus Lease	38,743	-0-	9,078	29,664	9,472
Total	<u>\$1,538,743</u>	<u>\$ -0-</u>	<u>\$ 79,078</u>	<u>\$1,459,664</u>	<u>\$ 64,472</u>

II.C. TRANSFERS WITHIN THE REPORTING ENTITY

Transfers within the District are substantially for the purposes of subsidizing operating functions and funding capital projects and asset acquisitions. Resources are accumulated in a fund to support and simplify the administration of various projects and programs.

Transfers are eliminated from the government-wide Statement of Activities-Cash Basis. Transfers are presented in the Statements of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Governmental Funds.

The District transferred \$677,789 from the General Fund to the Teachers' Fund to fund deficit spending for the fiscal year. The District also transferred \$245,733 from the General Fund to the Capital Projects Fund for bus lease purchase payments, grant match expenditures, and facility construction costs. The transfers consisted of a Teachers Fund transfer of \$677,789, a Transportation Calculated Cost transfer of \$35,435, a Grant Match transfer of \$4,541, and a 7% xSATxWADA transfer of \$205,757.

The following schedule presents transfers within the District for fiscal year ended June 30, 2013:

<u>Transfers From</u> <u>Primary Government</u>	<u>Transfers To</u>	
	<u>Governmental Activities</u> <u>Major Governmental Funds</u>	
	<u>Teachers</u>	<u>Capital Projects</u>
Governmental Activities General	<u>\$ 677,789</u>	<u>\$245,733</u>

II.D. REVENUES AND EXPENDITURES

II.D.1. TAXES, ASSESSED VALUATION, PROPERTY TAX LEVY RATE, AND LEGAL BOND DEBT MARGIN

Taxes

Property taxes are levied on November 1 and payable by December 31. Property taxes levied attach as an enforceable lien on real property on January 1. Jasper and Barton County governments assess and collect property taxes levied by the District.

Sales Tax revenues collected by the State of Missouri are remitted to the District based on eligible pupil data.

Assessed Valuation

Assessed valuation of taxable property within the taxing authority of the District for tax year 2012 for the purpose of local taxation is:

Residential	\$ 15,527,040
Agricultural	6,507,960
Commercial	3,024,610
Personal	<u>10,609,965</u>
Total	<u>\$35,669,575</u>

Property Tax Levy Rate

The property tax levy rate per \$ 100 of assessed valuation of taxable property within the taxing authority of the District for tax year 2012 for the purpose of local taxation is:

	<u>Unadjusted</u>	<u>Adjusted</u>
General	\$ 3.4837	\$ 3.21
Teachers	-0-	-0-
Capital Projects	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 3.4837</u>	<u>\$ 3.21</u>

Current and delinquent property tax receipts during the fiscal year aggregated 100 percent of the assessment for 2012.

Legal Bond Debt Margin

The Missouri Constitution limits the outstanding amount of authorized general obligation bonds to 15 percent of the assessed valuation of taxable property within the tax authority of the District. The legal bond debt margin of the District at June 30, 2013 is:

Constitution debt limit	\$ 5,350,436
General obligation bonds payable	-0-
Amount available in Debt Service Fund	<u>-0-</u>
Legal Bond Debt Margin	<u>\$ 5,350,436</u>

II.D.2. COMPENSATED ABSENCES COMPENSATION

Compensation for employee vacation time, personal days, and sick leave are presented as expenditures in the year paid. Unused accrued amounts vested in the employee are payable upon termination.

II.D.3. TEACHERS' SALARIES

Payroll checks written and dated in June, 2013, for July and August, 2013 teachers and administrators payrolls from 2012-13 contracts are presented in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

III. EMPLOYEE RETIREMENT PLAN

Jasper County R-V School District contributes to Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by Public School Retirement System of Missouri are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of Missouri Revised Statutes. The statutes assign responsibility for administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members were required to contribute 14.5% of their covered salary and benefits. Jasper County R-V School District was required to contribute an equal matching amount. The contribution requirements of the members and Jasper County R-V School District are established and may be amended by PSRS Board of Trustees. The district's contributions to PSRS for the fiscal year were \$313,097, equal to the required contributions. The required amount was withheld from qualifying employee's earnings and contributed to PSRS also.

Jasper County R-V School District also contributes to Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees who work 20 or more hours per week and who do not contribute to Public School Retirement System of Missouri. Positions covered by Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of Missouri Revised Statutes. The statutes assign responsibility for the administration of system to the Board of Trustees of Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial

statements and required supplementary information. The report may be obtained by writing to: Public Education Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members were required to contribute 6.86% of their covered salary and benefits. Jasper County R-V School District was required to contribute an equal matching amount. The contribution requirements of the members and Jasper County R-V School District are established and may be amended by PSRS Board of Trustees. The district's contributions to PEERS for the fiscal year were \$35,525, equal to the required contributions. The required amount was withheld from qualifying employees earnings and contributed to PEERS also.

The following schedule presents retirement system contribution rates and employer dollar contributions for fiscal years ended June 30, 2011, 2012, and 2013. The District has paid all required retirement contributions during these periods.

Year	PSRS		PEERS	
	Contribution Rate	Contribution Amount	Contribution Rate	Contribution Amount
2011	14%	\$ 303,655	6.63%	\$ 35,788
2012	14.5%	\$ 326,832	6.86%	\$ 33,327
2013	14.5%	\$ 313,097	6.86%	\$ 35,525

IV. RISK MANAGEMENT

The District can be exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC), a Protected, Self-Insurance Program of Missouri Public School Districts with 467 members. The District pays an annual assessment to be a member of this risk-sharing group. The assessment is used to pay for losses, administrative expenses, risk management services, and excess insurance contracts. MUSIC is allowed to make additional assessments to its members for shortfalls. MUSIC provides comprehensive property, casualty, liability, and workmen compensation coverage to limit the risk of loss from such events. Jasper County R-V School District assessment for calendar year 2013 is \$53,105.

V. CONTINGENCIES

V.A. CLAIMS AND LITIGATION

The District can be exposed to potential litigation in the course of business. Management is unaware of pending or threatened claims or litigation which could represent any significant losses for the District.

V.B. FEDERAL AND STATE GRANTS

The District received federal and state grants for specific purposes which can be subject to review and audit by the granting agency. Reviews and audits could result in required reimbursements by the District or withholding of future grant funds for noncompliance with terms of the grants. Management is unaware of any noncompliance in the district's grant programs.

V.I. PRIOR PERIOD ADJUSTMENT

The Statement of Net Position presents a prior period adjustment of \$62,387 restating net position at June 30, 2012 from \$2,384,837 to \$2,447,224. The Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund balances-Governmental Funds presents the prior period adjustment of \$62,387 in the General Fund restating fund balance at June 30, 2012 from 1,660,726 to \$1,722,663. The adjustment results from writing off an outstanding check issued in the prior year.

V.I.I. SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, Jasper County R-V School District has evaluated subsequent events through December 18, 2013 which is the date these financial statements were available to be issued. No events requiring recognition or disclosure in these financial statements were identified during the evaluation.

REQUIRED SUPPLEMENTAL INFORMATION

JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
GENERAL (INCIDENTAL) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(UNAUDITED)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Revised Budget to Actual Variance</u>
REVENUES:				
Local	\$ 1,069,000	\$ 1,417,808	\$ 1,417,808	\$
County	60,000	62,625	62,625	
State	149,600	206,385	206,385	
Federal	297,526	360,070	360,070	
Investment income	9,000	9,441	9,441	
Rec'd other districts	200			
Total Revenues	<u>1,585,326</u>	<u>2,056,329</u>	<u>2,056,329</u>	
EXPENDITURES:				
Instruction	446,774	465,584	465,584	
Student services	113,601	107,999	107,999	
Instructional staff support	30,900	33,982	33,982	
Building administration	66,871	63,836	63,836	
Genl admin & central serv	92,947	100,182	100,182	
Operation of plant	523,128	525,830	525,830	
Transportation	188,980	190,172	190,172	
Food service	189,403	181,417	181,417	
Community services	26,141	24,025	24,025	
Total Expenditures	<u>1,678,745</u>	<u>1,693,027</u>	<u>1,693,027</u>	
REVENUES OVER (UNDER) EXPENDITURES	(93,419)	363,302	363,302	
FUND BALANCES, BEGINNING OF YEAR	1,660,726	1,660,726	1,660,726	
PRIOR PERIOD ADJUSTMENT		62,387	62,387	
TRANSFERS IN (OUT)	<u>(602,341)</u>	<u>(923,521)</u>	<u>(923,521)</u>	
FUND BALANCES, END OF YEAR	<u>\$ 964,966</u>	<u>\$ 1,162,894</u>	<u>\$ 1,162,894</u>	<u>\$</u>

The accompanying Notes to Required Supplemental Information are an integral part of this statement.

JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE (TEACHERS') FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(UNAUDITED)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Revised Budget to Actual Variance</u>
REVENUES:				
Local	\$ 400,000	\$ 414,706	\$ 414,706	\$
County		12,506	12,506	
State	1,630,000	1,586,632	1,586,632	
Federal	80,000	18,137	18,137	
Investment income		5	5	
Received from other districts	100	6,124	6,124	
Total Revenues	<u>2,110,100</u>	<u>2,038,110</u>	<u>2,038,110</u>	
EXPENDITURES:				
Instruction	2,129,196	2,131,027	2,131,027	
Student services	230,298	221,115	221,115	
Instructional staff support	51,860	49,190	49,190	
Building administration	154,447	159,964	159,964	
Genl admin & central serv	98,729	95,903	95,903	
Operation of plant				
Transportation		11,000	11,000	
Food service				
Community services	47,911	47,700	47,700	
Facilities acq.				
Total Expenditures	<u>2,712,441</u>	<u>2,715,899</u>	<u>2,715,899</u>	
REVENUES OVER (UNDER)	(602,341)	(677,789)	(677,789)	
EXPENDITURES				
FUND BALANCES, BEGINNING OF YEAR				
TRANSFERS IN	<u>602,341</u>	<u>677,789</u>	<u>677,789</u>	
FUND BALANCES, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

The accompanying Notes to Required Supplemental Information are an integral part of this statement.

**JASPER COUNTY R-V SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

I.A. BUDGETARY INFORMATION

I.A.1. BUDGET POLICY AND PRACTICE

The Superintendent presents budgets to the School Board as required by district policy and in accordance with Missouri Budget Statute. Public hearings are held to address priorities and allocation of resources. The School Board adopts fiscal year budgets for the governmental funds. The School Board may amend the legally adopted budgets when unexpected modifications are required in estimated revenues and appropriations.

I.A.2 BASIS OF BUDGETING

Each fund's appropriated budget is presented on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by function and class as follows: salaries, employee benefits, purchased services, supplies, capital outlay, debt services, and transfers. Budget revisions at this level are subject to final review by the School Board. The legal level of control is by fund. Expenditures may not exceed appropriations at the fund level.

The budgets for the governmental funds are presented on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected. Expenditures are budgeted in the year payment is expected to be incurred. The budget and actual financial statements are presented on this basis. Unencumbered appropriations for budgeted funds lapse at fiscal year-end.

SUPPLEMENTAL INFORMATION

JASPER COUNTY R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(UNAUDITED)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Revised Budget to Actual Variance</u>
REVENUES:				
Local	\$	\$	\$	\$
County				
State				
Federal	700,000	667,665	667,665	
Investment income				
Other	200	5,050	5,050	
Total Revenues	<u>700,200</u>	<u>672,715</u>	<u>672,715</u>	
EXPENDITURES:				
Instruction	73,520	50,196	50,196	
Student services		1,412	1,412	
Instructional staff support				
Building administration	3,000	1,303	1,303	
Genl admin & central serv	500	500	500	
Operation of plant	45,000	59,338	59,338	
Transportation				
Food service	4,000	259	259	
Community services				
Facilities acq.	200,000	1,183,300	1,183,300	
Debt Services:				
Principal	120,000	79,078	79,078	
Interest		42,008	42,008	
Total Expenditures	<u>446,020</u>	<u>1,417,394</u>	<u>1,417,394</u>	
REVENUES OVER (UNDER)	254,180	(744,679)	(744,679)	
EXPENDITURES				
FUND BALANCES,	724,111	724,111	724,111	
BEGINNING OF YEAR				
TRANSFERS IN		245,732	245,732	
FUND BALANCES,				
END OF YEAR	<u>\$ 978,291</u>	<u>\$ 225,164</u>	<u>\$ 225,164</u>	<u>\$</u>

The accompanying Notes to Required Supplemental Information are an integral part of this statement.

JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF REVENUE BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General (Incidental) Fund	Special Rev (Teachers') Fund	Capital Projects Fund	Total (Memorandum Only) June 30, 2013
LOCAL:				
Property taxes	\$ 1,145,796	\$	\$	1,145,796
Sales taxes		399,431		399,431
Financial Inst. Tax	13			13
M & M Surtax	59,870			59,870
In Lieu of Tax	492			492
Earnings on investment	9,441	5		9,447
Food service	59,781			59,781
Student activities	126,744			126,744
Community Services		15,275		15,275
Other local	25,111			25,111
Total Local	<u>1,427,248</u>	<u>414,711</u>		<u>1,841,960</u>
COUNTY:				
Fines, escheats, etc.		12,506		12,506
State assessed utilities	62,625			62,625
Total County	<u>62,625</u>	<u>12,506</u>		<u>75,131</u>
STATE:				
Basic formula-state monies		1,503,769		1,503,769
Transportation	45,237			45,237
Basic Formula-Classroom Trust Fund	88,820	82,863		171,683
Edctnal Screening/PAT	11,405			11,405
Career Education	26,833			26,833
Food service	2,215			2,215
Missouri preschool project	31,875			31,875
Total State	<u>206,385</u>	<u>1,586,633</u>		<u>1,793,017</u>
FEDERAL:				
Medicaid	1,067			1,067
Ind with disabilities (IDEA)	99,340			99,340
School Lunch Program	103,061			103,061
School Breakfast Program	27,209			27,209
Title I-ESEA	101,456	18,137		119,593
Title II,A,ESEA	27,937			27,937
Title VI,B, Rural Education			20,049	20,049
FEMA-Hazard Mitigation Grant			647,616	647,616
Total Federal	<u>360,070</u>	<u>18,137</u>	<u>667,665</u>	<u>1,045,872</u>
OTHER:				
Sale of Surplus property			5,050	5,050
Received from other dist		6,124		6,124
TOTAL REVENUES	<u>\$ 2,056,328</u>	<u>\$ 2,038,110</u>	<u>\$ 672,715</u>	<u>\$ 4,767,154</u>

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
YEAR FISCAL ENDED JUNE 30, 2013**

	<u>General (Incidental) Fund</u>	<u>Special Rev (Teachers') Fund</u>	<u>Capital Projects Fund</u>	<u>Total Memorandum Only</u>
Salaries	\$ 597,077	\$ 2,050,468	\$	\$ 2,647,545
Employee benefits	176,825	538,279		715,104
Purchased services	391,977	127,152		519,129
Supplies	527,149			527,149
Capital outlay			1,296,308	1,296,308
Other objects	<u> </u>	<u> </u>	121,086	<u>121,086</u>
TOTAL	\$ <u>1,693,028</u>	\$ <u>2,715,899</u>	\$ <u>1,417,394</u>	\$ <u>5,826,321</u>

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FISCAL YEAR ENDED JUNE 30, 2013**

Type of audit performed: Yellow Book: Single Audit: X.

1. Calendar (Sections 160.041 and 171.031, RSMo)

- A. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during the school year was:

K - 12 1109.76

- B. The number of days classes were in session and pupils were under the direction of the teachers during this school year was 174.

2. Average Daily Attendance (ADA)

Regular term average daily attendance (ADA)

K-12	443.40
Remedial	1.43
Summer School	<u>16.40</u>
Total average daily attendance	<u>461.23</u>

3. September Membership

September Membership FTE Count 450.5

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

State FTE Total

Free	185.0
Reduced	<u>56.0</u>
Total	<u>241.0</u>

5. Finance

- A. As required by Section 162.401 RSMo, a bond has been purchased for the district treasurer in the total amount of: \$50,000

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

- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011 RSMo. N/A
- 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 expenditures date for the projects to be undertaken. N/A
- 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

All above "false" answers must be supported by a finding or management letter comment.

Finding #: N/A.

Management Letter Comment #: N/A.

6. Transportation (Section 163.161, RSMo)

- A. The school 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 so maintained as 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 | <u>223.0</u> |
| •Ineligible ADT | <u>0.0</u> |
- D. The district's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year. True

E. Actual odometer records show the total district operated and contracted mileage for the year was: 97,016

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	<u>69,129</u>
• Ineligible Miles	<u>27,887</u>

F. Number of days the District operated the school transportation system during the regular school year. 174

All above "False" answers must be supported by a finding or management letter comment.

Finding #: N/A.

Management Letter Comment #: N/A.

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COST
ELIGIBLE FOR STATE AID
FISCAL YEAR ENDED JUNE 30, 2013**

	<u>District Owned</u>
Certificated salaries	\$ 18,911
Noncertified salaries	75,044
Employee benefits	12,519
Purchased services	18,489
Supplies	75,220
Depreciation	29,830
Total Allowable Costs	\$ <u>230,013</u>
Administrative cost allocation	\$ <u>11,000</u>
Non-Allowable transportation expenditures	\$ <u>989</u>
Missouri State Transportation Aid Revenue	\$ <u>45,237</u>
School Bus Lease/Purchase	
Principal	\$ 9,078
Interest	<u>1,679</u>

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2013**

Program Title	Federal CFDA Number	Pass-through Entity ID Number	Expenditure
U.S. DEPARTMENT OF AGRICULTURE			
Passed-through Missouri Department of Elementary and Secondary Education			
School Lunch Program	10.555	049-137	\$ 91,153
School Breakfast Program	10.553	049-137	23,801
Commodity Supplemental Food Program	10.565	049-137	18,280
Total U.S. Department of Agriculture			<u>133,234</u>
U.S. DEPARTMENT OF EDUCATION			
Passed-through Missouri Department of Elementary and Secondary Education			
Title I,A	84.010A	049-137	127,111
Title II,A,Improving Teacher Quality	84.367A	049-137	28,076
Special Education,Part B,Entitlement	84.027A	049-137	91,782
Direct funding:			
Title VI, B Small Rural Schools	84.358B	N/A	20,049
Total U.S. Department of Education			<u>267,018</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed-thru Missouri State Emergency Management Agency			
Hazard Mitigation Grant	97.039	HMGP DR-1822-MO Project #0005	<u>525,504</u>
Total Expenditures of Federal Awards			\$ <u>925,756</u>

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**JASPER COUNTY R-V SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

A. Basis of Presentation

The Schedule of Expenditures of Federal Awards of Jasper County R-V School District is presented using the cash basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133.

B. Noncash Expenditures

The Schedule of Expenditures of Federal Awards presents noncash expenditures for the Commodity Supplemental Food Program. The program expenditures have been presented at fair market value of commodity received during the fiscal year.

C. Federal Catalogue of Federal Domestic Assistance (CFDA) Numbers

The CFDA numbers included in the Schedule of Expenditures of Federal Awards were determined based on Missouri Department of Elementary and Secondary Education data and/or Office of Management and Budget's Catalog of Federal Domestic Assistance.

D. Program Types

Each program, including clusters of programs, with expenditures in excess of \$300,000 are considered Type A programs. Those with expenditures of less than \$300,000 are considered Type B programs.

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF RESOLUTIONS OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Finding 2012-1 – Internal Control

Condition: The accounting function lacks adequate segregations of duties and responsibilities in the payroll, expenditures, and receipts accounting cycles. The bookkeepers responsibilities include authorization, recording, and reporting of financial data.

Resolution: Budget constraints limit the application of an ideal segregation duties and responsibilities in the accounting function. Management assumes an active role by routinely reviewing accounting data.

Finding 2012-2 – Internal Control

Condition: The District lacks personnel with experience and training to prepare the financial statements and required note disclosures for the financial reporting process.

Resolution: Budget constraints and availability of trained and experienced personnel limit the ability employ personnel with experience and training to prepare the financial statements or outsource the preparation of the financial statements. The District provides training to employees designated to oversee the preparation of the financial and the financial reporting process.

**JASPER COUNTY R-V SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

I. SUMMARY OF AUDITOR'S RESULTS

- a. Unqualified opinion issued on the financial statements.
- b. Two material weaknesses disclosed during the audit of the financial statements were reported in the Report on Internal Control over Financial Reporting, Compliance, and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- c. No noncompliance material to the financial statements.
- d. No significant deficiencies in internal control over compliance for major programs.
- e. Unqualified opinion issued on compliance for major programs.
- f. No audit findings required to be reported under OMB Circular A-133, subsection .510.
- g. Major programs:

Hazard Mitigation Grant	97.039
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- h. Dollar threshold used to distinguish between Type A and Type B programs is \$300,000.
- i. Auditee did not qualify as a low-risk auditee.

II. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2013-1 – Internal Control

Condition: The accounting function lacks adequate segregations of duties and responsibilities in the payroll, expenditures, and receipts cycles. The bookkeepers' responsibilities include authorization, recording, and reporting of financial data.

Questioned Cost: Unknown

Effect: Increases risk misstatements material to the financial statements may not be prevented or detected and corrected on a timely basis by employees in the normal course of performing their assigned responsibilities.

Cause: Insufficient number of personnel in the accounting function to provide ideal segregations of duties.

Recommendation: Management should routinely review accounting and financial data to provide additional safeguards to timely detect and correct misstatements. The District should evaluate the implementation of additional segregations of duties in the accounting function. The District should cross-train employees in the administrative offices.

Management's Response: Budget constraints limit the application of an ideal segregation of duties in the accounting function. The District will evaluate additional feasible segregations in the accounting function. The District will cross-train employees in the accounting function. Management will routinely review accounting information.

Finding 2013-2 – Internal Control

Condition: The District lacks personnel with the experience and training to prepare the financial statements and required note disclosures for the financial reporting process.

Questioned Cost: Unknown

Effect: Increases risk management could assume responsibility for the financial statements without sufficiently understanding the financial statements. This could result in an impairment of independence when the auditor prepares the financial statements.

Cause: District relies on the auditor to prepare financial statements and required note disclosures.

Recommendation: The District should provide additional training to personnel designated to oversee the financial statement preparation. The District could employ personnel with experience and training to prepare the financial statements or outsource the preparation of the financial statements to an accounting firm for which independence would not be a requirement.

Response: Budget constraints and availability of experienced and trained personnel limit the ability to employ personnel with experience and training to prepare the financial statements or outsource their preparation. The District will provide additional training to personnel designated to oversee the preparation of the financial statements.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**JASPER COUNTY R-V SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Finding 2013-1 – Internal Control over Financial Reporting

Management will evaluate additional segregations of duties in the accounting function. The District will cross train employees in the accounting function. Management will assume an active role in the accounting function by routinely reviewing accounting data.

Finding 2013-2 – Internal Control over Financial Reporting

The District will provide additional training for employees assigned the responsibility of overseeing and evaluating the preparation of the financial statements. The District does not foresee employing personnel with experience and training to prepare the financial statements a feasible alternative. The District may consider out-sourcing the preparation of the financial statements when such is required to maintain auditor independence.