

Saint Joseph School District

BASIC FINANCIAL STATEMENTS Year Ended June 30, 2020

KPM
CPAS & ADVISORS

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Independent Auditors' Report

Board of Education
Saint Joseph School District
Saint Joseph, Missouri

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Saint Joseph School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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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 Saint Joseph School District as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 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 the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saint Joseph School District's basic financial statements. The data contained under Other Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The Other Financial Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 15, 2020

Government-Wide Financial Statements

Saint Joseph School District

Statement of Net Position – Modified Cash Basis

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 39,574,826
Investments	<u>1,363,485</u>
Total Assets	<u><u>\$ 40,938,311</u></u>
Net Position	
Restricted for debt service	\$ 3,820,980
Restricted for student activities	1,362,666
Restricted for healthcare self-insurance fund	2,390,798
Unrestricted	<u>33,363,867</u>
Total Net Position	<u><u>\$ 40,938,311</u></u>

See accompanying notes to the financial statements.

Saint Joseph School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2020

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ (64,782,778)	\$ 1,821,428	\$ 10,014,230	\$ -	\$ (52,947,120)
Student services	(9,369,889)	-	741,761	-	(8,628,128)
Instructional staff support	(3,080,329)	-	69,065	-	(3,011,264)
Building administration	(5,875,826)	-	-	-	(5,875,826)
General administration	(11,117,784)	-	-	-	(11,117,784)
Operation of plant	(13,067,863)	-	-	-	(13,067,863)
Transportation	(5,436,899)	-	1,493,569	-	(3,943,330)
Food services	(5,654,034)	726,793	4,395,121	-	(532,120)
Adult continuing education	(664,421)	632,737	-	-	(31,684)
Community services	(1,327,163)	7,126	906,113	-	(413,924)
Facilities acquisition and construction	(2,587,090)	-	-	-	(2,587,090)
Debt service	(10,998,643)	-	-	-	(10,998,643)
Net Program (Disbursements) Receipts	\$ (133,962,719)	\$ 3,188,084	\$ 17,619,859	\$ -	(113,154,776)
General Receipts					
Ad valorem tax receipts					46,187,327
Prop C sales tax receipts					11,769,378
Other tax receipts					3,160,025
County receipts					3,917,570
State receipts					44,811,352
Interest receipts					1,240,775
Other receipts					499,343
Total General Receipts					111,585,770
Special Items					
Net insurance recovery					4,621
Sale of school buses					391,900
Sale of property					180,690
Total Special Items					577,211
<i>(Decrease) in Net Position</i>					(991,795)
Net Position - Beginning of year					41,930,106
Net Position - End of year					\$ 40,938,311

See accompanying notes to the financial statements.

Fund Financial Statements

Saint Joseph School District

Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 27,911,112	\$ -	\$ 2,457,645	\$ 6,815,271	\$ 37,184,028
Investments	-	-	1,363,335	150	1,363,485
Total Assets	<u>\$ 27,911,112</u>	<u>\$ -</u>	<u>\$ 3,820,980</u>	<u>\$ 6,815,421</u>	<u>\$ 38,547,513</u>
Fund Balances					
Restricted for					
Debt service	\$ -	\$ -	\$ 3,820,980	\$ -	\$ 3,820,980
Student activities	1,362,666	-	-	-	1,362,666
Assigned to					
Capital outlay	-	-	-	6,815,421	6,815,421
Unassigned	26,548,446	-	-	-	26,548,446
Total Fund Balances	<u>\$ 27,911,112</u>	<u>\$ -</u>	<u>\$ 3,820,980</u>	<u>\$ 6,815,421</u>	<u>\$ 38,547,513</u>

See accompanying notes to the financial statements.

Saint Joseph School District

Reconciliation of the Governmental Funds Statement of Assets and Fund Balances to the Statement of Net Position

June 30, 2020

Fund balance - total governmental funds	\$ 38,547,513
Some of the amounts reported for governmental activities in the Statement of Net Position are different because healthcare self-insurance fund assets have been included with governmental activities	<u>2,390,798</u>
Net position of governmental activities	<u><u>\$ 40,938,311</u></u>

See accompanying notes to the financial statements.

Saint Joseph School District

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Other Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 45,303,486	\$ 14,661,948	\$ 5,806,234	\$ 2	\$ 65,771,670
County	3,196,057	217,888	503,625	-	3,917,570
State	5,883,988	44,811,352	-	-	50,695,340
Federal	11,618,042	-	-	-	11,618,042
Other	391,091	-	-	-	391,091
Total Receipts	66,392,664	59,691,188	6,309,859	2	132,393,713
Disbursements					
Instruction	10,769,374	54,445,102	-	551,863	65,766,339
Student services	4,833,432	4,596,379	-	90,391	9,520,202
Instructional staff support	1,726,344	1,325,381	-	66,501	3,118,226
Building administration	1,518,606	4,459,605	-	-	5,978,211
General administration	6,973,568	2,596,749	-	1,657,335	11,227,652
Operation of plant	11,944,407	12,865	-	1,234,631	13,191,903
Transportation	5,167,313	-	-	270,223	5,437,536
Food services	5,376,948	-	-	328,199	5,705,147
Adult continuing education	342,452	338,688	-	-	681,140
Community services	771,122	571,804	-	-	1,342,926
Facilities acquisition and construction	-	-	-	2,587,090	2,587,090
Debt service	-	-	9,003,940	1,994,703	10,998,643
Total Disbursements	49,423,566	68,346,573	9,003,940	8,780,936	135,555,015
<i>Excess (Deficit) of Receipts over Disbursements</i>	16,969,098	(8,655,385)	(2,694,081)	(8,780,934)	(3,161,302)
Other Financing Sources (Uses)					
Net insurance recovery	4,621	-	-	-	4,621
Sale of buses	-	-	-	391,900	391,900
Sale of other property	1,658	-	-	179,032	180,690
Operating transfers in	-	8,655,385	-	5,221,085	13,876,470
Operating transfers (out)	(13,876,470)	-	-	-	(13,876,470)
Total Other Financing Sources (Uses)	(13,870,191)	8,655,385	-	5,792,017	577,211
<i>Excess (Deficit) of Receipts and Other Sources over Disbursements and Other</i>	3,098,907	-	(2,694,081)	(2,988,917)	(2,584,091)
Fund Balance, July 1, 2019	24,812,205	-	6,515,061	9,804,338	41,131,604
Fund Balance, June 30, 2020	\$ 27,911,112	\$ -	\$ 3,820,980	\$ 6,815,421	\$ 38,547,513

See accompanying notes to the financial statements.

Saint Joseph School District

Reconciliation of the Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis to the Statement of Activities

Year Ended June 30, 2020

Net change in fund balance - total governmental funds	\$ (2,584,091)
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Amounts reported for governmental activities in the Statement
of Activities are different because:

Some expenditures reported in the governmental fund represent the use of current
financial resources and were recognized in the statement of activities when incurred

Net income for healthcare self-insurance fund	<u>1,592,296</u>
Change in net position of governmental activities	<u><u>\$ (991,795)</u></u>

See accompanying notes to the financial statements.

Saint Joseph School District

Statement of Net Position – Proprietary Fund – Modified Cash Basis

June 30, 2020

	<u>Internal Service Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 2,390,798
Total Assets	<u>\$ 2,390,798</u>
Net Position	
Unrestricted	\$ 2,390,798
Total Net Position	<u>\$ 2,390,798</u>

See accompanying notes to the financial statements.

Saint Joseph School District

Statement of Receipts, Disbursements, and Changes in Net Position – Proprietary Fund – Modified Cash Basis

Year Ended June 30, 2020

	Internal Service Fund
Receipts	
Employer contributions	\$ 12,007,236
Miscellaneous	<u>15,685</u>
Total Receipts	<u>12,022,921</u>
 Disbursements	
Premiums, claims, and administrative fees	<u>10,430,625</u>
Total Disbursements	<u>10,430,625</u>
 <i>Excess of Receipts over Disbursements</i>	 1,592,296
 Net Position, July 1, 2019	 <u>798,502</u>
Net Position, June 30, 2020	<u><u>\$ 2,390,798</u></u>

See accompanying notes to the financial statements.

Saint Joseph School District

Statement of Fiduciary Net Position – Modified Cash Basis

June 30, 2020

	<u>Agency Fund Scholarship</u>
Assets	
Cash and investments	\$ 109,841
Total Assets	<u>109,841</u>
Liabilities	
Due to others	109,841
Total Liabilities	<u>\$ 109,841</u>

See accompanying notes to the financial statements.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

1. Summary of Significant Accounting Policies

The District's financial statements are presented on the modified cash basis of accounting, which is characteristic of local governmental units of this type.

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government governed by an elected seven-director district as described in RSMo Chapter 162, which designates a Board of Education to act as the governing body.

The School District of St. Joseph Board of Education is the basic level of government, which has financial accountability, and control over all activities related to public school education in the District. The Board receives funding from local, state and federal sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no material component units as defined in GASB Statement 61.

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. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange 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 constitute its assets, fund equity, receipts and disbursements. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for noncertified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds. For purposes of reporting financial information to the State of Missouri on the Annual Secretary of the Board Report, this fund is combined with the activity and balances of the District's Fiduciary Funds.

Special Revenue Fund: Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

Debt Service Fund: Accounts for receipts restricted, committed, or assigned for the retirement of principal and interest on the District's general obligation bonds.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Proprietary Fund: The Internal Service Fund has been created to account for resources accumulated to fund and operate the District's self-insurance program for employee health insurance.

Fiduciary Fund: Fiduciary fund is excluded from the government-wide financial statements because the assets are not available for District operations. The Fiduciary fund accounts for the resources associated with maintaining the District's employee health self-insurance fund.

Agency Funds: Accounts for restricted resources, which are not used to support District operations. These activities include resources restricted for providing scholarships to students from the scholarship fund.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. The modification relates to the presentation of investments. This basis recognizes assets, net position/fund equity, receipts and disbursements when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements except for the recording of investments.

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

Capital Outlay

Capital outlay is recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

Compensated Absences

Compensated absences are considered expenditures in the year actually paid in the fund financial statements. Vacation time, personal time, and sick leave time are granted to employees as requested or needed according to local Board policy. With the exception of certain accumulated sick leave, the time granted is forfeited if not taken in the period granted. Unused sick leave is payable only to employees retiring under the Public School or Public Education Employee Retirement Systems. This sick leave is payable based on years of service at the rate of up to \$100 per day up to 110 days for a maximum of \$11,000.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is reported in the government-wide financial statements but not the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements in the fund financial statements and as a reduction of liability in the government-wide financial statements.

Teachers' Salaries

The salary payment schedule of the District for the 2019-2020 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2020 payroll checks are included in the financial statements as a disbursement in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments that is managed by the District treasurer. Investments of the pooled accounts consist of a depository contract agreement, bank deposits, United States government or agency securities, and from time to time, commercial paper. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

The District records investments as assets at historical cost.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the governmental funds. At year-end, all outstanding encumbrances are canceled and, if properly approved, are issued against the next year's budget.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted Net Position: Consists of net position with 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 Net Position: All other net position that does not meet the definition of "restricted."

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

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. These include various grants from the State and Federal governments. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

2. Risks & 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 and result in changes in estimates and assumptions made in the financial statements.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

3. Cash & Cash Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2020, all bank balances on deposit are entirely insured or collateralized with securities.

4. Investments

The District's investment policy allows purchase of any investments allowed by the State Treasurer. These include obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase; repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity; or commercial paper issued by domestic corporations, which has received the highest rating by Moody's Investor Services, Inc. or Standard and Poor's Corporation.

The District's investments at June 30, 2020, are as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost</u>
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	N/A	N/A	\$ 1,363,335
Missouri Securities Investment Program (MOSIP) - Money Market Fund	N/A	0.40%	N/A	150
				<u>\$ 1,363,485</u>

Investment Contracts with BOK Financial

Funds on deposit with BOK Financial are invested in investment contracts in which the District has a pro-rata share of the investment contract. The investment contracts are in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service. These investments are carried at historical cost.

Missouri Securities Investment Program

District funds in the Missouri Securities Investment Program are invested in cash management funds in which the District has a pro-rata share. The funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes, and are carried at historical cost.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

Investment Risk

The District's investment policy addresses the following types of risk:

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's deposits are either FDIC insured or covered by pledged collateral. The District has an investment banking agreement with UMB Bank, N.A. Based upon this agreement, UMB deposits securities in an amount at least equal in market value of the aggregate amount on deposit less any amount insured by the FDIC.

At June 30, 2020, the bank balances of the District's deposits totaled \$50.1 million. Of this amount, \$250,000 was covered by FDIC insurance and \$49.8 million was supported by collateral in custody at the Federal Reserve Bank. The deposits of \$1.4 million in the Missouri School District Direct Deposit Program (to provide funds for bond payments) are collateralized by the Bank as a group for all schools included in the program.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The District's investment policy limits credit risk by requiring diversification and pre-qualification of financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a specific maturity, issuer or class of security. The District's investment policy includes minimum diversification standards by security type and issuer and maximum maturity provisions.

5. 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.

The District also receives sales tax collected by the State and remitted based on eligible pupils. 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 unless the voters have approved a waiver of the rollback provision. The District has voted a waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was:

Real estate	\$ 811,913,129
Personal property	304,382,612
	<u>\$ 1,116,295,741</u>

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales taxes estimated to be received in the subsequent calendar year unless the voters approved a waiver of the rollback provision. The District voters have not approved any waiver of the rollback provision.

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

	Unadjusted	Adjusted
General Fund	\$ 4.2452	\$ 3.7328
Debt Service Fund	.5076	.5076
	\$ 4.7528	\$ 4.2404

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

6. General Obligation Bonds Payable

Bonds payable at June 30, 2020, consists of:

\$9,980,000 Series 2012A general obligation building bond issue dated September 11, 2012, due in varying annual installments through June 30, 2032; interest at 2.3% to 3.0%.	\$ 4,480,000
\$1,130,000 Series 2012B taxable general obligation qualified zone academy bond issue dated September 11, 2012, due in varying annual installments through March 1, 2027; interest at .760%.	1,130,000
\$21,890,000 Series 2013A general obligation building bond issue dated April 23, 2013, due in varying annual installments through March 1, 2031; interest at 2.07% to 4.0%.	19,700,000
\$2,720,000 Series 2013B taxable general obligation qualified zone academy bond issue dated December 19, 2013, due in varying annual installments through March 1, 2022; interest at 1.16%.	2,720,000
\$6,280,000 Series 2014 general obligation building bond issue dated October 30, 2014, due in varying annual installments through March 1, 2034; interest at 4.00%.	6,280,000
	\$ 34,310,000

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

The following is a summary of bond transactions for the year ended June 30, 2020:

Bonds Payable, July 1, 2019	\$ 42,000,000
Bonds issued	-
Bonds retired	(7,690,000)
Bonds Payable, June 30, 2020	<u><u>\$ 34,310,000</u></u>

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,300,000	\$ 1,108,140	\$ 3,408,140
2022	2,300,000	1,055,290	3,355,290
2023	2,400,000	973,290	3,373,290
2024	2,500,000	877,290	3,377,290
2025	2,600,000	777,290	3,377,290
2026	2,700,000	673,290	3,373,290
2027	2,830,000	565,290	3,395,290
2028	4,265,000	488,702	4,753,702
2029	4,355,000	399,168	4,754,168
2030	1,580,000	304,200	1,884,200
2031	500,000	257,700	757,700
2032	500,000	239,200	739,200
2033	2,680,000	219,200	2,899,200
2034	2,800,000	112,000	2,912,000
	<u><u>\$ 34,310,000</u></u>	<u><u>\$ 8,050,050</u></u>	<u><u>\$ 42,360,050</u></u>

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	\$ 167,444,361
General obligation bonds payable	(34,310,000)
Amount available in Debt Service Fund	3,820,980
Legal Debt Margin	<u><u>\$ 136,955,341</u></u>

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

7. Retirement Plans

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

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 the Systems, 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 Sections 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.

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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 the Systems 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. 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. Actuarially age-reduced benefits are available for members with 5 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.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 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). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2018, 2019, and 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.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2018, 2019, and 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 PSRS and PEERS were \$8,089,708 and \$1,563,903, respectively, for the year ended June 30, 2020.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psr-peers.org.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

8. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2020, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

9. Risk Management

The District is exposed to various risks of losses 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 obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

10. Interfund Transfers

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 13,876,470
Special Revenue Fund	8,655,385	-
Capital Projects Fund	5,221,085	-
	<u>\$ 13,876,470</u>	<u>\$ 13,876,470</u>

The District is required to make a transfer from the General Fund to the Special Revenue Fund to cover the excess of disbursements over receipts each year. The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law.

11. Leases

During the year ended June 30, 2020, the District entered into a direct borrowing equipment lease purchase agreement to finance the purchase of cleaning equipment at a cost of \$149,743. In the event of default, the equipment may be repossessed, with the District paying all repossession costs, as well as paying interest on any past due amounts at the lower of 1.5% or the highest lawful rate.

During the year ended June 30, 2020, the District entered into a direct borrowing equipment lease purchase agreement to finance the purchase of technology equipment at a cost of \$1,581,082. The lease contains a provision for interest at a rate of 5.04%. In the event of default, the District must immediately surrender possession of the products and return the products to the Lessor.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

During the year ended June 30, 2020, the District entered into a direct borrowing equipment lease purchase agreement to finance the purchase of technology equipment at a cost of \$2,577,519. The lease contains a provision for interest at a rate of 4.3%. In the event of default, the Lessor may order the District to immediately surrender possession of the products and return the products to the Lessor; payments are immediately due and payable; or proceed by appropriate court action either at law or in equity.

Assuming noncancellation, the following is a schedule of future minimum lease payments under the leases:

Year Ending June 30,	Direct Borrowing		
	Principal	Interest	Total
2021	\$ 1,374,068	\$ 124,955	\$ 1,499,023
2022	965,125	63,898	1,029,023
	\$ 2,339,193	\$ 188,853	\$ 2,528,046

The following represents the changes in the lease payments for the year ended June 30, 2020:

Direct Borrowing	
Lease Payable, July 1, 2019	\$ 270,223
Additional Lease Obligation	4,308,344
Lease Retirement	(2,239,374)
Lease Payable, June 30, 2020	\$ 2,339,193

12. Post-Employment Benefits

In addition to the pension benefits described in Note 7, 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 subject 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 on the future cost of the existing health care benefit plan in relation to retirees.

13. Self-Insurance Fund

The District has established a partially self-funded health benefit plan for District employees and their covered dependents to minimize the total cost of medical health insurance to the District. This program is for the benefit of all District employees covered under the Saint Joseph Schools Employee Health Care Plan. Medical claims exceeding an individual participant limit of \$200,000 are covered through a private insurance carrier. The program is administered by Benefit Management, Inc. which provides claims review, processing and payment of claims from the health insurance fund. The District established an Internal Service Fund to account for these activities.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

14. Deferred Compensation Plan

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457(b). The plans, available to all District employees, permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The District funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in individual annuity contracts and custodial accounts for regulated investment company stocks offered by various investment companies.

15. Tax Abatements

As of June 30, 2020, the District did not provide tax abatements to any businesses. However, the District's taxes were reduced by agreements entered into by other governments through the following Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing), Enhanced Enterprise Zones, Urban Redevelopments Corporation or Chapter 353, and Chapter 100 Industrial Development Act.

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased assessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to a TIF special allocation fund or other political subdivisions.

The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for various tax abatements for 10 to 25 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer.

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

Saint Joseph School District

Notes to the Financial Statements

June 30, 2020

The Chapter 100 Industrial Development Act allow cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. Cities and counties are allowed to require the company to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay.

Information relevant to disclosure of these programs for the year ended June 30, 2020, is as follows:

<u>Government Entering Into Agreement</u>	<u>Tax Abatement Program</u>	<u>Amount of Abated Assessed Value</u>	<u>Amount of Taxes Abated</u>	<u>Payment in Lieu of Tax Received</u>
City of St. Joseph, Missouri	Tax Increment Financing Ad-valorem taxes	\$ 71,155,530	\$ 3,017,279	\$ 271,965
City of St. Joseph, Missouri	Enhanced Enterprise Zones Ad-valorem taxes	\$ 26,234,278	\$ 1,112,438	\$ -
City of St. Joseph, Missouri	Chapter 353 Ad-valorem taxes	\$ 6,368,430	\$ 270,047	\$ -
City of St. Joseph, Missouri	Chapter 100 Ad-valorem taxes	\$ 42,420,753	\$ 1,798,810	\$ -

16. Operating Lease Payable

During 2020, the District entered into an operating lease with ProServ Business Systems for copier equipment. The lease calls for annual payments of \$460,000 through August 5, 2024.

17. Commitments

At June 30, 2020, the District was committed to Convergeone Inc for security cameras in the amount of \$221,055. The District was also committed to a lease with Apple Financial Services for which \$474,773 will be due during the year ended June 30, 2021. The District plans to utilize COVID-19 CARES Act funds to satisfy the agreement with Apple Financial Services.

18. Subsequent Event

On July 7, 2020, the District issued the Series 2020 Lease Certificates of Participation in the amount of \$2,350,000 for District facility improvements.

Supplementary Information

Saint Joseph School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Local	\$ 43,980,528	\$ 45,398,759	\$ 45,303,486	\$ (95,273)
County	138,000	3,470,582	3,196,057	(274,525)
State	5,250,225	5,455,018	5,883,988	428,970
Federal	13,088,732	13,875,325	11,618,042	(2,257,283)
Other	418,000	418,000	391,091	(26,909)
Total Receipts	62,875,485	68,617,684	66,392,664	(2,225,020)
Disbursements				
Instruction	13,281,301	14,082,933	10,769,374	3,313,559
Student services	4,420,694	4,455,869	4,833,432	(377,563)
Instructional staff support	1,934,059	1,981,513	1,726,344	255,169
Building administration	1,781,480	1,285,407	1,518,606	(233,199)
General administration	7,526,860	7,583,268	6,973,568	609,700
Operation of plant	14,857,830	15,027,992	11,944,407	3,083,585
Transportation	5,130,084	5,374,784	5,167,313	207,471
Food services	5,814,458	5,814,458	5,376,948	437,510
Adult continuing education	455,350	462,850	342,452	120,398
Community services	589,806	1,213,735	771,122	442,613
Total Disbursements	55,791,922	57,282,809	49,423,566	7,859,243
<i>Excess of Receipts over Disbursements</i>	7,083,563	11,334,875	16,969,098	5,634,223
Other Financing Sources (Uses)				
Net insurance recovery	24,144	24,144	4,621	(19,523)
Sale of other property	125,000	125,000	1,658	(123,342)
Operating transfers (out)	(812,175)	(5,804,088)	(13,876,470)	(8,072,382)
Total Other Financing Sources (Uses)	(663,031)	(5,654,944)	(13,870,191)	(8,215,247)
<i>Excess of Receipts and Other Sources over Disbursements and Other (Uses)</i>	6,420,532	5,679,931	3,098,907	(2,581,024)
Fund Balance, July 1, 2019	24,812,205	24,812,205	24,812,205	-
Fund Balance, June 30, 2020	\$ 31,232,737	\$ 30,492,136	\$ 27,911,112	\$ (2,581,024)

Saint Joseph School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Local	\$ 15,061,288	\$ 15,061,288	\$ 14,661,948	\$ (399,340)
County	3,332,582	-	217,888	217,888
State	44,608,545	44,608,545	44,811,352	202,807
Total Receipts	<u>63,002,415</u>	<u>59,669,833</u>	<u>59,691,188</u>	<u>21,355</u>
Disbursements				
Instruction	51,457,965	52,923,632	54,445,102	(1,521,470)
Student services	3,823,851	3,821,371	4,596,379	(775,008)
Instructional staff support	1,133,100	1,119,359	1,325,381	(206,022)
Building administration	4,005,513	4,074,263	4,459,605	(385,342)
General administration	2,347,678	2,330,097	2,596,749	(266,652)
Operation of plant	8,897	8,897	12,865	(3,968)
Adult continuing education	701,824	717,018	338,688	378,330
Community services	300,762	350,357	571,804	(221,447)
Total Disbursements	<u>63,779,590</u>	<u>65,344,994</u>	<u>68,346,573</u>	<u>(3,001,579)</u>
<i>(Deficit) of Receipts over Disbursements</i>	(777,175)	(5,675,161)	(8,655,385)	(2,980,224)
Other Financing Sources				
Operating transfers in	<u>777,175</u>	<u>5,675,161</u>	<u>8,655,385</u>	<u>2,980,224</u>
<i>Excess of Receipts and Other Sources over Disbursements</i>	-	-	-	-
Fund Balance, July 1, 2019	-	-	-	-
Fund Balance, June 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Saint Joseph School District

Budgetary Comparison Schedule – Debt Service Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Local	\$ 5,458,976	\$ 5,609,851	\$ 5,806,234	\$ 196,383
County	541,699	541,699	503,625	(38,074)
Total Receipts	<u>6,000,675</u>	<u>6,151,550</u>	<u>6,309,859</u>	<u>158,309</u>
Disbursements				
Debt service	5,103,818	5,103,818	9,003,940	(3,900,122)
Total Disbursements	<u>5,103,818</u>	<u>5,103,818</u>	<u>9,003,940</u>	<u>(3,900,122)</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	896,857	1,047,732	(2,694,081)	(3,741,813)
Fund Balance, July 1, 2019	6,515,061	6,515,061	6,515,061	-
Fund Balance, June 30, 2020	<u>\$ 7,411,918</u>	<u>\$ 7,562,793</u>	<u>\$ 3,820,980</u>	<u>\$ (3,741,813)</u>

Saint Joseph School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Receipts				
Local	\$ -	\$ -	\$ 2	\$ 2
Total Receipts	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Disbursements				
Instruction	353,598	584,530	551,863	32,667
Student services	103,581	118,581	90,391	28,190
Instructional staff support	67,938	67,938	66,501	1,437
General administration	1,248,534	1,136,963	1,657,335	(520,372)
Operation of plant	1,087,753	1,488,253	1,234,631	253,622
Transportation	295,775	295,775	270,223	25,552
Food services	58,463	58,463	328,199	(269,736)
Facilities acquisition and construction	2,788,920	2,788,920	2,587,090	201,830
Debt service	-	-	1,994,703	(1,994,703)
Total Disbursements	<u>6,004,562</u>	<u>6,539,423</u>	<u>8,780,936</u>	<u>(2,241,513)</u>
<i>(Deficit) of Receipts over Disbursements</i>	(6,004,562)	(6,539,423)	(8,780,934)	(2,241,511)
Other Financing Sources				
Sale of buses	-	-	391,900	391,900
Sale of other property	300,000	570,934	179,032	(391,902)
Operating transfers in	35,000	128,927	5,221,085	5,092,158
Total Other Financing Sources	<u>335,000</u>	<u>699,861</u>	<u>5,792,017</u>	<u>5,092,156</u>
<i>(Deficit) of Receipts and Other Sources over Disbursements</i>	(5,669,562)	(5,839,562)	(2,988,917)	2,850,645
Fund Balance, July 1, 2019	9,804,338	9,804,338	9,804,338	-
Fund Balance, June 30, 2020	<u>\$ 4,134,776</u>	<u>\$ 3,964,776</u>	<u>\$ 6,815,421</u>	<u>\$ 2,850,645</u>

Saint Joseph School District

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 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 Director of Finance, 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 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 a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
- 6) Budgets for District funds are prepared and adopted on the modified cash basis (budget basis).

Other Financial Information

Saint Joseph School District

Schedule of Receipts by Source

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 39,522,283	\$ -	\$ 5,359,440	\$ -	\$ 44,881,723
Delinquent taxes	1,122,860	-	182,744	-	1,305,604
School district trust fund (Prop C)	-	11,769,378	-	-	11,769,378
Financial institution tax	-	169,633	-	-	169,633
M&M surtax	-	2,718,427	-	-	2,718,427
In lieu of tax	251,099	-	20,866	-	271,965
Reg day school tuition (K-12) from individuals	24,757	-	-	-	24,757
Adult/continuing education tuition - post secondary	632,737	-	-	-	632,737
Earnings from temporary deposits	993,079	4,510	243,184	2	1,240,775
Food service - sales to pupils	547,393	-	-	-	547,393
Food service - non-program	179,400	-	-	-	179,400
Admissions - student activities	119,185	-	-	-	119,185
Bookstore sales	55,965	-	-	-	55,965
Student organization membership dues and fees	6,707	-	-	-	6,707
Revenue from enterprise activities	27,873	-	-	-	27,873
Other pupil activity income	1,195,850	-	-	-	1,195,850
Community services	7,126	-	-	-	7,126
Rentals	4,722	-	-	-	4,722
Gifts	113,107	-	-	-	113,107
Prior period adjustment	119,650	-	-	-	119,650
Miscellaneous local revenue	379,693	-	-	-	379,693
Total Local	45,303,486	14,661,948	5,806,234	2	65,771,670
County					
Fines, escheats, etc.	-	217,888	-	-	217,888
State assessed utilities	3,196,057	-	503,625	-	3,699,682
Total County	3,196,057	217,888	503,625	-	3,917,570
State					
Basic formula - state monies	-	41,415,501	-	-	41,415,501
Transportation	746,523	-	-	-	746,523
Early childhood special education	2,167,220	-	-	-	2,167,220
Basic formula - classroom trust fund	-	3,395,851	-	-	3,395,851
Educational screening program/PAT	303,760	-	-	-	303,760
Career education	848,641	-	-	-	848,641
Food service - state	51,176	-	-	-	51,176
Adult education & literacy (AEL)	573,387	-	-	-	573,387
Residential placement/excess cost	24,481	-	-	-	24,481
High need fund - special education	959,201	-	-	-	959,201
Other - state	209,599	-	-	-	209,599
Total State	5,883,988	44,811,352	-	-	50,695,340

Saint Joseph School District

Schedule of Receipts by Source

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	480,442	-	-	-	480,442
Reserve officer training corps (ROTC)	142,488	-	-	-	142,488
Perkins basic grant, career education	246,301	-	-	-	246,301
Adult education & literacy (AEL)	185,900	-	-	-	185,900
IDEA Grants	138,730	-	-	-	138,730
IDEA entitlement funds, part B IDEA	1,995,474	-	-	-	1,995,474
Early childhood special education - federal	272,441	-	-	-	272,441
School lunch program	2,881,584	-	-	-	2,881,584
School breakfast program	1,033,193	-	-	-	1,033,193
After school snack program	3,886	-	-	-	3,886
Fresh fruits and vegetable program	63,503	-	-	-	63,503
Title I - ESEA	2,918,195	-	-	-	2,918,195
Title I, part C - migrant education	13,840	-	-	-	13,840
Title IV.A student support and academic enrichment	123,403	-	-	-	123,403
Title III - ESEA - English language acquisition	58,786	-	-	-	58,786
Educ for homeless children & youth	96,888	-	-	-	96,888
Title II, part A&B, ESEA - teacher and principal training	441,049	-	-	-	441,049
CARES - school lunch program	222,145	-	-	-	222,145
CARES - school breakfast program	139,634	-	-	-	139,634
Pell grants	160,160	-	-	-	160,160
Total Federal	11,618,042	-	-	-	11,618,042
Other Sources					
Net insurance recovery	4,621	-	-	-	4,621
Sale of school buses	-	-	-	391,900	391,900
Sale of other property	1,658	-	-	179,032	180,690
Area voc fees from other LEAs	373,420	-	-	-	373,420
Contracted educational services	17,671	-	-	-	17,671
Total Other Sources	397,370	-	-	570,932	968,302
Total Receipts	\$ 66,398,943	\$ 59,691,188	\$ 6,309,859	\$ 570,934	\$ 132,970,924

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Saint Joseph School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u>
Certificated - regular salaries	\$ 55,391	\$ 41,874,448	\$ -	\$ -	\$ 41,929,839
Certificated - administrators salaries	508,734	5,324,223	-	-	5,832,957
Certificated - part-time salaries	157,214	508,896	-	-	666,110
Certificated - other part-time salaries	7,306	517,980	-	-	525,286
Certificated supplemental pay	15,926	1,802,266	-	-	1,818,192
Certificated unused leave and/or severance pay	90	317,484	-	-	317,574
Classified salaries regular	15,849,369	313,106	-	-	16,162,475
Classified instructional aide salaries	1,367,446	892,195	-	-	2,259,641
Classified substitute salaries	49,877	76,618	-	-	126,495
Classified salaries - part-time	910,173	19,798	-	-	929,971
Classified employees unused leave and/or severance	132,511	371	-	-	132,882
Teacher's retirement	46,165	8,097,907	-	-	8,144,072
Non-teacher retirement	1,481,795	97,936	-	-	1,579,731
Old age survivor and disability (OASDI)	1,115,919	174,057	-	-	1,289,976
Medicare	261,371	715,980	-	-	977,351
Employee insurance	3,866,689	7,317,207	-	-	11,183,896
Workers' compensation insurance	394,384	268,416	-	-	662,800
Unemployment compensation	43,212	-	-	-	43,212
Other employer provided benefits	45,049	27,685	-	-	72,734
Purchased instructional services - tuition	1,822,198	-	-	-	1,822,198
Pupil services	28,011	-	-	-	28,011
Audit services	26,422	-	-	-	26,422
Legal services	92,813	-	-	-	92,813
Election services	26,831	-	-	-	26,831
Other professional services	4,314,941	-	-	-	4,314,941
Repairs and maintenance	152,355	-	-	-	152,355
Rentals - equipment	461,875	-	-	-	461,875
Water and sewer	290,822	-	-	-	290,822
Trash removal	93,868	-	-	-	93,868
Technology-related repairs and maintenance	12,002	-	-	-	12,002
Rentals of computers and related equipment	255,503	-	-	-	255,503
Contracted transportation to and from school	4,378,146	-	-	-	4,378,146
Other contracted pupil transportation (non-route)	250,043	-	-	-	250,043
Travel	237,528	-	-	-	237,528
Other transportation services	264,252	-	-	-	264,252
Property insurance	738,270	-	-	-	738,270
Liability insurance	1,849	-	-	-	1,849
Judgments against LEA and settlements	100,842	-	-	-	100,842
Communication	172,580	-	-	-	172,580
Advertising	35,603	-	-	-	35,603

Saint Joseph School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Dues and membership	67,257	-	-	-	67,257
Other purchased services	326,456	-	-	-	326,456
Other expenses	8,346	-	-	-	8,346
General supplies	3,355,193	-	-	-	3,355,193
Supplies - technology - related	1,220,107	-	-	-	1,220,107
Textbook	3,644	-	-	-	3,644
Library books	74,565	-	-	-	74,565
Food supplies - exclude non-food supplies	2,012,503	-	-	-	2,012,503
Electric	1,567,922	-	-	-	1,567,922
Gas - natural	428,746	-	-	-	428,746
Gasoline/diesel	293,452	-	-	-	293,452
Buildings	-	-	-	1,840,690	1,840,690
Improvements other than buildings	-	-	-	1,192,465	1,192,465
Regular equipment	-	-	-	1,312,207	1,312,207
Equipment - classroom instructional apparatus	-	-	-	284,290	284,290
Technology - related hardware	-	-	-	181,056	181,056
Technology software	-	-	-	1,186,606	1,186,606
Vehicles - except school buses	-	-	-	518,696	518,696
Pupil transportation vehicles - school buses	-	-	-	270,223	270,223
Principal - bonded indebtedness	-	-	7,690,000	-	7,690,000
Principal - lease purchase agreements	-	-	-	1,969,151	1,969,151
Interest - bonded indebtedness	-	-	1,311,265	-	1,311,265
Interest - lease purchase agreements	-	-	-	25,552	25,552
Fees - bonded indebtedness	-	-	2,675	-	2,675
Total Disbursements	\$ 49,423,566	\$ 68,346,573	\$ 9,003,940	\$ 8,780,936	\$ 135,555,015

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Saint Joseph School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2020

	Contracted	District Owned	Contracted Disabled	Disabled District Owned	Total
Non-certificated salaries	\$ -	\$ -	\$ -	\$ 24,859	\$ 24,859
Employee benefits	-	-	-	3,778	3,778
Purchased services	2,979,002	-	1,117,318	-	4,096,320
Supplies	231,526	-	-	-	231,526
Capital outlay	-	270,223	-	-	270,223
Depreciation, net of adjustment	-	(206,602)	-	-	(206,602)
	\$ 3,210,528	\$ 63,621	\$ 1,117,318	\$ 28,637	\$ 4,420,104

Other Required Reports



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Saint Joseph School District
Saint Joseph, 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 Saint Joseph School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Saint Joseph School District's basic financial statements and have issued our report thereon dated November 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Saint Joseph School District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Saint Joseph School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 15, 2020



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education
Saint Joseph School District
Saint Joseph, Missouri

Report on Compliance for Each Major Federal Program

We have audited Saint Joseph School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Saint Joseph School District's major federal programs for the year ended June 30, 2020. The Saint Joseph School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Saint Joseph School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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Report on Internal Control over Compliance

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

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

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

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 15, 2020

Saint Joseph School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number or Other Identifying Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Breakfast Program				
School Breakfast Program	10.553	20199N109943	\$ -	\$ 328,959
	10.553	20200N109943	-	704,234
COVID-19 CARES Breakfast Program	10.553	2020N850343	-	139,634
			-	1,172,827
National School Lunch Program				
Cash				
	10.555	20199N109943	-	873,905
	10.555	20200N109943	-	2,007,679
Commodities	10.555	011-082	-	342,132
COVID-19 CARES Lunch Program	10.555	2020N850343	-	222,145
			-	3,445,861
After School Snack Program				
	10.555	20199N109943	-	132
	10.555	20200N109943	-	3,754
			-	3,886
Total Child Nutrition Cluster				
			-	4,622,574
Fresh Fruits and Vegetables Program				
	10.582	20199L160343	-	13,164
	10.582	20200L160343	-	50,339
			-	63,503
Total U.S. Department of Agriculture				
			-	4,686,077
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs				
	84.010	S010A180025	-	49,070
	84.010	S010A190025	-	3,555,925
			-	3,604,995
Migrant Education State Grant Program				
	84.011	S011A190025	-	10,436
			-	10,436
Student Support and Academic Enrichment				
	84.424	S424A180026	-	55,797
			-	55,797
Adult Education & Literacy - Federal				
	84.002	V002A190026	-	185,900
			-	185,900

Saint Joseph School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number or Other Identifying Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
Homeless Education	84.196	S196A190026	-	60,133
			-	60,133
Supporting Effective Instruction State Grants	84.367	S367A180024	-	69,125
	84.367	S367A190024	-	394,772
	84.367	S424A190026	-	92,465
			-	556,362
English Language Acquisition Grants	84.365	S365A180025	-	21,058
	84.365	S365A190025	-	24,539
			-	45,597
Career and Technical Education - Basic Grants to States	84.048	V048A180025	-	64,676
	84.048	V048A190025	-	320,149
			-	384,825
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A180040	-	138,730
	84.027	H027A190040	-	2,665,184
			-	2,803,914
Special Education Preschool Grants	84.173	H173A180103	-	66,326
Total Special Educations Grants Cluster			-	2,870,240
Direct				
Student Financial Assistance Cluster				
Federal Pell Grant Program (Pell)	84.063	N/A	-	153,672
Federal Direct Student Loans (Direct Loan)	84.268	N/A	-	332,947
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	N/A	-	6,762
Total Student Financial Assistance Cluster			-	493,381
Total U.S. Department of Education			-	8,267,666
U.S. Department of Defense				
Direct				
ROTC Language and Culture Training Grants	12.000	N/A	-	142,488
Total U.S. Department of Defense			-	142,488
Total Expenditures of Federal Awards			\$ -	\$ 13,096,231

N/A – Not applicable

Saint Joseph School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

- 1) The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's financial statements.
- 2) Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education at \$342,132.
- 3) The District did not provide funds to subrecipients in the current year.
- 4) The District elected not to use the 10% de minimis indirect cost rate.
- 5) Loan Programs: The District participates in the Federal Direct Student Loan Program, which provides federal loans directly to the students rather than through private lending institutions. The District is responsible only for the origination of the loan (e.g., determining students eligibility and disbursing loan proceeds to the borrower). The Direct Loan Servicer is then responsible for the overall servicing and collection of the loan. Accordingly, these loans are not included in the District's financial statements.
- 6) The amount reported on the schedule of expenditures of federal awards for the loan program represents the total value of the loans awarded and paid to the District's students during the year ended June 30, 2020.

Saint Joseph School District

Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I: Summary Schedule of Audit Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal program:	
CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to LEAs
84.027	Special Education Cluster
10.553 & 10.555	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Saint Joseph School District

Schedule of Prior Audit Findings

Year Ended June 30, 2020

Financial Statement Findings

Material Weaknesses – 2019-001 and 2019-002

2019-001 Segregation of duties

Auditors' Recommendation: We realize that due to circumstances beyond their control, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Status: Corrected

2019-002 Bank Reconciliation and Supporting Documentation

Auditors' Recommendation: We recommend that all bank accounts be reconciled to the general ledger on a monthly basis. We further recommend that these bank reconciliations and supporting information be kept on file in accordance with Missouri record retention schedules.

Status: Corrected

Section III – Federal Award Findings and Questioned Costs

Compliance Findings and Material Weaknesses – 2019-003 through 2019-005

U.S. Department of Education

Student Financial Assistance Cluster

Federal Direct Student Loan Program	CFDA 84.268
Federal Pell Grant Program (PELL)	CFDA 84.063
Federal Supplemental Educational Opportunity Grants (FSEOG)	CFDA 84.007

2019-003 Student Financial Assistance Cluster – Special Testing – Enrollment Reporting

Auditors' Recommendation: We recommend the District implement procedures to strictly comply with requirements of 34 CFR 685.309 and 34 CFR 682.610 as it relates to the student enrollment status date information reported to the NSLDS and timely reporting requirements.

Status: Corrected.

2019-004 Student Financial Assistance Cluster – Eligibility

Auditors' Recommendation: We recommend the District implement procedures to strictly comply with requirements of 34 CFR 685.203 as it relates to loan limits for Direct Student Loans.

Status: Corrected

2019-005 Student Financial Assistance Cluster – Reporting – Financial Reporting

Auditors' Recommendation: We recommend the District implement procedures to strictly comply with requirements of 34 CFR 685.301(a) as it relates to reporting actual disbursement dates and amounts.

Status: Corrected

Saint Joseph School District

Schedule of Prior Audit Findings

Year Ended June 30, 2020

Internal Control Material Weakness – 2019-006

U.S. Department of Education

Student Financial Assistance Cluster

Federal Direct Student Loan Program

CFDA 84.268

Federal Pell Grant Program (PELL)

CFDA 84.063

Federal Supplemental Educational Opportunity Grants (FSEOG)

CFDA 84.007

2019-006 *Ongoing Monitoring of Compliance with Grant Requirements*

Auditors' Recommendation: We recommend that the District implement procedures in order to strictly comply with all compliance requirements.

Status: Corrected

Supplementary State Information



Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education
Saint Joseph School District
Saint Joseph, Missouri

We have examined management's assertions that Saint Joseph School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2020. Saint Joseph School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions 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 assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. 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 assertions, 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 disclosed the District did not meet compliance with Missouri laws and regulations in which the District was not adequately collateralized during the year.

In our opinion, except for the condition described in the third paragraph, management's assertions referred to above are fairly stated, in all material respects.

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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 15, 2020

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Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1050	9	12	-	6.80	124.00	839.20
1075	9	12	-	6.80	124.00	839.20
1080	9	12	-	6.80	124.00	839.20
3000	6	8	-	6.80	124.00	839.20
3010	7	8	-	6.80	124.00	839.20
3020	6	8	-	6.80	124.00	839.20
3050	7	8	-	6.80	124.00	839.20
4040	K	6	-	6.75	124.00	835.00
4060	K	6	-	6.75	124.00	835.00
4070	K	6	-	6.75	124.00	835.00
4080	K	6	-	6.75	124.00	835.00
4100	K	6	-	6.75	124.00	835.00
4140	K	6	-	6.75	124.00	835.00
4180	K	5	-	6.75	124.00	835.00
4220	K	5	-	6.75	124.00	835.00
4260	K	5	-	6.75	124.00	835.00
4280	K	6	-	6.75	124.00	835.00
4390	K	6	-	6.75	124.00	835.00
4400	K	6	-	6.75	124.00	835.00
4420	K	6	-	6.75	123.00	828.25
4460	K	6	-	6.75	123.00	828.25

Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

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
1050	9-12	533,335.06	3,154.75	-	-	11,378.08	547,867.89
1075	9-12	1,297,541.68	19,346.55	-	2,148.00	35,335.48	1,354,371.71
1080	9-12	574,071.27	3,594.79	-	-	20,043.69	597,709.75
3000	6-8	342,456.10	40.80	-	-	30,371.10	372,868.00
3010	7-8	410,720.26	549.83	-	-	9,194.10	420,464.19
3020	6-8	416,004.58	-	-	-	36,623.65	452,628.23
3050	7-8	373,241.88	1,263.34	-	551.59	8,685.25	383,742.06
4040	K-6	293,383.23	674.43	406.00	-	23,596.17	318,059.83
4060	K-6	280,897.66	-	184.00	258.50	20,835.79	302,175.95
4070	K-6	471,384.90	1,255.55	64.25	110.00	46,535.55	519,350.25
4080	K-6	406,241.65	-	334.00	2,563.05	24,927.02	434,065.72
4100	K-6	245,684.94	331.82	112.50	-	17,095.47	263,224.73
4140	K-6	292,500.18	809.52	3.25	-	27,672.24	320,985.19
4180	K-6	376,830.62	-	40.35	-	27,221.07	404,092.04
4220	K-6	275,021.01	-	34.00	-	20,249.67	295,304.68
4260	K-6	397,496.95	8.25	99.80	-	27,494.05	425,099.05
4280	K-6	271,939.90	608.47	183.00	-	22,924.03	295,655.40
4390	K-6	313,662.23	503.57	183.00	66.25	26,365.79	340,780.84
4400	K-6	225,063.94	97.62	-	-	16,505.32	241,666.88
4420	K-6	230,724.76	62.57	68.00	-	18,044.18	248,899.51
4460	K-6	308,382.61	-	74.25	1,676.33	27,049.82	337,183.01
Grand Total	K- 12	8,336,585.41	32,301.86	1,786.40	7,373.72	498,147.52	8,876,194.91

Saint Joseph School District

Schedule of Selected Statistics

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 Level	Full-Time	Part-Time	Other	Total
	K	829.00	4.00	-	833.00
	1	794.00	-	-	794.00
	2	813.00	0.25	-	813.25
	3	832.00	0.50	-	832.50
	4	845.00	0.25	-	845.25
	5	845.00	-	-	845.00
	6	887.00	1.00	-	888.00
	7	855.00	-	-	855.00
	8	856.00	0.75	-	856.75
	9	805.00	-	-	805.00
	10	861.00	0.75	-	861.75
	11	780.00	3.00	-	783.00
	12	673.00	4.25	-	677.25
Grand Total	K – 12	10,675.00	14.75	-	10,689.75

Notes:	

Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

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

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

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
1050	269.75	70.25	-	-	340.00
1075	536.00	108.00	-	-	644.00
1080	389.50	50.50	-	-	440.00
3000	434.00	-	-	-	434.00
3010	178.75	38.00	-	-	216.75
3020	530.00	-	-	-	530.00
3050	483.25	-	-	-	483.25
4040	378.50	-	-	-	378.50
4060	110.00	27.00	-	-	137.00
4070	621.75	-	-	-	621.75
4080	110.00	38.00	-	-	148.00
4100	89.50	23.00	-	-	112.50
4140	363.50	-	-	-	363.50
4180	485.00	-	-	-	485.00
4220	182.00	24.00	-	-	206.00
4260	503.25	-	-	-	503.25
4280	340.00	-	-	-	340.00
4390	393.50	-	-	-	393.50
4400	113.00	36.00	-	-	149.00
4420	302.00	-	-	-	302.00
4460	175.00	51.00	-	-	226.00
Grand Total	6,988.25	465.75	-	-	7,454.00

Saint Joseph School District

Schedule of Selected Statistics

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/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school 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:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	True
	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	True
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	False

Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

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)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$497,682
5.13	The district/charter school 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

Notes:	

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

Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

Finding:	The District was undercollateralized during the year.
Management Letter Comment:	See Management Letter Comment number 6

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	4,482.0
	Ineligible ADT	3,635.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	763,752
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)	652,379
	Ineligible Miles (Non-Route/Disapproved)	111,373
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	124

Notes:	

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

Saint Joseph School District

Schedule of Selected Statistics

Year Ended June 30, 2020

Finding:	None
Management Letter Comment:	N/A