

Gainesville R-V School District

BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020



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Independent Auditors' Report

Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Gainesville R-V 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.

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 Gainesville R-V School District as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity 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 opinions are 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 Gainesville R-V 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 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.

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 December 4, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "KPM CPAs, PC". The letters are cursive and slightly slanted to the right.

KPM CPAs, PC
Springfield, Missouri
December 4, 2020

Government-Wide Financial Statements

Gainesville R-V School District

Statement of Net Position – Modified Cash Basis

June 30, 2020

	Governmental Activities
Assets	
Cash and investments	<u>\$ 2,348,189</u>
Total Assets	<u><u>\$ 2,348,189</u></u>
Net Position	
Restricted for student scholarships	\$ 692
Restricted for student activities	89,932
Unassigned	<u>2,257,565</u>
Total Net Position	<u><u>\$ 2,348,189</u></u>

See accompanying notes to the financial statements

Gainesville R-V School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2020

	Program Cash Receipts				Net
					(Disbursements)
	Cash	Charges for	Operating	Capital	Receipts and
	Disbursements	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Governmental Activities					
Instruction	\$ (3,537,469)	\$ 150,974	\$ 520,731	\$ 21,072	\$ (2,844,692)
Student services	(365,969)	-	42,049	-	(323,920)
Instructional staff support	(191,990)	-	29,087	-	(162,903)
Building administration	(284,860)	-	-	-	(284,860)
General administration	(428,891)	-	-	-	(428,891)
Operation of plant	(614,816)	-	-	-	(614,816)
Transportation	(504,907)	-	83,724	-	(421,183)
Food service	(317,641)	45,851	288,650	-	16,860
Community services	(282,273)	-	245,118	-	(37,155)
Facilities acquisition and	(600,923)	-	-	-	(600,923)
Debt service	(133,560)	-	-	-	(133,560)
Net Program					
(Disbursements) Receipts	<u>\$ (7,263,299)</u>	<u>\$ 196,825</u>	<u>\$ 1,209,359</u>	<u>\$ 21,072</u>	(5,836,043)
General Receipts					
Ad valorem tax receipts					1,493,299
Prop C sales tax receipts					716,793
Other tax receipts					43,766
County receipts					107,759
State receipts					2,927,666
Interest receipts					41,097
Other receipts					26,250
Total General Receipts					<u>5,356,630</u>
Special Items					
Net insurance recovery					29,815
Sale of school buses					900
Tuition from other districts					84,273
Transportation from other LEAs					5,250
Total Special Items					<u>120,238</u>
<i>(Decrease) in Net Position</i>					(359,175)
Net Position—Beginning of year					<u>2,707,364</u>
Net Position—End of year					<u>\$ 2,348,189</u>

See accompanying notes to the financial statements

Fund Financial Statements

Gainesville R-V School District

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

June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 1,136,936	\$ -	\$ 1,211,253	\$ 2,348,189
Total Assets	<u>\$ 1,136,936</u>	<u>\$ -</u>	<u>\$ 1,211,253</u>	<u>\$ 2,348,189</u>
Fund Balances				
Restricted for student scholarships	\$ 692	\$ -	\$ -	\$ 692
Restricted for student activities	89,932	-	-	89,932
Assigned for capital outlay	-	-	1,211,253	1,211,253
Unassigned	1,046,312	-	-	1,046,312
Total Fund Balances	<u>\$ 1,136,936</u>	<u>\$ -</u>	<u>\$ 1,211,253</u>	<u>\$ 2,348,189</u>

See accompanying notes to the financial statements

Gainesville R-V 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	Capital Projects Fund	Total Governmental Funds
Receipts				
Local	\$ 2,175,749	\$ 277,220	\$ 65,061	\$ 2,518,030
County	78,703	29,056	-	107,759
State	333,486	2,524,502	207,093	3,065,081
Federal	628,667	443,277	21,072	1,093,016
Total Receipts	<u>3,216,605</u>	<u>3,274,055</u>	<u>293,226</u>	<u>6,783,886</u>
Disbursements				
Instruction	819,042	2,697,355	21,072	3,537,469
Student services	249,012	116,957	-	365,969
Instructional staff support	125,226	63,371	3,393	191,990
Building administration	17,678	267,182	-	284,860
General administration	207,025	215,488	6,378	428,891
Operation of plant	585,130	-	29,686	614,816
Transportation	441,017	11,800	52,090	504,907
Food service	310,771	6,870	-	317,641
Community services	168,223	102,125	11,925	282,273
Facilities acquisition and construction	-	-	600,923	600,923
Debt service	-	-	133,560	133,560
Total Disbursements	<u>2,923,124</u>	<u>3,481,148</u>	<u>859,027</u>	<u>7,263,299</u>
<i>Excess (Deficit) Over Disbursements</i>	293,481	(207,093)	(565,801)	(479,413)
Other Financing Sources (Uses)				
Net insurance recovery	29,815	-	-	29,815
Sale of school buses	-	-	900	900
Tuition from other districts	84,273	-	-	84,273
Transportation from other LEAs	5,250	-	-	5,250
Operating transfers in (out)	(580,400)	207,093	373,307	-
Total Other Financing Sources (Uses)	<u>(461,062)</u>	<u>207,093</u>	<u>374,207</u>	<u>120,238</u>
<i>(Deficit) of Receipts and Other Sources Over Disbursement and Other (Uses)</i>	(167,581)	-	(191,594)	(359,175)
Fund Balance, July 1, 2019	1,304,517	-	1,402,847	2,707,364
Fund Balance, June 30, 2020	<u>\$ 1,136,936</u>	<u>\$ -</u>	<u>\$ 1,211,253</u>	<u>\$ 2,348,189</u>

See accompanying notes to the financial statements

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

1. Summary of Significant Accounting Policies

The District's accounting policies conform to 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-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

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 District has only governmental funds. 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 basic 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 non-certified 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.

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.

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.

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund balance, receipts, and disbursements when they result from cash transactions. The modification to cash basis relates to the presentation of investments, if any. At June 30, 2020 the District did not hold any investments. This basis is a special purpose reporting framework other than accounting principles generally accepted in the United States of America.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

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.

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. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or 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.

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 disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Cash Equivalents

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents. Cash equivalents of the pooled accounts consist primarily of sweep accounts and money market accounts, carried at cost, which approximates market.

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.

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."

Gainesville R-V 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 government'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

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. 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.

Gainesville R-V 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, bank balances on deposit exceeded pledged securities by \$1,341.

4. 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 full 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	\$ 40,946,810
Personal property	13,927,699
Total Assessed Valuation	<u><u>\$ 54,874,509</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.7500	\$ 2.7500
	<u>\$ 2.7500</u>	<u>\$ 2.7500</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 99 percent of the current assessment computed on the basis of the levy as shown above.

5. Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of 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	\$ 8,231,176
General obligation bonds payable	-
Legal Debt Margin	<u><u>\$ 8,231,176</u></u>

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

6. 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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement. 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.

Gainesville R-V 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 \$424,368 and \$68,401, 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.psrs-peers.org.

7. Bus Leases Payable

On July 23, 2018, the District entered into two lease agreements with Midwest Bus Sales, Inc., for \$130,984 with interest in the amount of \$20,361. The leases have annual lease payments through August 1, 2022. If in the event of default, the lessor may repossess and take away said equipment. The purpose of the leases was to purchase two buses.

On July 15, 2019, the District entered into a lease agreement with Santander for \$89,001, including interest of \$3,019, for the purchase of a school bus. If in the event of default, the lessor may repossess and take away said equipment.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

The following is a schedule of future minimum lease payments under the leases (assuming noncancellation):

Year Ending June 30,	Total
2021	\$ 59,936
2022	59,936
2023	30,269
Total Minimum Lease Payment	150,141
Less Amount Representing Interest	(15,534)
Net Lease Payments	\$ 134,607

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

Leases Payable, July 1, 2019	\$ 100,715
Lease additions	85,982
Lease retirements	(52,090)
Leases Payable, June 30, 2020	\$ 134,607

8. Building Lease Payable

On May 17, 2011, the District entered into a lease agreement with Community Foundation of the Ozarks, Inc. The 2011 lease agreement provided \$1,100,000 in funds for the acquisition, construction, and installation of a biomass heating and cooling facility. The lease has monthly payments in the amount of \$10,476 with interest at 1.000% through March 1, 2022. In the event of default, the Community Foundation shall have the right to possession of the facility.

The following is a schedule of future minimum lease payments under the lease (assuming noncancellation):

Year Ending June 30,	Total
2021	\$ 125,714
2022	20,952
Total Minimum Lease Payment	146,666
Less Amount Representing Interest	(912)
Net Lease Payments	\$ 145,754

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

Leases Payable, July 1, 2019	\$ 269,340
Additional lease obligation	-
Lease retirement	(123,586)
Leases Payable, June 30, 2020	\$ 145,754

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

9. Compensated Absences Payable

Compensated absences payable consists of accumulated personal leave by District personnel. Depending on employee eligibility, their total annual personal leave days vary from 10 to 13 days. Personal leave days may be used for personal leave or sick leave. Employees may accumulate up to a maximum of 70 days. Depending on the date of notification of separation of employment, personnel are compensated for a maximum of 45 or 70 days at the rate of either \$20 or \$40 per day, respectively. Total maximum compensated absences payable at June 30, 2020, was \$85,620.

10. 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.

11. 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.

12. Post-Employment Benefits

In addition to the pension benefits described in Note 6, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

13. Interfund Transfers

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

	Transfers In	Transfers Out
General Fund	\$ -	\$ 580,400
Special Revenue Fund	207,093	-
Capital Projects Fund	373,307	-
	<u>\$ 580,400</u>	<u>\$ 580,400</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, if applicable. 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.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2020

14. Commitments

At June 30, 2020, the District was committed to Control Service Company for the remaining balance on the energy management system project in the amount of \$64,750.

Supplementary Information

Gainesville R-V School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 1,990,836	\$ 2,175,749	\$ 2,175,749	\$ -
County	106,000	78,703	78,703	-
State	102,703	333,486	333,486	-
Federal	440,495	628,667	628,667	-
Total Receipts	<u>2,640,034</u>	<u>3,216,605</u>	<u>3,216,605</u>	<u>-</u>
Disbursements				
Instruction	807,351	819,042	819,042	-
Student services	163,802	249,012	249,012	-
Instructional staff support	68,300	125,226	125,226	-
Building administration	5,000	17,678	17,678	-
General administration	171,017	207,025	207,025	-
Operation of plant	457,300	585,130	585,130	-
Transportation	417,708	441,017	441,017	-
Food service	378,490	310,771	310,771	-
Community services	35,795	168,223	168,223	-
Total Disbursements	<u>2,504,763</u>	<u>2,923,124</u>	<u>2,923,124</u>	<u>-</u>
<i>Excess of Receipts Over Disbursements</i>	135,271	293,481	293,481	-
Other Financing Sources (Uses)				
Net insurance recovery	-	29,815	29,815	-
Tuition from other districts	53,000	84,273	84,273	-
Transportation from other LEAs	-	5,250	5,250	-
Operating transfers (out)	(327,169)	(580,400)	(580,400)	-
Total Other Financing Sources (Uses)	<u>(274,169)</u>	<u>(461,062)</u>	<u>(461,062)</u>	<u>-</u>
<i>(Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(138,898)	(167,581)	(167,581)	-
Fund Balance, July 1, 2019	1,304,517	1,304,517	1,304,517	-
Fund Balance, June 30, 2020	<u><u>\$ 1,165,619</u></u>	<u><u>\$ 1,136,936</u></u>	<u><u>\$ 1,136,936</u></u>	<u><u>\$ -</u></u>

Gainesville R-V School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 313,864	\$ 277,220	\$ 277,220	\$ -
County	30,000	29,056	29,056	-
State	2,855,000	2,524,502	2,524,502	-
Federal	350,000	443,277	443,277	-
Total Receipts	3,548,864	3,274,055	3,274,055	-
Disbursements				
Instruction	2,648,544	2,697,355	2,697,355	-
Student services	160,187	116,957	116,957	-
Instructional staff support	62,964	63,371	63,371	-
Building administration	280,978	267,182	267,182	-
General administration	160,828	215,488	215,488	-
Transportation	10,457	11,800	11,800	-
Food service	-	6,870	6,870	-
Community services	25,175	102,125	102,125	-
Total Disbursements	3,349,133	3,481,148	3,481,148	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	199,731	(207,093)	(207,093)	-
Other Financing Sources				
Tuition from other districts	53,000	-	-	-
Operating transfers in	42,169	207,093	207,093	-
Total Other Financing Sources	95,169	207,093	207,093	-
<i>Excess of Receipts and Other Sources Over Disbursements</i>	294,900	-	-	-
Fund Balance, July 1, 2019	-	-	-	-
Fund Balance, June 30, 2020	\$ 294,900	\$ -	\$ -	\$ -

Gainesville R-V School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 30,200	\$ 65,061	\$ 65,061	\$ -
State	-	207,093	207,093	-
Federal	-	21,072	21,072	-
Total Receipts	30,200	293,226	293,226	-
Disbursements				
Instruction	10,000	21,072	21,072	-
Instructional staff support	5,000	3,393	3,393	-
General administration	-	6,378	6,378	-
Operation of plant	20,000	29,686	29,686	-
Transportation	74,000	52,090	52,090	-
Food service	2,500	-	-	-
Community services	-	11,925	11,925	-
Facilities acquisition and construction	250,000	600,923	600,923	-
Debt service	229,173	133,560	133,560	-
Total Disbursements	590,673	859,027	859,027	-
<i>(Deficit) of Receipts Over Disbursements</i>	<i>(560,473)</i>	<i>(565,801)</i>	<i>(565,801)</i>	<i>-</i>
Other Financing Sources				
Sale of school buses	-	900	900	-
Operating transfers in	285,000	373,307	373,307	-
Total Other Financing Sources	285,000	374,207	374,207	-
<i>(Deficit) of Receipts and Other Sources Over Disbursements</i>	<i>(275,473)</i>	<i>(191,594)</i>	<i>(191,594)</i>	<i>-</i>
Fund Balance, July 1, 2019	1,402,847	1,402,847	1,402,847	-
Fund Balance, June 30, 2020	\$ 1,127,374	\$ 1,211,253	\$ 1,211,253	\$ -

Gainesville R-V School District

Note to the Budgetary Comparison Schedules

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 superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The 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

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Local				
Current taxes	\$ 1,459,467	\$ -	\$ -	\$ 1,459,467
Delinquent taxes	33,832	-	-	33,832
School District trust fund (Prop C)	442,556	274,237	-	716,793
Financial institution tax	-	-	11,727	11,727
M&M surtax	-	-	31,341	31,341
In lieu of tax	-	-	698	698
Earnings from temporary deposits	19,802	-	21,295	41,097
Food Service - sales to pupils	45,851	-	-	45,851
Admissions - student activities	150,974	-	-	150,974
Gifts	6,413	-	-	6,413
Prior Period Adjustment	-	1,383	-	1,383
Miscellaneous local revenue	16,854	1,600	-	18,454
Total local	<u>2,175,749</u>	<u>277,220</u>	<u>65,061</u>	<u>2,518,030</u>
County				
Fines, escheats, etc.	-	29,056	-	29,056
State assessed utilities	55,398	-	-	55,398
Fed prop (Include fed forest, flood, and mineral)	23,305	-	-	23,305
Total county	<u>78,703</u>	<u>29,056</u>	<u>-</u>	<u>107,759</u>
State				
Basic Formula - state monies	232,850	2,515,204	-	2,748,054
Transportation	83,724	-	-	83,724
Early childhood special education	-	9,298	-	9,298
Basic Formula - classroom trust fund	-	-	207,093	207,093
Educational screening prog/PAT	230	-	-	230
Career education	11,339	-	-	11,339
Food service - state	3,275	-	-	3,275
Other - state	2,068	-	-	2,068
Total state	<u>333,486</u>	<u>2,524,502</u>	<u>207,093</u>	<u>3,065,081</u>

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Federal				
Medicaid	40,184	-	-	40,184
Perkins basic grant, career education	17,995	-	-	17,995
IDEA entitlement funds, Part B IDEA	11,189	164,571	-	175,760
Early childhood special education - federal	-	9,265	-	9,265
School lunch program	174,850	-	-	174,850
School breakfast program	101,961	-	-	101,961
After school snack program	8,564	-	-	8,564
Title I - ESEA	84,769	224,038	21,072	329,879
Title IV.A student support and academic enrichment	18,887	5,519	-	24,406
Title II, Part A&B, ESEA - teacher and principal	-	39,884	-	39,884
Dept of Health food service program	159,027	-	-	159,027
Title VI, Part B rural education initiative	11,241	-	-	11,241
Total Federal	628,667	443,277	21,072	1,093,016
Other Sources				
Net insurance recovery	29,815	-	-	29,815
Sale of school buses	-	-	900	900
Tuition from other districts	84,273	-	-	84,273
Transportation from other LEAs	5,250	-	-	5,250
Total other sources	119,338	-	900	120,238
Total Receipts	\$ 3,335,943	\$ 3,274,055	\$ 294,126	\$ 6,904,124

The above presentation agrees to the Annual Secretary of the Board Report (ASBR).

Gainesville R-V School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Certificated - regular salaries	\$ -	\$ 2,475,300	\$ -	\$ 2,475,300
Certificated - administrators salaries	-	57,783	-	57,783
Certificated - part-time salaries	-	46,032	-	46,032
Certificated supplemental pay	64,561	35,017	-	99,578
Certificated unused leave and/or severance pay	1,560	81	-	1,641
Classified salaries regular	932,355	-	-	932,355
Classified salaries - part-time	44,740	-	-	44,740
Classified employees unused leave and/or severance	15,821	-	-	15,821
Teacher's retirement	5,238	417,805	-	423,043
Non-teacher retirement	69,759	5	-	69,764
Old age survivor and disability (OASDI)	57,946	8,149	-	66,095
Medicare	14,313	36,472	-	50,785
Employee insurance	227,044	353,797	-	580,841
Workers' compensation insurance	39,836	-	-	39,836
Purchased instructional services - tuition	90,709	50,707	-	141,416
Pupil services	250	-	-	250
Audit services	14,235	-	-	14,235
Data processing and technology-related services	3,185	-	-	3,185
Legal services	4,718	-	-	4,718
Election services	74	-	-	74
Other professional services	148,926	-	-	148,926
Repairs and maintenance	48,297	-	-	48,297
Rentals - equipment	15,116	-	-	15,116
Water and sewer	6,090	-	-	6,090
Trash removal	11,424	-	-	11,424
Travel	15,586	-	-	15,586
Property insurance	32,125	-	-	32,125
Liability insurance	30,373	-	-	30,373
Fidelity bond premiums	92	-	-	92
Communication	25,418	-	-	25,418
Advertising	1,644	-	-	1,644

Gainesville R-V School District

Schedule of Disbursements by Object

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Dues and membership	17,169	-	-	17,169
General supplies	596,864	-	-	596,864
Supplies - technology-related	64,897	-	-	64,897
Food supplies - exclude non-food supplies	148,514	-	-	148,514
Electric	108,624	-	-	108,624
Gas - L.P.	6,586	-	-	6,586
Coal	7,626	-	-	7,626
Gasoline/diesel	51,409	-	-	51,409
Buildings	-	-	600,923	600,923
Improvements other than buildings	-	-	21,334	21,334
Regular equipment	-	-	40,623	40,623
Technology - related hardware	-	-	4,119	4,119
Vehicles - except school buses	-	-	6,378	6,378
Pupil transportation vehicles - school buses	-	-	52,090	52,090
Principal - lease purchase agreements	-	-	123,586	123,586
Interest - lease purchase agreements	-	-	9,974	9,974
Total Disbursements	<u><u>\$ 2,923,124</u></u>	<u><u>\$ 3,481,148</u></u>	<u><u>\$ 859,027</u></u>	<u><u>\$ 7,263,299</u></u>

The above presentation agrees to the Annual Secretary of the Board Report (ASBR).

Gainesville R-V School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2020

	District Owned	Total
Administrative salaries	\$ 9,500	\$ 9,500
Non-certified salaries	214,028	214,028
Employee benefits	104,085	104,085
Purchased services	33,181	33,181
Supplies	92,023	92,023
Depreciation, net of adjustment	53,872	53,872
	<u>\$ 506,689</u>	<u>\$ 506,689</u>
 School buses lease/purchased		
Principal		<u>\$ 52,090</u>

Other Reporting Requirements



**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
Gainesville R-V School District
Gainesville, 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 accompanying financial statements of the governmental activities and each major fund of the Gainesville R-V School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Gainesville R-V School District's basic financial statements and have issued our report thereon dated December 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gainesville R-V 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 Gainesville R-V School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Gainesville R-V School 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. It is identified as finding 2020-001.

Compliance and Other Matters

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

Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 4, 2020



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

Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Gainesville R-V 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 Gainesville R-V School District's major federal programs for the year ended June 30, 2020. The Gainesville R-V 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 Gainesville R-V School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Gainesville R-V School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the Gainesville R-V 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.

Report on Internal Control over Compliance

Management of Gainesville R-V 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 Gainesville R-V 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 Gainesville R-V School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of 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
December 4, 2020

Gainesville R-V School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Lunch Program				
Commodities	10.555	077-102	\$ -	\$ 39,766
Cash		20199N109943	-	44,868
		20200N109943	-	129,983
		20199N109943	-	2,757
		20200N109943	-	5,807
			-	223,181
School Breakfast Program	10.553	20199N109943	-	25,633
		20200N109943	-	76,327
			-	101,960
Missouri Department of Health and Senior Services				
Summer Food Service Program	10.559	ERS0461944S	-	80,132
COVID-19 Summer Food Service Program for Children		ERS0461944S	-	80,922
			-	161,054
Total Child Nutrition Cluster			-	486,195
Total U.S. Department of Agriculture			-	486,195
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010	S010A180025	-	79,806
		S010A190025	-	272,571
			-	352,377
Career and Technical Education -- Basic Grants to States	84.048	V048A180025	-	10,075
		V048A190025	-	7,920
			-	17,995
Supporting Effective Instruction State Grant	84.367	S367A180024	-	15,280
		S367A190024	-	18,514
			-	33,794
Student Support and Academic Enrichment Program	84.424	S424A190026	-	1,865
Small Rural School Achievement Program	84.358	S358B190025	-	804
COVID-19 Education Stabilization Fund	84.425D	S425D200021	-	274,847

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Gainesville R-V School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
Special Education Cluster				
Special Education Grants to States	84.027	H027A180040	-	68,426
		H027A190040	-	101,521
			-	169,947
Special Education Preschool Grants	84.173	H173A190103	-	3,142
Total Special Education Grants Cluster			-	173,089
Direct				
Rural Education Initiative Grant	84.358	N/A	-	10,419
Total U.S. Department of Education			-	865,190
Total Expenditures of Federal Awards			\$ -	\$ 1,351,385

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Gainesville R-V 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 basic financial statements.
2. Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
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.

Gainesville R-V 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?		Yes
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 programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal programs:		
CFDA Number(s)		Name of Federal Program or Cluster
10.553, 10.555, & 10.559		Child Nutrition Cluster
84.425D		COVID-19 Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Gainesville R-V School District

Summary Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section II: Financial Statement Findings

Material Weakness

2020-001 *Segregation of duties*

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

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

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

Recommendation: We realize because of limited resources and personnel, 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.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel. The District does have some mitigating controls in place to offset some of the risks of the lack of segregation of duties.

Section III: Federal Award Findings and Questioned Costs

None

Gainesville R-V School District

Schedule of Prior Audit Findings

Year Ended June 30, 2020

Financial Statement Finding

Material Weakness

2019-001 Segregation of Duties

Auditors' Recommendation: We realize that because of limited resources and personnel, 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: Uncorrected

MARTI WARDEN, President
JABET WADE, Vice President
ALLISA WEST, Secretary
HEATHER BUSHNER, Member

MASON ESLINGER, Member
COREY HILLHOUSE, Member
JERRY KIGER, Member
ROBBY WALRATH, Member

Gainesville R-V School District
422 BULLDOG DRIVE
GAINESVILLE, MO 65655-7459

JUSTIN GILMORE
SUPERINTENDENT
417-679-4260
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ERICKA ARMSTRONG
JR HIGH/HIGH SCHOOL PRINCIPAL
417-679-4200
Fax 417-679-4290

TREVOR HICKS
ASSISTANT JH/HS PRINCIPAL
417-679-4200
Fax 417-679-4290

ERIN SWOFFORD
ELEMENTARY PRINCIPAL
417-679-4416
Fax 417-679-2077

U.S. Department of Education

The Gainesville R-V School District respectfully submits the following corrective action plan for the year ended June 30, 2020.

Contact information for the individual responsible for the corrective action:

Mr. Justin Gilmore, Superintendent
Gainesville R-V School District
422 Bulldog Dr.
Gainesville, MO 65655

Independent Public Accounting Firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804 Audit Period: Year ended June 30, 2020

The findings from the June 30, 2020, Schedule of Findings and Questioned Costs –are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statement Audit

Material Weakness

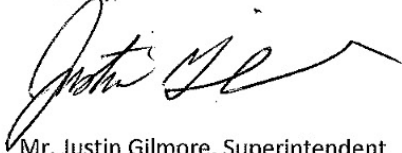
2020-001 Segregation of Duties

Recommendation: We realize that because of limited resources and personnel, 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.

Action Taken: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Completion Date: Not applicable

Sincerely,



Mr. Justin Gilmore, Superintendent

Gainesville R-V School District

“Quality Learning Today for Tomorrow”

Supplementary State Information



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

Board of Education
Gainesville R-V School District
Gainesville, Missouri

We have examined management's assertions that Gainesville R-V 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. Gainesville R-V 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.

Our examination disclosed the District did not meet compliance with Missouri laws and regulations in which the District did not post, at least quarterly, a searchable expenditure and revenue document on the District's website or other form of social media.

In our opinion, except for the conditions described in the third and fourth paragraphs, 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
December 4, 2020

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343

Gainesville R-V 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
4020	K	6	-	6.80	124.00	841.10
1050	7	12	-	6.80	124.00	841.10
7500	PK	PK	-	6.80	124.00	841.10

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
7500	PK	12,285.05	-	-	-	-	12,285.05
4020	K-6	270,726.00	-	2,269.92	-	17,161.02	290,156.94
1050	7-12	221,602.00	583.15	8,729.07	-	12,376.80	243,291.02
Grand Total	PK- 12	504,613.05	583.15	10,998.99	-	29,537.82	545,733.01

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
7500	PK	14.00	-	-	14.00
4020	K	42.00	-	-	42.00
	1	50.00	-	-	50.00
	2	53.00	-	-	53.00
	3	42.00	-	-	42.00
	4	46.00	-	-	46.00
	5	49.00	-	-	49.00
	6	55.00	-	-	55.00
1050	7	39.00	-	-	39.00
	8	58.00	0.92	-	58.92
	9	56.00	-	-	56.00
	10	34.00	-	-	34.00
	11	48.00	-	-	48.00
	12	45.00	1.60	-	46.60
Grand Total	PK-12	631.00	2.52	-	633.52

Gainesville R-V 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
7500	-	-	-	-	-
4020	193.00	35.00	-	-	228.00
1050	154.00	31.00	-	-	185.00
Grand Total	347.00	66.00	-	-	413.00

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:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2020

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
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)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	True
5.10	The district/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:	\$30,927
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.	False

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

Finding(s):	5.6 The District was undercollateralized during the year & 5.13 Searchable expenditure and revenue documents were not posted, at least quarterly, on the district website or other form of social media as required by Section 160.066, RSMo.
Management Letter Comment(s):	See Management Letter Comments number 2 & 3

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2020

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/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	469.0
	Ineligible ADT	24.0
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:	159,958
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)	118,782
	Ineligible Miles (Non-Route/Disapproved)	41,176
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	124

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

Finding:	None
Management Letter Comment:	N/A