

**Rock Port R-2 School District
of Atchison County, Missouri
Rock Port, Missouri**

**Annual Financial Statements
And Accompanying Auditor's Report**

For the Year Ended June, 2020

Rock Port R-2 School District of Atchison County, Missouri
Annual Financial Statements
And Accompanying Auditor's Report
For the Year Ended June, 2020

Table of Contents

	Page
Section I: Financial Information	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	11
Statement of Activities – Modified Cash Basis	12
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Statement of Assets, Liabilities and Fund Balances – Modified Cash Basis	13
Statement of Receipts, Disbursements, and Changes in Fund Balances – Modified Cash Basis	14
Notes to Financial Statements	15
Supplementary Information:	
Schedule of Receipts by Source – Modified Cash Basis	34
Schedule of Disbursements by Object - Modified Cash Basis	35
Other Information:	
Budgetary Comparison Schedules – Modified Cash Basis:	
General Fund	36
Special Revenue Fund	37
Debt Service Fund	38
Capital Projects Fund	39
Notes to the Budgetary Comparison Schedules	40

Rock Port R-2 School District of Atchison County, Missouri
Annual Financial Statements
And Accompanying Auditor's Report
For the Year Ended June, 2020

Table of Contents

	Page
Section II: Other Reporting Required by <i>Government Auditing Standards</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41
Schedule of Findings and Responses	43
Section III: State Compliance Information	
Independent Practitioner's Report on Management's Assertion about Compliance with Specified Requirements of Missouri Laws and Regulations	44
Schedule of State Findings	45
Schedule of Selected Statistics	46

Section I

Financial Information

Danny L. Marsh, C.P.A.
504 E. US Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
Fax (660) 582-4132
espeyt@asde.net
dannen.merrill@mem.tax

Independent Auditor's Report

To the Board of Education
Rock Port R-2 School District of Atchison County, Missouri
Rock Port, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Rock Port R-2 School District of Atchison County, Missouri, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that this 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Rock Port R-2 School District of Atchison County, Missouri, as of June 30, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rock Port R-2 School District of Atchison County, Missouri's financial statements. Management's discussion and analysis, the budgetary comparison information, schedule of receipts by source-modified cash basis, and schedule of disbursements by object-modified cash basis are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of receipts by source-modified cash basis and schedule of disbursements by object-modified cash basis presented on pages 34-35 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of receipts by source-modified cash basis and schedule of disbursements by object-modified cash basis are fairly stated in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Management's discussion and analysis and budgetary comparison information presented on pages 4-10 and 36-40, respectively, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of Rock Port R-2 School District of Atchison County, Missouri'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 Rock Port R-2 School District of Atchison County, Missouri'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 Rock Port R-2 School District of Atchison County, Missouri's internal control over financial reporting and compliance.

Marsh, Espey & Merrill, P.C.

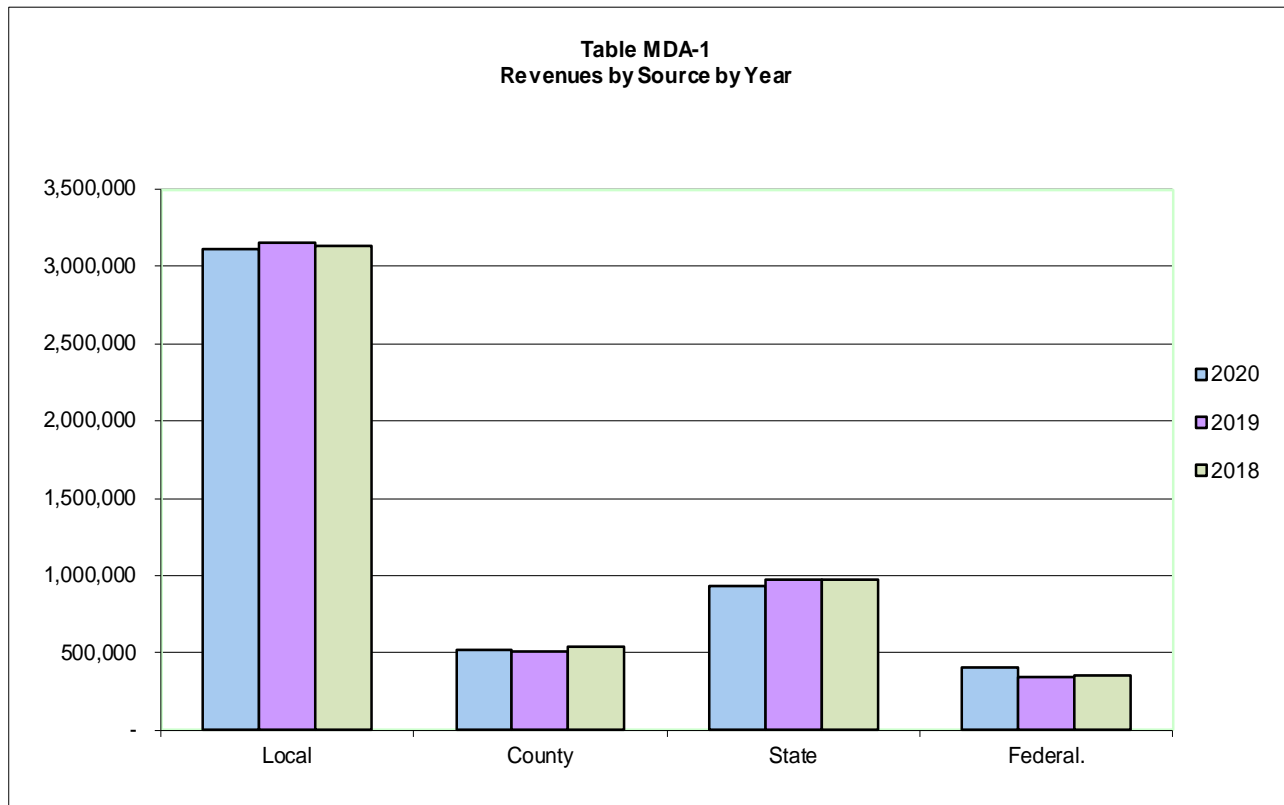
Maryville, Missouri
December 2, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the District’s financial performance provides an overview of the District’s financial activity for the fiscal year ended June 30, 2020. Please read it in conjunction with the District’s financial statements, notes to the financial statements, and supplementary and other information, which immediately follow this section.

Financial Highlights

- The unrestricted ending fund balance was \$1,265,338. This was an increase of \$81,718 from the previous fiscal year. The unrestricted ending fund balance increased from 30.23% to 32.07%. The percentage increase was due primarily to a decrease in overall expenditures at the end of the school year. Although state revenues were cut, overall expenditures due to COVID-19 dropped once students were educated virtually.
- Our operating levy this year was \$4.0984, remaining the same as the past year. This year’s debt service levy of \$0.8218, remaining the same as the past year.
- Our local property tax revenue was \$2,307,435, of which \$385,402 was for debt service.
- Our county tax receipts were \$515,300.
- Revenues were down this year, specifically due to cuts from our Governor due to the COVID-19 pandemic. Our receipts from the State were \$933,327.
- Total federal revenue was \$408,403. This amount also includes IRS rebates for interest payments on the QSCB and QZAB bonds in the amount of \$87,350.



Overview of the Financial Statements

This financial section of the annual report consists of three parts:

- Management’s discussion and analysis (this section),
- Financial statements (district-wide and fund financial statements) including notes to financial statements, and
- Supplementary information and Other information

The financial statements consist of two different kinds of statements that present different views of the District’s financial activities.

- District-wide financial statements – provide both short-term and long-term information about the District’s overall financial status. The district-wide statements include the Statement of Net Position and Statement of Activities.
- Fund financial statements – focus on *individual funds* of the District and report the District’s operations in more detail than the district-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information and other information that further explains and supports the financial statements.

The major features of the District’s financial statements are shown in Table MDA – 2.

Table MDA-2		
Major Features of the District-Wide and Fund Financial Statements		
	District-Wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire district	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required Financial Statements	Statement of net position	Statement of assets, liabilities and fund balances
	Statement of activities	Statement of receipts, disbursements and changes in fund balances
Accounting basis and measurement focus	Modified cash basis of accounting and economic resources focus	Modified cash basis of accounting and current financial resources focus

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District’s *net position* and how they have changed. Net position (the difference between the District’s assets and liabilities) is one way to measure the District’s overall financial position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District’s overall financial position, additional non-financial indicators, such as changes in the District’s property tax base and the condition of its school buildings and other facilities, should be considered.

In the district-wide financial statements, the District’s activities are categorized as *Governmental activities*.

Governmental activities – all of the District’s basic services are included here, such as regular and special education, support services including operation of plant, transportation, food service operations, and administration. These activities are primarily financed by property taxes, sales tax, state formula aid and grants.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. All funds are required by state law.

Governmental funds: All of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balance left at year-end that is available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

Financial Analysis of the District as a Whole

The net position of the District is summarized in Table MDA – 3 as follows:

Table MDA - 3		
	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Cash	\$ 1,348,507	\$ 1,183,620
Restricted assets:		
Cash	187,495	152,797
Investments held by escrow agents	186,753	187,661
Investments	<u>1,431,817</u>	<u>1,204,176</u>
Total assets	<u>3,154,572</u>	<u>2,728,254</u>
Cash written in excess of cash balances	<u>83,170</u>	-
Total liabilities	<u>83,170</u>	-
Net position		
Restricted for:		
Debt service - taxes levied to retire debt	1,618,569	1,391,837
Student activities	96,918	77,662
STEM program	59,451	75,135
Career education	31,126	-
Unrestricted	<u>1,265,338</u>	<u>1,183,620</u>
Total net position	<u>\$ 3,071,402</u>	<u>\$ 2,728,254</u>

As shown in Table MDA – 3, the District’s total net position was \$3,071,402, as of June 30, 2020. The unrestricted net position consists of Capital Projects fund balance of \$117,160 and General Fund balance of \$1,148,178, of which \$184,640 is assigned to next year’s appropriations.

Governmental Activities

The financial activities of the District for the year ended June 30, 2020 are compared with the change in net position from the year ended June 30, 2019 in Table MDA – 4 below:

Table MDA - 4						
Functions	2020			2019		
	Disbursements	Program Receipts	Net Disbursements	Disbursements	Program Receipts	Net Disbursements
Regular instruction	\$ 1,667,267	\$ 120,928	\$ 1,546,339	\$ 1,628,101	\$ 86,522	\$ 1,541,579
Special education instruction	279,952	63,095	216,857	246,285	75,335	170,950
Career education programs	97,238	6,168	91,070	106,916	6,322	100,594
Student activities	260,120	135,338	124,782	323,076	144,612	178,464
Other instruction	202,114	93,072	109,042	190,320	69,062	121,258
Support services - pupils	192,111	1,383	190,728	188,457	-	188,457
Instructional staff support	62,835	7,151	55,684	61,797	8,276	53,521
Building level administration	229,904	-	229,904	225,976	-	225,976
General administration	380,294	5,267	375,027	337,713	5,174	332,539
Operation of plant	429,325	2,500	426,825	421,094	-	421,094
Transportation	161,879	26,561	135,318	172,153	34,254	137,899
Food service	168,652	167,849	803	178,617	172,082	6,535
Community services	98,589	37,192	61,397	115,551	46,199	69,352.0
Facilities acq and construction	7,485	-	7,485	-	-	-
Principal	188,704	-	188,704	2,837,941	-	2,837,941
Interest and fees	196,425	87,350	109,075	319,126	87,025	232,101
Total governmental activities	<u>\$ 4,622,894</u>	<u>\$ 753,854</u>	<u>3,869,040</u>	<u>\$ 7,353,123</u>	<u>\$ 734,863</u>	<u>6,618,260</u>
General receipts:						
Taxes:						
Property			2,307,435			2,289,178
School district trust fund (Prop C)			346,138			334,570
Financial Institution			2			431
M & M surtax			54,787			55,467
In lieu of tax			34,082			31,728
Fines, escheats, etc.			65,258			78,693
State assessed utilities			450,042			428,407
Basic formula - state monies			618,881			634,287
Basic formula - classroom trust fund			111,987			137,653
Small schools grant			155,507			151,874
Earnings on investments			55,526			99,266
Sale of property			574			-
Other			11,969			3,368
Total general receipts			<u>4,212,188</u>			<u>4,244,922</u>
Change in net position			343,148			(2,373,338)
Net position, beginning of year			<u>2,728,254</u>			<u>5,101,592</u>
Net position, end of year			<u>\$ 3,071,402</u>			<u>\$ 2,728,254</u>

Rock Port R-II School District primarily relies on local property taxes, sales tax and state aid and grants for funding its governmental activities. Total receipts of the District for FY 2020 were \$4,966,042.

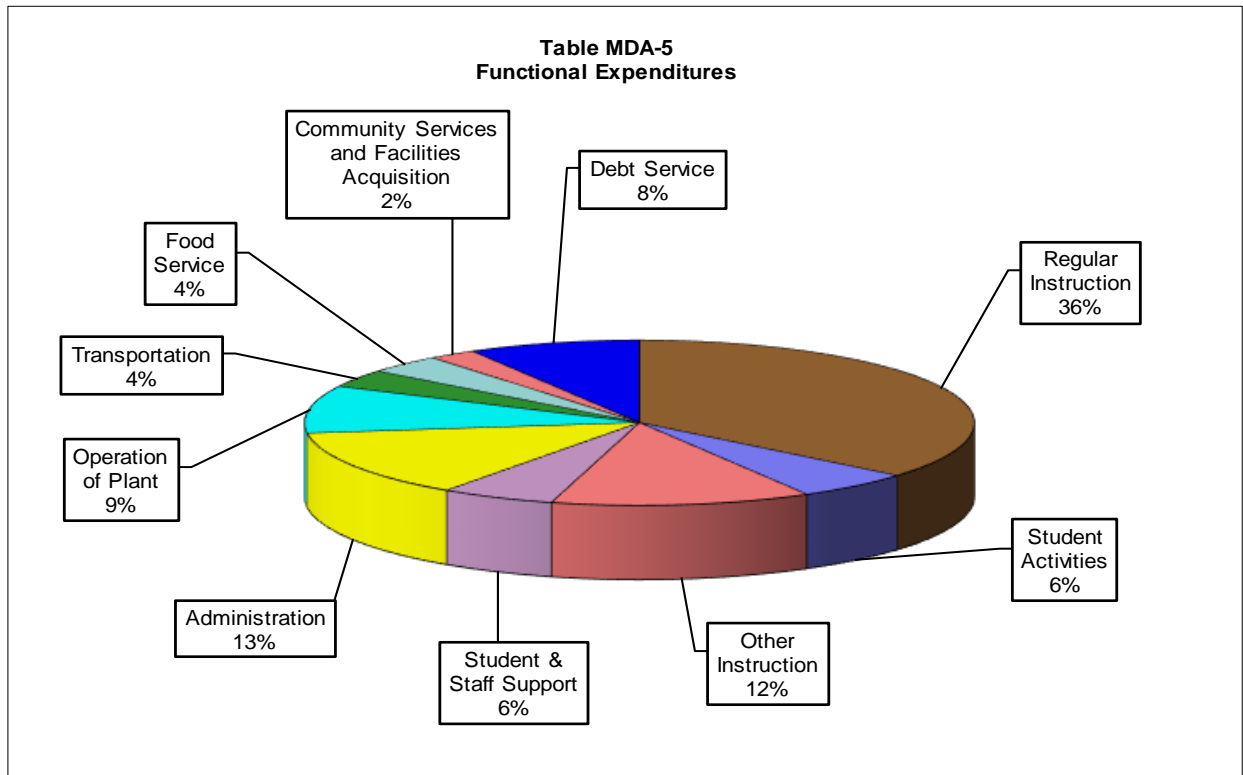
General receipts decreased from \$4,244,922 in FY 2019 to \$4,212,188 in FY 2020 or a decrease of \$32,734. Specific sources of general receipts were as follows: 65.1% coming from local property and sales taxes, 21.1% from basic formula – state monies and classroom trust fund and small school grant, and 12.2% from fines and forfeitures and state assessed utility taxes remitted by the County. The remaining 1.6% came from other sources. Program specific receipts consist of charges for services of \$213,413; operating grants and contributions of \$447,198, capital grants and contributions of \$5,893 and \$87,350 in interest and fees rebates.

Program specific receipts increased from \$734,863 in FY 2019 to \$753,854 in FY 2020 for a total increase of \$18,991. This increase was in regular instruction.

The District's major governmental activities include instruction, instruction support, administration, pupil transportation and food services.

- The cost of all governmental activities this year was \$4,622,894.
- Instruction (this area includes regular, special education and career education programs; student activities; and other instruction) represents 54.2% of the total cost of all governmental activities of the District.
- Support services – pupils and instruction staff support (this area includes guidance, library, health/psychology/speech and attendance services) represents 5.5% of the total costs of all governmental activities of the District.
- Administration (includes board of education, district-wide and building level administrative services, and operation of plant) represents 22.5% of the total costs of all governmental activities.
- Debt service represents 8.3% of the total cost of all governmental activities of the district.
- Transportation represents 3.5% of the total cost of all governmental activities of the District.
- Food service represents 3.7% of the total cost of all governmental activities of the District, and community services and facilities acquisition represent 2.3% of the total cost of all governmental activities.
- The net cost of all governmental activities was \$3,869,040, with \$751,354 of the total costs being financed by receipts generated by the governmental activities.

See Table MDA – 5 for expenditures by function.



Financial Analysis of the District’s Funds

On June 30, 2020, the District’s Incidental and Teachers funds reported combined fund balances of \$1,335,673, which is \$82,780 more than last year’s ending fund balances of \$1,252,893. The District’s original budget showed a net decrease of \$127,758.

The assigned balance of the Capital Projects fund is \$117,160.

General Fund Budgetary Highlights

Total local receipts collected were \$35,518 more than originally budgeted. Savings and reductions varied due to pandemic reasons, but a gift of \$50,000 in Career Ed based money helped the overall positive total.

Total county receipts collected were \$199 more than originally budgeted. County Fines came in lower than expected, but State Assessed Utility money was higher, creating the net.

Total state receipts collected were \$25,682 less than originally budgeted. State revenue withholdings at the end of the year impacted transportation and classroom trust revenues.

Actual federal receipts came in \$32,639 more than originally budgeted. CARES Act money for both teacher salaries and in breakfast and lunch reimbursements accounted for this increase.

Capital Assets

The District operates on a modified cash basis of accounting, therefore capital asset purchases are recorded as an expenditure. Capital assets and depreciation are not recognized in the financial statements. The buildings, land, and equipment are kept clean and well maintained.

Long-Term Debt

As of June 30, 2020, the District had \$5,430,954 of general obligation bonds and a \$91,495 energy loan debt outstanding. See Note 2.B of the notes to financial statements for a more detailed description of transactions and other details for the District's long-term debt.

Economic Factors and Next Year's Budget

The budget for the year to end June 30, 2021 has been prepared and approved by the Board of Education. This budget includes several economic conditions that will produce reasonably certain results:

- Concerns with reduced funding during the COVID-19 pandemic impacted projections for the upcoming year and has caused us to put a few capital projects on hold. Currently it is impossible to estimate where state revenues might fall for the upcoming fiscal year.
- The assessed valuation increased \$41,133 dollars, providing a slight increase in funding for the 2020-21 fiscal year, provided 92% of taxes are paid on time. The District's operating levy was maintained at \$4.0984, holding that levy steady at what it had been the previous year.
- Staff benefits remain the same this year, but will continue to warrant attention. Health care costs continue to rise annually, which may require an increase in benefits in upcoming years. With an anticipated increase in assessed valuation next year due to Gavilon coming on the books, attention will be giving to providing larger staff salary increases if possible.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Superintendent, 600 South Nebraska Street, Rock Port, Missouri 64482.

Government-Wide Financial Statements

Rock Port R-2 School District of Atchison County, Missouri
Statement of Net Position - Modified Cash Basis
June 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash - pooled	\$ 1,348,407.02
Cash - nonpooled	100.00
Restricted assets:	
Cash - pooled	187,495.13
Investments held by escrow agents	186,752.62
Investments - nonpooled	<u>1,431,816.67</u>
 Total assets	 <u>3,154,571.44</u>
Liabilities	
Checks written in excess of cash balances	<u>83,169.60</u>
Total liabilities	<u>83,169.60</u>
Net position	
Restricted for:	
Debt service - taxes levied to retire debt	1,618,569.29
Student activities	96,918.13
STEM program	59,450.96
Career education	31,126.04
Unrestricted	<u>1,265,337.42</u>
 Total net position	 <u>\$ 3,071,401.84</u>

See accompanying notes to financial statements.

Rock Port R-2 School District of Atchison County, Missouri
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2020

Functions	Disbursements	Program Receipts			Net (Disbursements)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
Regular instruction	\$ 1,667,266.95	\$	\$ 116,385.21	\$ 4,542.96	\$ (1,546,338.78)
Special education instruction	279,952.30		63,095.31		(216,856.99)
Career education programs	97,237.65		6,168.00		(91,069.65)
Student activities	260,119.77	106,202.13	29,135.97		(124,781.67)
Other instruction	202,114.07		93,071.61		(109,042.46)
Support services - pupils	192,110.68	32.88		1,350.00	(190,727.80)
Instructional staff support	62,834.78		7,150.60		(55,684.18)
Building level administration	229,903.68				(229,903.68)
General administration	380,293.64	5,267.16			(375,026.48)
Operation of plant	429,325.40		2,500.00		(426,825.40)
Pupil transportation	161,879.57		26,561.00		(135,318.57)
Food services	168,652.44	70,858.74	96,990.10		(803.60)
Community services	98,588.70	31,052.03	6,140.00		(61,396.67)
Facilities acquisition & construction	7,485.49				(7,485.49)
Principal	188,703.59				(188,703.59)
Interest and fees	196,425.49		87,350.09		(109,075.40)
Total governmental activities	\$ 4,622,894.20	\$ 213,412.94	\$ 534,547.89	\$ 5,892.96	(3,869,040.41)
General receipts:					
Taxes:					
Property					2,307,435.31
School district trust fund (Prop C)					346,138.25
Financial institution tax					2.28
M & M surtax					54,786.70
In lieu of tax					34,082.00
Fines, escheats, etc.					65,258.28
State assessed utilities					450,041.89
Total taxes					3,257,744.71
Basic formula - state monies					618,881.03
Basic formula - classroom trust fund					111,987.18
Small schools grant					155,507.00
Earnings on investments					55,525.80
Sale of other property					573.50
Other					11,968.88
Total general receipts					4,212,188.10
Change in net position					343,147.69
Net position, beginning of year					2,728,254.15
Net position, end of year					\$ 3,071,401.84

See accompanying notes to financial statements.

**Fund Financial Statements –
Governmental Funds**

Rock Port R-2 School District of Atchison County, Missouri
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
All Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash - pooled	\$ 1,231,247.30	\$ 0.00	\$ 0.00	\$ 117,159.72	\$ 1,348,407.02
Cash - nonpooled	100.00	0.00	0.00	0.00	100.00
Restricted assets:					
Cash - pooled	187,495.13	0.00	0.00	0.00	187,495.13
Investments held by escrow agents	0.00	0.00	186,752.62	0.00	186,752.62
Investments - nonpooled	0.00	0.00	1,431,816.67	0.00	1,431,816.67
	<u>1,418,842.43</u>	<u>0.00</u>	<u>1,618,569.29</u>	<u>117,159.72</u>	<u>3,154,571.44</u>
Total assets					
Liabilities and Fund Balances					
Liabilities:					
Checks written in excess of cash balances	83,169.60	0.00	0.00	0.00	83,169.60
Total liabilities	<u>83,169.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>83,169.60</u>
Fund balances:					
Restricted for:					
Debt service - taxes levied to retire debt	0.00	0.00	1,618,569.29	0.00	1,618,569.29
Student activities	96,918.13	0.00	0.00	0.00	96,918.13
STEM program	59,450.96	0.00	0.00	0.00	59,450.96
Career education	31,126.04	0.00	0.00	0.00	31,126.04
Assigned to:					
Capital projects	0.00	0.00	0.00	117,159.72	117,159.72
Appropriations	184,640.00	0.00	0.00	0.00	184,640.00
Unassigned	963,537.70	0.00	0.00	0.00	963,537.70
Total fund balances	<u>1,335,672.83</u>	<u>0.00</u>	<u>1,618,569.29</u>	<u>117,159.72</u>	<u>\$ 3,071,401.84</u>
Total liabilities and fund balances	<u>\$ 1,418,842.43</u>	<u>\$ 0.00</u>	<u>\$ 1,618,569.29</u>	<u>\$ 117,159.72</u>	<u>\$ 3,154,571.44</u>

See accompanying notes to financial statements.

Rock Port R-2 School District of Atchison County, Missouri
Statement of Receipts, Disbursements and Changes in
Fund Balances - Modified Cash Basis - All Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 2,338,620.70	\$ 346,138.25	\$ 421,951.20	\$ 1,727.94	\$ 3,108,438.09
County	388,597.29	65,258.28	61,444.60	0.00	515,300.17
State	34,510.02	898,816.87	0.00	0.00	933,326.89
Federal	223,225.94	93,284.25	87,350.09	4,542.96	408,403.24
Total receipts	<u>2,984,953.95</u>	<u>1,403,497.65</u>	<u>570,745.89</u>	<u>6,270.90</u>	<u>4,965,468.39</u>
Disbursements					
Current:					
Instruction:					
Regular programs	134,092.50	1,528,631.49	0.00	4,542.96	1,667,266.95
Special education	148,034.11	131,918.19	0.00	0.00	279,952.30
Career education programs	2,195.68	95,041.97	0.00	0.00	97,237.65
Student activities	160,432.17	99,687.60	0.00	0.00	260,119.77
Other instruction	348.85	201,765.22	0.00	0.00	202,114.07
Support services - pupils	60,538.56	130,146.85	0.00	1,425.27	192,110.68
Instructional staff support	26,425.97	36,408.81	0.00	0.00	62,834.78
Building level administration	66,747.22	163,156.46	0.00	0.00	229,903.68
General administration	268,126.50	112,167.14	0.00	0.00	380,293.64
Operation of plant	405,171.71	0.00	0.00	24,153.69	429,325.40
Pupil transportation	129,478.57	0.00	0.00	32,401.00	161,879.57
Food services	166,021.44	0.00	0.00	2,631.00	168,652.44
Community services	46,114.70	52,474.00	0.00	0.00	98,588.70
Facilities acquisition & construction	0.00	0.00	0.00	7,485.49	7,485.49
Debt service:					
Principal	0.00	0.00	150,000.00	38,703.59	188,703.59
Interest and fees	0.00	0.00	194,014.08	2,411.41	196,425.49
Total disbursements	<u>1,613,727.98</u>	<u>2,551,397.73</u>	<u>344,014.08</u>	<u>113,754.41</u>	<u>4,622,894.20</u>
Excess (deficit) of receipts over disbursements	<u>1,371,225.97</u>	<u>(1,147,900.08)</u>	<u>226,731.81</u>	<u>(107,483.51)</u>	<u>342,574.19</u>
Other financing sources (uses)					
Sale of other property	573.50	0.00	0.00	0.00	573.50
Operating transfers in	0.00	1,147,900.08	0.00	141,120.00	1,289,020.08
Operating transfers out	(1,289,020.08)	0.00	0.00	0.00	(1,289,020.08)
Total other financing sources (uses)	<u>(1,288,446.58)</u>	<u>1,147,900.08</u>	<u>0.00</u>	<u>141,120.00</u>	<u>573.50</u>
Net change in fund balance	82,779.39	0.00	226,731.81	33,636.49	343,147.69
Fund balances, beginning of year	<u>1,252,893.44</u>	<u>0.00</u>	<u>1,391,837.48</u>	<u>83,523.23</u>	<u>2,728,254.15</u>
Fund balances, end of year	<u>\$ 1,335,672.83</u>	<u>\$ 0.00</u>	<u>\$ 1,618,569.29</u>	<u>\$ 117,159.72</u>	<u>\$ 3,071,401.84</u>

See accompanying notes to financial statements.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies

As discussed further in Note 1.C, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of this modified cash basis of accounting.

1.A. Financial Reporting Entity

The District's financial reporting entity comprises the following:

Primary Government: Rock Port R-2 School District of Atchison County, Missouri
Blended Component Units: None
Discretely Presented Component Units: None

Primary Government

Rock Port R-2 School District of Atchison County, Missouri (the District) was established under the Statutes of the State of Missouri. The District operates as a "seven director" district as described in Revised Statutes of Missouri (RSMo), Chapter 162.

1.B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of this modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, net position or fund balance, receipts, and disbursements. The District's funds are organized into the governmental activities category. The District presently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category.

All four of the District's governmental funds are considered "major funds" since state law established these funds and certain restrictions on the transfers between them require the Missouri Department of Elementary and Secondary Education to obtain financial data on each fund.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.B. Basis of Presentation (continued)

The governmental funds of the financial reporting entity are described subsequently:

General Fund – accounts for and reports general activities of the District, including student activities, operation of plant, pupil transportation, and food service, which are not required to be accounted for and reported in another fund.

Special Revenue Funds – account for and report the proceeds of specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District’s only special revenue fund is the Teachers’ Fund.

Teachers’ Fund – accounts for the proceeds of moneys derived from the County School Fund; taxation for teachers’ wages; school district trust fund (Prop C), federal grants, and state moneys received under RSMo section 163.031 that are legally restricted to expenditures for the purpose of teachers’ salaries and benefits and tuition payments to other districts or private agencies.

Debt Service Fund – accounts for and reports the proceeds of property taxes and other receipts restricted, committed, or assigned for the retirement of principal and interest on the District’s long-term debt.

Capital Projects Fund – accounts for and reports the proceeds of long-term debt, taxes and other receipts restricted, committed, or assigned for capital outlays, including the acquisition or construction of major capital assets or other capital items.

1.C. Measurement Focus and Basis of Accounting

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

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported, within the limitations of the modified cash basis.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.C. Measurement Focus and Basis of Accounting (continued)

Measurement Focus (continued)

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to this modified cash basis of accounting, is used as appropriate. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their statements of assets and fund balances. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or statement of assets and fund balances cash transactions or other events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or other event occurred. Such reported balances include nonnegotiable certificates of deposit, investments, and interfund receivables and payables arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables, inventory, and capital assets) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities and long-term debt) are *not recorded* in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or other event (such as postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.D. Financial Position

Cash – consists of deposit accounts (demand, savings, and money market) and petty cash.

Pooled Cash – the District maintains pooled cash accounts that are available for use by all funds with the exception of the Debt Service Fund, which is kept in separate bank and investment accounts. Earnings received are allocated to the contributing funds based on cash balances. When a fund overdraws its share of pooled cash, the overdraft is reported as an interfund payable in that fund.

Restricted Assets – assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The amounts reported as restricted assets comprise amounts set aside for debt service payments, STEM program, and student activities.

Compensated Absences – vacation time, personal business days, and sick leave are considered as disbursements in the year paid and are *not reported* as a liability in the government-wide or fund financial statements. The District's policy allows employees to earn ten sick days annually. The maximum accumulation is 180 days. The sick leave vests and is payable to employees upon termination.

Long-term Debt – long-term debt arising from cash transactions or other events of governmental funds is *not reported* as liabilities in the government-wide or fund financial statements, in accordance with this modified cash basis of accounting. Debt proceeds are reported as other financing sources and the payment of principal and interest are reported as disbursements in the government-wide and fund financial statements.

Net Position/Fund Balance Classifications

Government - Wide Statements

Net position is classified and displayed in two components:

Restricted – consists of net position with restriction constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other net position that does not meet the “restricted” definition.

It is the District’s policy to first use restricted net resources prior to the use of unrestricted net resources when a disbursement is made for purposes for which both restricted and unrestricted net resources are available.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.D. Financial Position (continued)

Net Position/Fund Balance Classifications (continued)

Fund Financial Statements

The difference among assets and liabilities of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable – amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts constrained regarding use from restrictions externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action (resolution) of the Board of Education, the District’s highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has not taken formal action that commits fund balance to a specific purpose prior to the end of the reporting period.

Assigned – amounts constrained by the District’s intent to be used for specific purposes but that are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the District administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – this classification includes the residual fund balance for the General Fund. The “unassigned” classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of “assigned” fund balance amounts.

It is the District’s policy to first use restricted fund balances prior to the use of unrestricted fund balances when a disbursement is made for purposes for which both restricted and unrestricted fund balances are available. It is also District policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when a disbursement is made for purposes for which amounts in those classifications are available to be used, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.D. Financial Position (continued)

Net Position/Fund Balance Classifications (continued)

Fund Financial Statements (continued)

Minimum fund balance policy – for the operating (General and Special Revenue) funds, the policy requires the unassigned fund balance at fiscal year-end to be at least equal to a range of 12-20% of its prior year operating expenditures.

1.E. Receipts and Disbursements

Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the District’s taxpayers are reported as program receipts. The District has the following program receipts in each activity:

Instruction	Tuition; student activities receipts; gifts; early childhood special education and career education state aid; contributions, operating and capital grants from Missouri Department of Elementary and Secondary Education (DESE); and receipts from other sources
Support services	Food service receipts; transportation state aid; operating and capital grants from DESE; and receipts from other sources
Community services	Charges for preschool tuition; operating and capital grants from DESE
Facilities acquisition and construction	Operating and capital grants from DESE; and receipts from other sources
Debt service	Interest credit payments from the United States Treasury

All other governmental receipts are reported as general receipts and include property and other taxes, basic formula–state aid, basic formula–classroom trust fund, small schools grant, earnings on investments, unrestricted contributions, proceeds from issuance of long-term debt for acquisition and construction of facilities, and all other local receipts not classified as program receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

Disbursements

In the government-wide financial statements, governmental fund disbursements are classified by function. In the fund financial statements, governmental fund disbursements are classified by character, and further classified by function. In the fund financial statements, governmental funds report disbursements of financial resources.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 1. Summary of Significant Accounting Policies (continued)

1.F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government - Wide Financial Statements

Interfund activity and balances resulting from cash transaction or other events, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental Activities" column of the Statement of Net Position.

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

Fund Financial Statements

Interfund activity resulting from cash transactions and other events, if any, within the governmental funds is reported as follows in the fund financial statements:

Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

Interfund transfers – Flows of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.G. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the disclosure of compensated absences payable; accordingly, actual results could differ from those estimates.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 2. Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the financial statements for its various assets, liabilities, net position, receipts and disbursements.

2.A. Deposits and Investments

Deposits and Investments Laws and Regulations

State statutes permit the District to invest its monies as follows: 1) obligations of the United States government or any agency or instrumentality, including repurchase agreements; 2) bonds of the state of Missouri, of the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States; 3) under limited circumstances, commercial paper and bankers' acceptances; and 4) deposit accounts with insured financial institutions, provided those accounts are entirely insured by the FDIC or collateralized with certain U.S. Government or Governmental Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit that have a fair value exceeding the deposit amount. As required by 12 U.S.C.A., Section 1823(e), all financial institutions must have a written collateral agreement approved by the board of directors or loan committee.

Deposits

Custodial Credit Risk – The carrying amount of the District's deposits at June 30, 2020 was \$2,967,818.82. The bank balances on June 30, 2020 were \$3,121,436.46. Included in the carrying amount and bank balances are nonnegotiable certificates of deposit totaling \$1,431,816.67. The District's deposits were entirely covered by federal depository insurance (FDIC) or by collateral held by the District's agent in the District's name. For *custodial credit risk* determinations, *deposits* include cash and nonnegotiable certificates of deposit.

Investments

Credit Risk – The District's investment policy limits investment types to United States Treasury Securities, United States Agency Securities, Repurchase Agreements, collateralized Certificates of Deposit, and Bankers' Acceptances and Commercial Paper issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Service or Standard and Poor's.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity to not exceeding 5 years and requires a portion of the portfolio should be continuously invested in readily available funds to insure appropriate liquidity is maintained.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.A. Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk – As a means of limiting its exposure to fair value losses arising from overconcentration of investments, the District’s investment policy 1) limits the amount of investments in certain issuers including U.S. Treasury Securities, collateralized time and demand deposits, U.S. Government Agencies, collateralized repurchase agreements and commercial paper and bankers’ acceptances and 2) establishes maximum allocations by security type.

During the year ended June 30, 2020, the District’s investments consisted of: (1) nonnegotiable certificates of deposit with maturities in excess of three months at the date of purchase and (2) a pro-rata share of an open-ended money-market mutual fund in a financial institution’s trust department relating to a debt trust account. At June 30, 2020, the carrying value and fair value of the pro-rata share of the money-market mutual fund investment totaled \$186,752.61. For purposes of financial reporting, this investment is classified as “investments held by escrow agents.” The money-market mutual fund is not classified regarding custodial credit risk because it is not evidenced by specific investment securities. A further discussion of this investment follows.

Money Market Mutual Fund

Funds on deposit with BOK Financial are invested in Cavanal Hill U.S. Treasury Money Market Fund administrative class shares of which the District has a pro-rata share of the investment. The District is participating in the Missouri School District Direct Deposit Program (the Program). The Program was established in accordance with the provisions of Section 165.051 and Section 360 of the Revised Statutes of Missouri. The Program intercepts a portion of state aid and deposits those funds in the escrow account at BOK Financial (as Direct Deposit Trustee) to provide for payment of principal and interest on the Series 2010B-Q, 2010C-Q, 2014, 2015 and 2017 Bonds when due. As of June 30, 2020, the fund was rated AAAM by Standard & Poor’s and Aaa by Moody’s.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.B. Long-Term Obligations

Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2020:

	Beginning balance	Additions	Reductions	Ending balance	Amount due within one year
Governmental Activities:					
General Obligation Bonds	\$ 5,580,954.00	\$ -	\$ (150,000.00)	\$ 5,430,954.00	\$150,000.00
Energy Loan	130,198.24	-	(38,703.59)	91,494.65	39,481.53
Total Governmental Activities	<u>\$ 5,711,152.24</u>	<u>\$ -</u>	<u>\$ (188,703.59)</u>	<u>\$ 5,522,448.65</u>	<u>\$189,481.53</u>

General Description of the Individual Long-Term Obligations

As of June 30, 2020, the long-term debt arising from cash transactions or other events consisted of the following:

Taxable General Obligation Qualified School Construction Bonds, Series 2010B (Missouri Direct Deposit Program), dated June 29, 2010. Interest rate of 5.25% due in semi-annual installments. The District will make annual sinking fund deposits from March 1, 2012 through March 1, 2025 in the approximate amount of \$101,496.71. The bonds are payable upon maturity on March 1, 2025. \$1,420,954.00

Taxable General Obligation Qualified Zone Academy Bonds, Series 2010C (Missouri Direct Deposit Program), dated June 29, 2010. Interest rate of 5.25% due in semi-annual installments. The District will make annual sinking fund deposits from March 1, 2012 through March 1, 2025 in the approximate amount of \$25,000.00. The bonds are payable upon maturity on March 1, 2025. 350,000.00

General Obligation Refunding Bonds, Series 2015 (Missouri Direct Deposit Program), dated January 21, 2015, due in varying annual installments through March 1, 2029 with principal payments beginning March 1, 2016, interest rate varies from 0.40% to 2.65% \$1,010,000.00

General Obligation Refunding Bonds, Series 2017 (Missouri Direct Deposit Program), dated April 6, 2017, due in varying annual installments through March 1, 2033 with principal payments beginning March 1, 2020, interest rate varies from 2.30% to 3.20% \$2,650,000.00

Total general obligation bonds payable \$5,430,954.00

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.B. Long-Term Obligations (continued)

General Description of the Individual Long-Term Obligations (continued)

Under the Qualified School Construction Bonds (QSCB) and Qualified Zone Academy Bonds (QZAB) programs, the U.S. Treasury is responsible for fully reimbursing the District for the interest expense over the life of the QSCB and QZAB issues because the taxable interest rate of 5.25% was less than the comparable tax credit rate of 5.41% on the June 2010 sale date.

Missouri Department of Economic Development – Division of Energy Promissory Note dated March 31, 2014. The note is due in semi – annual installments beginning May 1, 2014 through November 1, 2022; interest rate of 2.00%.

\$91,494.65

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term obligations as of June 30, 2020, are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Loan	
	Principal	Interest	Principal	Interest
2021	\$ 150,000.00	\$ 190,230.08	\$ 39,481.53	\$ 1,633.47
2022	155,000.00	187,680.08	40,275.11	839.89
2023	155,000.00	184,630.08	11,738.01	117.38
2024	160,000.00	181,475.08	-	-
2025	1,930,954.00	177,845.08	-	-
2026-2030	1,890,000.00	311,290.00	-	-
2031-2034	990,000.00	53,370.00	-	-
Totals	<u>\$ 5,430,954.00</u>	<u>\$ 1,286,520.40</u>	<u>\$ 91,494.65</u>	<u>\$ 2,590.74</u>

Constitutional Debt Limit

Article VI, Section 26 (b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a District to 15 percent of the assessed valuation of the District. The legal debt margin (excluding state-assessed railroad and utility) of the District at June 30, 2020 was:

Constitutional debt limit	\$ 7,207,342.00
General obligation bonds payable	(5,430,954.00)
Amount available in debt service fund	<u>1,618,569.29</u>
Legal debt margin	<u>\$ 3,394,957.29</u>

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.C Interfund Transfers

Transfers between major funds for the year ended June 30, 2020 were as follows:

Transfer to:	<u>Transfer from:</u>
	<u>General Fund</u>
Special revenue- teachers' fund	\$ 1,147,900.08
Capital projects fund	<u>141,120.00</u>
Total	<u><u>\$ 1,289,020.08</u></u>

Transfers are used to move receipts collected in the general fund to finance disbursements in the special revenue and capital projects funds, as authorized in Section 165.011, RSMo.

2.D. Property 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. The County collects the property tax and remits it to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on eligible prior year weighted average daily attendance calculation. 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. On June 6, 1995, the patrons of the District voted a full waiver of the rollback.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was \$48,048,948.

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$4.0984	\$4.0984
Debt Service Fund	<u>0.8218</u>	<u>0.8218</u>
Total levy	<u><u>\$4.9202</u></u>	<u><u>\$4.9202</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 98% of the current assessment computed on the basis of the levy as shown above.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes

3.A. Employee Pension Plans

Rock Port R-2 School District of Atchison County, Missouri contributes to two separate pension plans as described below:

Summary of Significant Accounting Policies

These financial statements of the District are presented in accordance with a modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability and deferred outflows and inflows of resources related to pensions are *not reported* in the financial statements and GAAP disclosures related to actuarial calculations for determining total pension liability are not required.

(1) The Public School Retirement System of Missouri (PSRS)

General Information about the Pension Plan

Plan Description – PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the “two-thirds 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. PSRS was established as an independent trust fund by an Act of the Missouri General Assembly effective August 1, 1945. Statutes governing the System are found in Sections 169.010-169.141 and Sections 169.560-169.595 RSMo.

Benefits Provided – PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 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 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(1) The Public School Retirement System of Missouri (PSRS)

General Information about the Pension Plan

Benefits Provided (continued)

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.

Cost-of-Living Adjustments (COLA) – Under the funding policies adopted by the Board of Trustees, a 0.00% COLA will be given for years in which the change in CPI for the previous fiscal year is between 0.00% and 2.00%, a 2.00% COLA will be given when the change is between 2% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions – PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2020. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. The District's contributions to PSRS for the year ended June 30, 2020 were \$289,537.19, which represents 100% of the required contributions for the year.

A “Summary Plan Description” detailing the provisions of the plan, as well as additional information regarding the District’s net pension liability and deferred inflows and deferred outflows of resources, and a “Comprehensive Annual Financial Report (CAFR)” can be found on PSRS' website at www.psr-peers.org.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(2) Public Education Employee Retirement System of Missouri (PEERS)

General Information about the Pension Plan

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

Benefits Provided – PEERS is a defined benefit plan providing service 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 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 0.8% 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.

Cost-of-Living Adjustments (COLA) – Under the funding policies adopted by the Board of Trustees, a 0.00% COLA will be given for years in which the change in CPI for the previous fiscal year is between 0.00% and 2.00%, a 2.00% COLA will be given when the change is between 2% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(2) Public Education Employee Retirement System of Missouri (PEERS) (continued)

General Information about the Pension Plan (continued)

Contributions – PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2020. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay. The District's contributions to PEERS for the year ended June 30, 2020 were \$36,698.94, which represents 100% of the required contributions for the year.

A “Summary Plan Description” detailing the provisions of the plan, as well as additional information regarding the District’s net pension liability and deferred inflows and deferred outflows of resources, and a “Comprehensive Annual Financial Report (CAFR)” can be found on PSRS' website at www.psr-peers.org.

3.B. Other Post-Employment Benefits (OPEB)

In addition to the pension benefits described in Note 3.A, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection of the future cost of the existing health care benefit plan in relation to retirees.

3.C. Commitments and Contingencies

Operating Lease – The District leases copier equipment under an operating lease. The lease is for a term of 60 months. Lease payments for the year ended June 30, 2020 were \$24,543.84. Future minimum lease payments for the lease are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$16,362.56
Total future minimum lease payments	<u>\$16,362.56</u>

Food service operations – The District contracts with OPAA Food Management, Inc. for management of the District’s food service operations. The agreement is a final price agreement based on the number of meals served for July 1, 2020, through June 30, 2021.

Compensated Absences Payable – Total payable at June 30, 2020, was \$40,495.00. Compensated absences payable are liquidated by the general and special revenue funds.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.C. Commitments and Contingencies (continued)

Grant Program Involvement – the District participates in various Federal or State grant or loan programs from year to year. The grant or loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material. For the year ended June 30, 2020, the District expended approximately \$329,744 of federal awards.

3.D. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by participation in a public entity risk pool. There has been no significant reduction in insurance coverage from the previous year and settlements have not exceeded coverage in any of the prior three years.

The District is a member of the Missouri United School Insurance Council (MUSIC), a not-for-profit association organized to operate as a group self-insured risk pool. MUSIC seeks to prevent or lessen casualty and property losses to its member school districts and injuries to persons or employees which might result in claims being made against such districts. Coverage obtained by the District through MUSIC includes property, crime, general liability, auto liability, workers' compensation, public officials liability, and treasurer's bond.

MUSIC is governed by a board of directors elected by its members and operates as a risk management pool. The District has no direct control over budgeting, financing, governing body or management selection.

MUSIC is funded by its members. Annual member assessments are billed in advance and are calculated based on members' school bus fleet, property valuation, and payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each member depending on the member's own loss experience. Members with a consistent record of costly claims will pay more than members with a consistent record of lesser claims activity. Losses from individual claims in excess of these limits remain the responsibility of the respective members.

In the unlikely event that all or any of the insurance companies cancel, fail to renew or are unable to meet their obligations under excess insurance contracts, MUSIC and its member participants would be responsible for such defaulted amounts. Additionally, the Articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations. No supplemental assessments were required by MUSIC during 2020.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.D. Risk Management (continued)

The District is a member of Missouri Educators Unified Health Plan (MEUHP), a non-profit corporation formed for the purpose of providing its member District's with accident, health, dental and vision insurance through a self-funded pooled health plan. Additionally, stop loss reinsurance for the benefit of members is provided by a commercial insurance company. Premiums are set by MEUHP and are paid monthly.

3.E. Tax Abatements

District property tax revenues were reduced by \$111,145 under agreements entered into by Atchison County. This amount is comprised of Chapter 135.953 Enhanced Enterprise Zone Abatements. The District received \$20,260 of payments in lieu of tax from a recipient of the abated taxes.

3.F. Risks and Economic Uncertainties

During 2020, a strain of Coronavirus (COVID-19) was identified as a global pandemic and began affecting the health of large portions of the global population. The detrimental impact of this virus is not yet fully determinable, but will likely continue to be significant for both the District and the overall economy. COVID-19 has been identified as a significant risk and uncertainty that could impact future operations.

3.G. Subsequent Events

At the August 13, 2020 board meeting, the board approved a resolution authorizing the redemption of \$150,000 principal amount of General Obligation Refunding Bonds, Series 2017, maturing in the year 2026 that are subject to prepayment on March 1, 2022 from moneys on hand.

At the October 15, 2020 board meeting, the board approved a 60 month operating lease for copier equipment. The monthly lease payments will total \$23,626 per year.

3.H. Implementation of new Accounting Pronouncements

In March 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement expands the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. Statement 88 was implemented by the District for the year ended June 30, 2020, which resulted in expanded debt disclosures in Note 2.B.

Rock Port R-2 School District of Atchison County, Missouri
Notes to Financial Statements
June 30, 2020

Note 3. Other Notes (continued)

3.H. Implementation of new Accounting Pronouncements (continued)

In May 2020, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The District postponed the implementation dates of the GASB statements affected by this standard.

**Supplementary
Information**

Rock Port R-2 School District of Atchison County, Missouri
Supplementary Information
Schedule of Receipts By Source - Modified Cash Basis
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Local					
Current taxes	\$ 1,816,665.65	\$ 0.00	\$ 364,273.55	\$ 0.00	\$ 2,180,939.20
Delinquent taxes	105,367.97	0.00	21,128.14	0.00	126,496.11
School district trust fund (Prop C)	0.00	346,138.25	0.00	0.00	346,138.25
Financial institution tax	2.28	0.00	0.00	0.00	2.28
M & M surtax	54,786.70	0.00	0.00	0.00	54,786.70
In lieu of tax	34,082.00	0.00	0.00	0.00	34,082.00
Earnings from temporary deposits	18,598.35	0.00	36,549.51	377.94	55,525.80
Food service - sales to pupils	56,459.34	0.00	0.00	0.00	56,459.34
Food service - sales to adults	7,285.74	0.00	0.00	0.00	7,285.74
Food service non-program	7,113.66	0.00	0.00	0.00	7,113.66
Admissions - student activities	10,963.00	0.00	0.00	0.00	10,963.00
Revenue from enterprise activities	1,523.30	0.00	0.00	0.00	1,523.30
Other pupil activity income	122,851.80	0.00	0.00	0.00	122,851.80
PK tuition from parents	31,052.03	0.00	0.00	0.00	31,052.03
Gifts	64,900.00	0.00	0.00	1,350.00	66,250.00
Miscellaneous local revenue	6,968.88	0.00	0.00	0.00	6,968.88
Total local	<u>2,338,620.70</u>	<u>346,138.25</u>	<u>421,951.20</u>	<u>1,727.94</u>	<u>3,108,438.09</u>
County					
Fines, escheats, etc.	0.00	65,258.28	0.00	0.00	65,258.28
State assessed utilities	388,597.29	0.00	61,444.60	0.00	450,041.89
Total county	<u>388,597.29</u>	<u>65,258.28</u>	<u>61,444.60</u>	<u>0.00</u>	<u>515,300.17</u>
State					
Basic formula - state monies	0.00	625,154.69	0.00	0.00	625,154.69
Transportation	26,561.00	0.00	0.00	0.00	26,561.00
Basic formula - classroom trust fund	0.00	111,987.18	0.00	0.00	111,987.18
Educational screening program/PAT	6,140.00	0.00	0.00	0.00	6,140.00
Small schools grant	0.00	155,507.00	0.00	0.00	155,507.00
Career education	0.00	6,168.00	0.00	0.00	6,168.00
Food service - state	1,809.02	0.00	0.00	0.00	1,809.02
Total state	<u>34,510.02</u>	<u>898,816.87</u>	<u>0.00</u>	<u>0.00</u>	<u>933,326.89</u>
Federal					
Medicaid	5,267.16	0.00	0.00	0.00	5,267.16
CARES - ESSER Fund	0.00	27,634.50	0.00	0.00	27,634.50
IDEA grants	876.94	0.00	0.00	0.00	876.94
IDEA entitlement funds, Part B IDEA	82,584.18	0.00	0.00	0.00	82,584.18
Early childhood special education	8,092.99	2,427.75	0.00	0.00	10,520.74
School lunch program	54,161.25	0.00	0.00	0.00	54,161.25
School breakfast program	14,821.67	0.00	0.00	0.00	14,821.67
Title I - ESEA	0.00	43,924.39	0.00	0.00	43,924.39
Title IV.A student support and academic enrichment	0.00	9,936.97	0.00	0.00	9,936.97
Title II.A, part A&B, ESEA teacher and principal training	0.00	9,200.64	0.00	0.00	9,200.64
CARES - school lunch program	15,875.76	0.00	0.00	0.00	15,875.76
CARES - school breakfast program	10,322.40	0.00	0.00	0.00	10,322.40
Title VI, part B rural education initiative	31,190.71	0.00	0.00	4,542.96	35,733.67
Assessment substitute payment	0.00	160.00	0.00	0.00	160.00
Social security disability admin fees	32.88	0.00	0.00	0.00	32.88
Interest rebate on QSCB and QZAB bonds	0.00	0.00	87,350.09	0.00	87,350.09
Total federal	<u>223,225.94</u>	<u>93,284.25</u>	<u>87,350.09</u>	<u>4,542.96</u>	<u>408,403.24</u>
Other					
Sale of other property	573.50	0.00	0.00	0.00	573.50
Total other	<u>573.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>573.50</u>
Total receipts	<u>\$ 2,985,527.45</u>	<u>\$ 1,403,497.65</u>	<u>\$ 570,745.89</u>	<u>\$ 6,270.90</u>	<u>\$ 4,966,041.89</u>

Rock Port R-2 School District of Atchison County, Missouri
Supplementary Information
Schedule of Disbursements by Object - Modified Cash Basis
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Salaries					
Certificated	\$ 10,860.00	\$ 1,949,645.32	\$ 0.00	\$ 0.00	\$ 1,960,505.32
Classified	517,353.80	0.00	0.00	0.00	517,353.80
Total salaries	<u>528,213.80</u>	<u>1,949,645.32</u>	<u>0.00</u>	<u>0.00</u>	<u>2,477,859.12</u>
Employee benefits					
Teacher's retirement	61.25	289,475.94	0.00	0.00	289,537.19
Non-teacher retirement	34,768.18	1,930.76	0.00	0.00	36,698.94
Old age survivor and disability (OASDI)	28,855.30	7,662.37	0.00	0.00	36,517.67
Medicare	6,853.79	25,073.85	0.00	0.00	31,927.64
Employee insurance	78,133.78	196,266.62	0.00	0.00	274,400.40
Workers' compensation insurance	16,242.50	0.00	0.00	0.00	16,242.50
Unemployment compensation	654.25	0.00	0.00	0.00	654.25
Total employee benefits	<u>165,569.05</u>	<u>520,409.54</u>	<u>0.00</u>	<u>0.00</u>	<u>685,978.59</u>
Purchased services					
Purchased instructional services - tuition	2,100.74	81,342.87	0.00	0.00	83,443.61
Instructional program improvement services	22,697.28	0.00	0.00	0.00	22,697.28
Audit services	7,300.00	0.00	0.00	0.00	7,300.00
Legal services	2,931.50	0.00	0.00	0.00	2,931.50
Election services	3,202.01	0.00	0.00	0.00	3,202.01
Other professional services	24,512.93	0.00	0.00	0.00	24,512.93
Repairs and maintenance	47,842.63	0.00	0.00	0.00	47,842.63
Rentals - equipment	34,089.15	0.00	0.00	0.00	34,089.15
Water and sewer	14,286.60	0.00	0.00	0.00	14,286.60
Trash removal	3,853.00	0.00	0.00	0.00	3,853.00
Contracted transportation to & from school	7,029.00	0.00	0.00	0.00	7,029.00
Travel	5,238.77	0.00	0.00	0.00	5,238.77
Property insurance	26,760.00	0.00	0.00	0.00	26,760.00
Liability insurance	21,874.00	0.00	0.00	0.00	21,874.00
Fidelity bond premiums	100.00	0.00	0.00	0.00	100.00
Communications	83,063.15	0.00	0.00	0.00	83,063.15
Advertising	2,345.63	0.00	0.00	0.00	2,345.63
Dues and memberships	35,717.84	0.00	0.00	0.00	35,717.84
Other	170,947.63	0.00	0.00	0.00	170,947.63
Total purchased services	<u>515,891.86</u>	<u>81,342.87</u>	<u>0.00</u>	<u>0.00</u>	<u>597,234.73</u>
Supplies					
General	240,346.19	0.00	0.00	0.00	240,346.19
Technology-related	61,792.25	0.00	0.00	0.00	61,792.25
Textbook	13,686.48	0.00	0.00	0.00	13,686.48
Library books	958.28	0.00	0.00	0.00	958.28
Resources materials	695.51	0.00	0.00	0.00	695.51
Electric	60,193.62	0.00	0.00	0.00	60,193.62
Gas - natural	17,153.39	0.00	0.00	0.00	17,153.39
Gasoline/diesel	9,211.06	0.00	0.00	0.00	9,211.06
Other supplies and materials	16.49	0.00	0.00	0.00	16.49
Total supplies	<u>404,053.27</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>404,053.27</u>
Capital outlay					
Regular equipment	0.00	0.00	0.00	31,466.76	31,466.76
Technology - related hardware	0.00	0.00	0.00	8,771.65	8,771.65
Vehicles - except school buses	0.00	0.00	0.00	32,401.00	32,401.00
Total capital outlay	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>72,639.41</u>	<u>72,639.41</u>
Debt service					
Principal - bonded indebtedness	0.00	0.00	150,000.00	0.00	150,000.00
Principal - long term loans	0.00	0.00	0.00	38,703.59	38,703.59
Interest - bonded indebtedness	0.00	0.00	192,530.08	0.00	192,530.08
Interest - long term loans	0.00	0.00	0.00	2,411.41	2,411.41
Fees - bonded indebtedness	0.00	0.00	1,484.00	0.00	1,484.00
Total debt service	<u>0.00</u>	<u>0.00</u>	<u>344,014.08</u>	<u>41,115.00</u>	<u>385,129.08</u>
Total disbursements	<u>\$ 1,613,727.98</u>	<u>\$ 2,551,397.73</u>	<u>\$ 344,014.08</u>	<u>\$ 113,754.41</u>	<u>\$ 4,622,894.20</u>

**Other
Information**

Rock Port R-2 School District of Atchison County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 2,309,907.00	\$ 2,376,076.00	\$ 2,338,620.70	\$ (37,455.30)
County	370,500.00	389,097.00	388,597.29	(499.71)
State	43,200.00	43,200.00	34,510.02	(8,689.98)
Federal	220,904.00	217,662.00	223,225.94	5,563.94
Total receipts	<u>2,944,511.00</u>	<u>3,026,035.00</u>	<u>2,984,953.95</u>	<u>(41,081.05)</u>
Disbursements				
Instruction:				
Regular programs	116,375.00	145,982.00	134,092.50	11,889.50
Special education	163,995.00	159,788.00	148,034.11	11,753.89
Career education programs	4,150.00	4,150.00	2,195.68	1,954.32
Student activities	201,175.00	203,284.00	160,432.17	42,851.83
Other instruction	1,850.00	1,850.00	348.85	1,501.15
Support services - pupils	61,650.00	62,250.00	60,538.56	1,711.44
Instructional staff support	22,200.00	35,200.00	26,425.97	8,774.03
Building level administration	71,560.00	72,060.00	66,747.22	5,312.78
General administration	273,899.00	275,633.00	268,126.50	7,506.50
Operation of plant	430,483.00	440,983.00	405,171.71	35,811.29
Pupil transportation	153,772.00	152,162.00	129,478.57	22,683.43
Food services	186,800.00	186,800.00	166,021.44	20,778.56
Community services	58,176.00	53,725.00	46,114.70	7,610.30
Total disbursements	<u>1,746,085.00</u>	<u>1,793,867.00</u>	<u>1,613,727.98</u>	<u>180,139.02</u>
Excess (deficit) of receipts over disbursements	<u>1,198,426.00</u>	<u>1,232,168.00</u>	<u>1,371,225.97</u>	<u>139,057.97</u>
Other financing sources (uses)				
Operating transfers out	(1,326,184.00)	(1,285,102.00)	(1,289,020.08)	(3,918.08)
Total other financing sources (uses)	<u>(1,326,184.00)</u>	<u>(1,285,102.00)</u>	<u>(1,289,020.08)</u>	<u>(3,918.08)</u>
Net change in fund balance	(127,758.00)	(52,934.00)	82,205.89	135,139.89
Fund balance, beginning of year	1,252,893.44	1,252,893.44	1,252,893.44	0.00
Fund balance, end of year	<u>\$ 1,125,135.44</u>	<u>\$ 1,199,959.44</u>	<u>\$ 1,335,099.33</u>	<u>\$ 135,139.89</u>

Rock Port R-2 School District of Atchison County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 341,117.00	\$ 341,117.00	\$ 346,138.25	\$ 5,021.25
County	80,000.00	80,000.00	65,258.28	(14,741.72)
State	915,668.00	931,668.00	898,816.87	(32,851.13)
Federal	63,309.00	90,943.00	93,284.25	2,341.25
Total receipts	<u>1,400,094.00</u>	<u>1,443,728.00</u>	<u>1,403,497.65</u>	<u>(40,230.35)</u>
Disbursements				
Instruction:				
Regular programs	1,554,535.00	1,542,030.00	1,528,631.49	13,398.51
Special education	122,090.00	134,490.00	131,918.19	2,571.81
Career education programs	95,700.00	106,005.00	95,041.97	10,963.03
Student activities	104,120.00	102,488.00	99,687.60	2,800.40
Other instruction	211,120.00	205,104.00	201,765.22	3,338.78
Support services - pupils	130,660.00	130,660.00	130,146.85	513.15
Instructional staff support	38,880.00	38,880.00	36,408.81	2,471.19
Building level administration	163,505.00	163,505.00	163,156.46	348.54
General administration	112,245.00	112,245.00	112,167.14	77.86
Community services	52,303.00	52,303.00	52,474.00	(171.00)
Total disbursements	<u>2,585,158.00</u>	<u>2,587,710.00</u>	<u>2,551,397.73</u>	<u>36,312.27</u>
Excess (deficit) of receipts over disbursements	<u>(1,185,064.00)</u>	<u>(1,143,982.00)</u>	<u>(1,147,900.08)</u>	<u>(3,918.08)</u>
Other financing sources (uses)				
Operating transfers in	1,185,064.00	1,143,982.00	1,147,900.08	3,918.08
Total other financing sources (uses)	<u>1,185,064.00</u>	<u>1,143,982.00</u>	<u>1,147,900.08</u>	<u>3,918.08</u>
Net change in fund balance	0.00	0.00	0.00	0.00
Fund balance, beginning of year	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund balance, end of year	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Rock Port R-2 School District of Atchison County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Debt Service Fund
For the Year Ended June 30, 2020

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 430,707.00	\$ 430,707.00	\$ 421,951.20	\$ (8,755.80)
County	58,050.00	58,050.00	61,444.60	3,394.60
Federal	87,000.00	87,000.00	87,350.09	350.09
Total receipts	<u>575,757.00</u>	<u>575,757.00</u>	<u>570,745.89</u>	<u>(5,011.11)</u>
Disbursements				
Debt service:				
Principal	150,000.00	150,000.00	150,000.00	0.00
Interest and fees	202,935.00	202,935.00	194,014.08	8,920.92
Total disbursements	<u>352,935.00</u>	<u>352,935.00</u>	<u>344,014.08</u>	<u>8,920.92</u>
Excess (deficit) of receipts over disbursements	222,822.00	222,822.00	226,731.81	3,909.81
Fund balance, beginning of year	<u>1,391,837.48</u>	<u>1,391,837.48</u>	<u>1,391,837.48</u>	<u>0.00</u>
Fund balance, end of year	<u>\$ 1,614,659.48</u>	<u>\$ 1,614,659.48</u>	<u>\$ 1,618,569.29</u>	<u>\$ 3,909.81</u>

Rock Port R-2 School District of Atchison County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Capital Projects Fund
For the Year Ended June 30, 2020

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 525.00	\$ 1,875.00	\$ 1,727.94	\$ (147.06)
State	0.00	0.00	0.00	0.00
Federal	0.00	4,543.00	4,542.96	(0.04)
Total receipts	<u>525.00</u>	<u>6,418.00</u>	<u>6,270.90</u>	<u>(147.10)</u>
Disbursements				
Instruction:				
Regular programs	2,000.00	6,543.00	4,542.96	2,000.04
Career education programs	1,000.00	1,000.00	0.00	1,000.00
Student activities	0.00	0.00	0.00	0.00
Support services - pupils	0.00	1,430.00	1,425.27	4.73
Building level administration	0.00	0.00	0.00	0.00
General administration	0.00	0.00	0.00	0.00
Operation of plant	5,300.00	25,300.00	24,153.69	1,146.31
Pupil transportation	38,700.00	41,200.00	32,401.00	8,799.00
Food services	2,635.00	2,635.00	2,631.00	4.00
Community services	0.00	0.00	0.00	0.00
Facilities acquisition & construction	1,000.00	1,000.00	7,485.49	(6,485.49)
Principal	38,705.00	38,705.00	38,703.59	1.41
Interest and fees	2,415.00	2,415.00	2,411.41	3.59
Total disbursements	<u>91,755.00</u>	<u>120,228.00</u>	<u>113,754.41</u>	<u>6,473.59</u>
Excess (deficit) of receipts over disbursements	<u>(91,230.00)</u>	<u>(113,810.00)</u>	<u>(107,483.51)</u>	<u>6,326.49</u>
Other financing sources (uses)				
Operating transfers in	<u>141,120.00</u>	<u>141,120.00</u>	<u>141,120.00</u>	<u>0.00</u>
Total other financing sources (uses)	<u>141,120.00</u>	<u>141,120.00</u>	<u>141,120.00</u>	<u>0.00</u>
Net change in fund balance	49,890.00	27,310.00	33,636.49	6,326.49
Fund balance, beginning of year	<u>83,523.23</u>	<u>83,523.23</u>	<u>83,523.23</u>	<u>0.00</u>
Fund balance, end of year	<u>\$ 133,413.23</u>	<u>\$ 110,833.23</u>	<u>\$ 117,159.72</u>	<u>\$ 6,326.49</u>

Rock Port R-2 School District of Atchison County, Missouri
Other Information
Notes to Budgetary Comparison Schedules
For the Year Ended June, 2020

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 July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by 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's funds are prepared in accordance with the modified cash basis (budget basis).

Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year. Total actual disbursements may not legally exceed total budgeted disbursements. Appropriations lapse at year-end.

Section II

Other Reporting Required by *Government Auditing Standards*

Danny L. Marsh, C.P.A.
504 E. US Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
Fax (660) 582-4132
espeyt@asde.net
dannen.merrill@mem.tax

**Independent Auditor's 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
Rock Port R-2 School District
of Atchison County, Missouri
Rock Port, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Rock Port R-2 School District of Atchison County, Missouri as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise Rock Port R-2 School District of Atchison County, Missouri's financial statements, and have issued our report thereon dated December 2, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock Port R-2 School District of Atchison County, Missouri'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 financial statements. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rock Port R-2 School District of Atchison County, Missouri 's internal control over financial reporting (internal control) as a basis for designing 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 Rock Port R-2 School District of Atchison County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Rock Port R-2 School District of Atchison County, Missouri '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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a material weakness.

Rock Port R-2 School District of Atchison County, Missouri's Response to Findings

Rock Port R-2 School District of Atchison County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Rock Port R-2 School District of Atchison County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
December 2, 2020

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Findings and Responses
For the Year Ended June 30, 2020

Material Weakness

2020-001. Segregation of Duties

Criteria – The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity’s assets and ensure accurate financial reporting.

Condition – Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The District currently has one full time bookkeeper to handle the accounting needs of the District. There are mitigating controls in place, but it is not possible to have segregation in all areas.

Context – We reviewed District policies and procedures and performed inquiries of management.

Cause – Adequate segregation of duties is limited by the number of available personnel and the cost to implement required changes in a cost-effective manner.

Effect or Potential Effect: – Risk is present that errors or fraud in amounts that would be material to the financial statements may not be prevented or may occur and not be detected and corrected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation – The District should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties.

View of Responsible Officials – The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Section III

State Compliance

Information

Danny L. Marsh, C.P.A.
504 E. US Highway 136
Albany, Missouri 64402
Phone (660) 726-3961
Fax (660) 726-3965
danny.marsh@mem.tax

Ted Espey, C.P.A.
Dannen Merrill, C.P.A.
101 West Edwards
Maryville, Missouri 64468
Phone (660) 582-3181
Fax (660) 582-4132
espeyt@asde.net
dannen.merrill@mem.tax

**Independent Practitioner's Report on Management's Assertion about Compliance
With Specified Requirements of Missouri Laws and Regulations**

To the Board of Education
Rock Port R-2 School District of Atchison County, Missouri
Rock Port, Missouri

We have examined management of Rock Port R-2 School District of Atchison County, Missouri's assertion that Rock Port R-2 School District of Atchison County, Missouri complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; disclosure in the District's attendance records of standard day length, calendar days and hours in session, average daily attendance, resident membership on the last Wednesday of September, and free and reduced price lunch count on the last Wednesday of January; and disclosure in the District's transportation records of average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state transportation aid, and the allowable costs of pupil transportation; and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2020. Rock Port R-2 School District of Atchison County, Missouri's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about Rock Port R-2 School District of Atchison County, Missouri's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Rock Port R-2 School District of Atchison County, Missouri's compliance with the specified requirements.

In our opinion, management's assertion that Rock Port R-2 School District of Atchison County, Missouri complied with the specified compliance requirements referred to above is fairly stated in all material respects.

We also noted an immaterial instance of noncompliance with the specified compliance requirements referred to above that we have reported in the accompanying Schedule of State Findings.

This report is intended solely for the information and use of the Board of Education, District management, 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.

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
December 2, 2020

Rock Port R-2 School District of Atchison County, Missouri
Schedule of State Compliance Findings
For the Year Ended June 30, 2020

1. Free and Reduced Price Lunch FTE Count

Criteria –The FTE student count is taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days. Eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process.

Condition – The District FTE count was over reported as follows:

	<u>Originally Reported</u>	<u>Correct Count</u>
Reduced – Elementary	18	15
Reduced – High School	<u>12</u>	<u>10</u>
Total	<u>30</u>	<u>25</u>

Cause – The approved applications for the 5 students reflected above were not on file with the District.

Context – We reviewed the District policies and procedures, performed inquiries of management, and reperformed FTE count.

Effect or Potential Effect: – Inaccurate FTE count was submitted to DESE.

Recommendations – The District should emphasize review procedures to ensure that the proper FTE count is reported to DESE. The District should submit a revised FTE count.

View of Responsible Officials – The District has submitted a revised FTE count. Based on instructions from DESE, the District has provided written notification to the families of the above students as to their free and reduced price lunch change of status for the upcoming school year. The District will emphasize the review procedures ensure that all applications are on file to support the reported FTE count.

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2020

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days *	Hours in Session
	PK	12	-	6.6500	127	816.8500

* District complied with “inclement weather” rule per Section 171.033, RSMo.

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours **	Summer School Hours	Total Hours
4020	PK	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4020	K	19,055.5841	432.7001	0.0000	0.0000	0.0000	19,488.2842
4020	1	23,341.4010	0.0000	0.0000	0.0000	0.0000	23,341.4010
4020	2	15,070.1841	0.0000	0.0000	0.0000	0.0000	15,070.1841
4020	3	21,550.4340	191.9000	0.0000	0.0000	0.0000	21,742.3340
4020	4	23,617.8340	0.0000	0.0000	0.0000	0.0000	23,617.8340
4020	5	22,504.0172	0.0000	0.0000	0.0000	0.0000	22,504.0172
4020	6	18,871.5007	0.0000	0.0000	0.0000	0.0000	18,871.5007
Subtotal	PK - 6	144,010.9551	624.6001	0.0000	0.0000	0.0000	144,635.5552
1050	7	24,882.7507	191.9000	0.0000	0.0000	0.0000	25,074.6507
1050	8	15,947.0507	0.0000	0.0000	0.0000	0.0000	15,947.0507
1050	9	18,702.0173	0.0000	0.0000	0.0000	0.0000	18,702.0173
1050	10	14,436.4673	0.0000	0.0000	0.0000	0.0000	14,436.4673
1050	11	24,640.1010	0.0000	0.0000	0.0000	0.0000	24,640.1010
1050	12	22,694.6341	0.0000	0.0000	0.0000	0.0000	22,694.6341
Subtotal	7 - 12	121,303.0211	191.9000	0.0000	0.0000	0.0000	121,494.9211
Grand Total	PK-12	265,313.9762	816.5001	0.0000	0.0000	0.0000	266,130.4763

** Other column includes “Extended School Year” ADA

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2020

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Levels	Full-Time	Part-Time	Other	Total
4020	K	24.00	0.00	0.00	24.00
4020	01	29.00	0.00	0.00	29.00
4020	02	19.00	0.00	0.00	19.00
4020	03	27.00	0.00	0.00	27.00
4020	04	30.00	0.00	0.00	30.00
4020	05	28.00	0.00	0.00	28.00
4020	06	23.00	0.00	0.00	23.00
Subtotal	K - 6	180.00	0.00	0.00	180.00
1050	07	30.00	0.00	0.00	30.00
1050	08	20.00	0.00	0.00	20.00
1050	09	23.00	0.00	0.00	23.00
1050	10	18.00	0.00	0.00	18.00
1050	11	31.00	0.00	0.00	31.00
1050	12	30.00	0.00	0.00	30.00
Subtotal	7 - 12	152.00	0.00	0.00	152.00
Grand Total	K-12	332.00	0.00	0.00	332.00

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

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	53.00	15.00	0.00	0.00	68.00
1050	39.00	10.00	0.00	0.00	49.00
Grand Total	92.00	25.00	0.00	0.00	117.00

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2020

5. Finance

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

Section	Question	Answer
5.1	The district maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	False
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district’s treasurer in the total amount of:	\$50,000
5.6	The district’s deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2020

5. Finance (continued)

5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board 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. (Not applicable to charter schools)	True
5.10	The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$6,273.66
5.13	The district has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

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

Finding:	5.4 – See Schedule of State Findings on page 45.
Management Letter Comment:	N/A

Rock Port R-2 School District of Atchison County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2020

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	120.5
	Ineligible ADT	0.0
6.4	The district's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district-operated and contracted mileage for the year was:	64,357
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles (including food/instructional delivery miles 2019-20)	44,194
	Ineligible Miles (Non-Route/Disapproved)	20,163
6.7	Number of days the district operated the school transportation system during the regular school year:	127

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

Finding:	None
Management Letter Comment:	N/A