Lebanon R-III School District

Basic Financial Statements
Year Ended June 30, 2023

KPM
CPAS & ADVISORS

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Independent Auditors' Report

Board of Education
Lebanon R-III School District
Lebanon, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Lebanon R-III School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Lebanon R-III School District, as of June 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lebanon R-III School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 accompanying Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 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 Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, on our consideration of Lebanon R-III School 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 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 Lebanon R-III School District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 20, 2023

Government-Wide Financial Statements

Lebanon R-III School District

Statement of Net Position – Modified Cash Basis

June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	$ 7,860,451
Cash and cash equivalents - GOCAPS	25,507
Investments	21,412,569
Total Assets	$ 29,298,527
Net Position	
Restricted for food service	$ 1,863,892
Restricted for student activities	1,273,884
Restricted for scholarships	202,865
Restricted for debt service	2,335,132
Restricted for escrow for crossover refunding of bonded debt	8,565,841
Restricted for GOCAPS	25,507
Unrestricted	15,031,406
Total Net Position	$ 29,298,527

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2023

	Cash Disbursements	Program Cash Receipts: Charges for Services	Program Cash Receipts: Operating Grants and Contributions	Program Cash Receipts: Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position
Governmental Activities					
Instruction	$ (31,382,656)	$ 3,114,048	$ 7,300,285	$ -	$ (20,968,323)
Student services	(3,123,902)	-	-	-	(3,123,902)
Instructional staff support	(1,470,924)	-	629,948	-	(840,976)
Building administration	(2,843,412)	-	13,468	-	(2,829,944)
General administration	(4,508,130)	-	-	-	(4,508,130)
Operation of plant	(4,692,236)	-	-	-	(4,692,236)
Transportation	(4,806,190)	-	1,490,464	-	(3,315,726)
Food Service	(2,889,729)	728,672	2,773,866	-	612,809
Community services	(1,020,360)	-	207,405	-	(812,955)
Facilities acquisition and construction	(6,100,389)	-	-	1,374,176	(4,726,213)
Debt service	(3,869,052)	-	-	-	(3,869,052)
Net Program (Disbursements) Receipts	$ (66,706,980)	$ 3,842,720	$ 12,415,436	$ 1,374,176	(49,074,648)
General Receipts					
Ad valorem tax receipts					17,117,686
Prop C sales tax receipts					5,887,336
Other tax receipts					742,605
County receipts					912,754
State receipts					19,041,282
Interest receipts					879,973
Other receipts					184,403
Total General Receipts					44,766,039
Special Items					
Net insurance recovery					19,647
Sale of school buses					803
Sale of other property					34,750
Capital lease proceeds					991,580
Tuition from other districts					220,000
Total Special Items					1,266,780
Change in Net Position					(3,041,829)
Net Position - Beginning of year					32,340,356
Net Position- End of year					$ 29,298,527

See accompanying Notes to the Financial Statements.

Fund Financial Statements

Lebanon R-III School District

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

June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 6,305,616	$ -	$ 1,054,835	$ 500,000	$ 7,860,451
Investments	7,566,431	-	9,846,138	4,000,000	21,412,569
Total Assets	$ 13,872,047	$ -	$10,900,973	$ 4,500,000	$ 29,273,020
Fund Balances					
Restricted					
Food service	$ 1,863,892	$ -	$ -	$ -	$ 1,863,892
Student activities	1,273,884	-	-	-	1,273,884
Scholarships	202,865	-	-	-	202,865
Debt service	-	-	2,335,132	-	2,335,132
Escrow amount for crossover refunding of bonded debt	-	-	8,565,841	-	8,565,841
Assigned for capital outlay	-	-	-	4,500,000	4,500,000
Unassigned	10,531,406	-	-	-	10,531,406
Total Fund Balances	$ 13,872,047	$ -	$10,900,973	$ 4,500,000	$ 29,273,020
Total Fund Balances - Governmental Funds					$ 29,273,020

Amounts reported for governmental activities in the statement of net position are different because:

The proprietary fund (an internal service fund) is used by the District's management to charge the costs of the Greater Ozarks Centers for Advanced Professional Studies (GOCAPS) program. The assets of the fund are included in governmental activities in the statement of net position - modified cash basis.	25,507
Net Position of Governmental Activities	$ 29,298,527

See accompanying Notes to the Financial Statements

Lebanon R-III School District

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

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	$ 13,486,608	$ 8,949,821	$ 3,533,578	$ 1,102,878	$ 27,072,885
County	630,679	216,668	65,407	-	912,754
State	5,960,405	16,213,384	-	2,846,283	25,020,072
Federal	7,580,523	230,299	-	-	7,810,822
Total Receipts	27,658,215	25,610,172	3,598,985	3,949,161	60,816,533
Disbursements					
Instruction	8,057,413	22,423,731	-	680,585	31,161,729
Student services	1,492,707	1,631,195	-	-	3,123,902
Instructional staff support	417,046	1,053,878	-	-	1,470,924
Building administration	725,076	2,118,336	-	-	2,843,412
General administration	2,435,243	848,671	-	1,224,216	4,508,130
Operation of plant	4,142,997	-	-	552,093	4,695,090
Transportation	3,986,444	-	-	819,746	4,806,190
Food service	2,861,697	-	-	28,032	2,889,729
Community services	397,710	622,650	-	-	1,020,360
Facilities acquisition and construction	-	-	-	6,100,389	6,100,389
Debt service	-	-	3,275,666	593,386	3,869,052
Total Disbursements	24,516,333	28,698,461	3,275,666	9,998,447	66,488,907
Excess (Deficit) of Receipts Over Disbursements	3,141,882	(3,088,289)	323,319	(6,049,286)	(5,672,374)
Other Financing Sources (Uses)					
Net insurance recovery	111	-	-	19,536	19,647
Sale of school buses	-	-	-	803	803
Sale of other property	33,750	-	-	1,000	34,750
Capital lease proceeds	-	-	-	991,580	991,580
Tuition from other districts	220,000	1,335,785	-	-	1,555,785
Contracted educational services	25,126	-	-	-	25,126
Operating transfers in (out)	(3,956,661)	1,752,504	-	2,204,157	-
Total Other Financing Sources (Uses)	(3,677,674)	3,088,289	-	3,217,076	2,627,691
Net Change in Fund Balances	(535,792)	-	323,319	(2,832,210)	(3,044,683)
Fund Balance, July 1, 2022	14,407,839	-	10,577,654	7,332,210	32,317,703
Fund Balance, June 30, 2023	$ 13,872,047	$ -	$ 10,900,973	$ 4,500,000	$ 29,273,020

Net change in fund balances - total governmental funds - modified cash basis	$ (3,044,683)
The proprietary fund (an internal service fund) is used by the District's management to charge the costs of the Greater Ozarks Centers for Professional Studies (GOCAPS) program. The net receipts of the activities of the fund are reported in the governmental activities in the statement of activities - modified cash basis.	2,854
Change in net position of governmental activities - modified cash basis	$ (3,041,829)

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

Statement of Net Position – Proprietary Fund – Modified Cash Basis

June 30, 2023

	Internal Service Fund
Assets	
Cash and cash equivalents	$ 25,507
Net Position	
Restricted for GOCAPS	$ 25,507

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

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

Year Ended June 30, 2023

	Internal Service Fund
Receipts	
Charges for services	$ 220,000
Total Receipts	220,000
Disbursements	
Teacher salaries and administrative expenses	218,072
Total Disbursements	218,072
Operating Gain	1,928
Nonoperating Receipts	
Interest receipts	926
Total Nonoperating Receipts	926
Increase in Net Position	2,854
Net Position, July 1, 2022	22,653
Net Position, June 30, 2023	$ 25,507

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

Statement of Cash Flows – Proprietary Fund – Modified Cash Basis

Year Ended June 30, 2023

	Internal Service Fund
Cash Flows from Operating Activities	
Receipts from participants	$ 220,000
Payment of teacher salaries and administrative costs	(218,072)
Net Cash Provided by Operating Activities	1,928
Cash Flows from Investing Activities	
Interest received	926
Net Cash Provided by Investing Activities	926
Net Increase in Cash	2,854
Cash and Cash Equivalents, July 1, 2022	22,653
Cash and Cash Equivalents, June 30, 2023	$ 25,507
Reconciliation of Operating Gain to Net Cash Provided by Operating Activities	
Operating Gain	$ 1,928
Net Cash Provided by Operating Activities	$ 1,928

See accompanying Notes to the Financial Statements.

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 four governmental funds and one proprietary fund. The funds of the District are all considered major funds.

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:

Governmental Funds:

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.

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:

Internal Service Fund: Accounts for the Greater Ozarks Centers for Advanced Professional (GOCAP) Studies program.

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 equity, receipts, and disbursements when they result from cash transactions. The modification to the cash basis of accounting relates to the presentation of investments. This basis is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America, and as a result, these financial statements may not be suitable for another purpose.

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 2022-2023 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2023 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, Cash Equivalents and Investments

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents with the exception of the Debt Service Fund, which is kept in separate bank accounts. Investments of the pooled accounts consist primarily of money market accounts and certificates of deposit, 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."

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. 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, 2023, all bank balances on deposit are entirely insured or collateralized with securities.

3. Investments

The District has the following investments at June 30, 2023:

Investment Type	Maturity	Total
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	$ 1,077,432
Certificates of Deposit	7/1/2026	202,865
Local Government Investment Pool, Liquid Series - MOCAAT	N/A	14,980,298
Local Government Investment Pool, Liquid Series - SDA	N/A	5,151,974
		$ 21,412,569

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.

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be 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, 2023, all certificates of deposit are entirely insured or collateralized with securities.

Missouri Capital Asset Advantage Treasury (MOCAAT)

District funds in the Missouri Capital Asset Advantage Treasury are invested in the Fund’s liquid series. The District has a pro-rata share of the liquid series which follows the investment criteria for an AAAm S&P rated stable value Local Government Investment Pool and invests in such investments as U.S. Treasury and government agency securities, repurchase agreements, certificates of deposit, and commercial paper. The liquid series has a current rating of AAAm by S&P. These funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes.

The District does not have a formal policy on interest rate risk.

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 2022 for purposes of local taxation was:

Real estate	$ 260,064,600
Personal property	121,022,164
	$ 381,086,764

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 2.9070	$ 2.8358
Special Revenue Fund	.8000	.8000
Debt Service Fund	.7830	.8542
Total Levy	$ 4.4900	$ 4.4900

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

5. 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.

6. Compensated Absences

After working for the District for 10 years and meeting the requirements to qualify for teacher or Public Education employee retirement benefits, professional staff may receive $38.50 per day and support staff may receive up to $30 per day for each sick leave day accumulated, up to 120 days upon retirement but not upon termination.

7. 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, 2023, 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.

8. General Obligation Bonds Payable

Bonds payable at June 30, 2023, consist of:

$8,825,000 general obligation bonds issued January 1, 2016, due in varying installments through March 1, 2029; interest at 2.00% to 5.00%. Note: These bonds will be paid March 1, 2024 using crossover escrow established by the issuance of Series 2017 general obligation refunding bonds.	$	8,525,000
$8,660,000 general obligation refunding bonds issued December 29, 2017, due in varying annual installments through March 1, 2029; interest at 2.25% to 3.00%.		8,660,000
$3,825,000 general obligation bonds issued July 24, 2019, due in varying annual installments through March 1, 2036; interest at 4.00% to 5.00%.		1,775,000
$4,435,000 general obligation refunding bonds issued February 11, 2020, due in varying annual installments through March 1, 2024; interest at 2.00% to 4.00%		1,595,000
$9,110,000 general obligation refunding bonds issued February 7, 2022 due in varying annual installments through March 1, 2035; interest at 3.00%		9,010,000
	$	29,565,000

The following is a summary of bond transactions for the year ended June 30, 2023:

Bonds Payable, July 1, 2022	$ 31,635,000
Bonds issued	-
Bonds retired	(2,070,000)
Bonds Payable, June 30, 2023	$ 29,565,000

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,220,000	$ 1,103,650	$ 3,323,650
2025	3,045,000	1,015,850	4,060,850
2026	3,175,000	895,000	4,070,000
2027	3,390,000	768,250	4,158,250
2028	3,655,000	633,050	4,288,050
2029	3,920,000	486,900	4,406,900
2030	1,310,000	329,800	1,639,800
2031	1,385,000	290,500	1,675,500
2032	1,445,000	248,950	1,693,950
2033	1,525,000	205,600	1,730,600
2034	1,585,000	159,850	1,744,850
2035	1,660,000	112,300	1,772,300
2036	1,250,000	62,500	1,312,500
	$ 29,565,000	$ 6,312,200	$ 35,877,200

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, 2023, was:

Constitutional debt limit	$ 57,163,015
General obligation bonds payable	(29,565,000)
Amount available in Debt Service Fund	10,900,973
Legal Debt Margin	$ 38,498,988

9. Financed Purchases & Loans Payable

On June 3, 2021, the District entered into a four-year cancelable financed purchase agreement to finance the purchase of twelve buses at a cost of $802,800. This financed purchase provides for interest at 1.16%.

On July 1, 2019, the District entered into a four-year cancelable financed purchase agreement to finance the purchase of three buses at a cost of $274,816. This financed purchase provides for interest at 2.42%.

On October 11, 2022, the District entered into a five-year cancelable financed purchase agreement to finance the purchase of six buses at a cost of $457,380. This financed purchase provides for interest at 2.90%.

On January 22, 2015, the District entered into a ten-year loan agreement with the Missouri Department of Economic Development/Energy Division in the amount of $26,845 to finance certain improvements. The loan provides for annual payments of principal and interest with an interest rate of 2.5%.

On December 1, 2021, the District entered into a four-year financed purchase agreement to purchase 340 Dell 2900 Latitude 300s' at a cost of $359,660. This financed purchase provides for interest at 6%.

On May 1, 2022, the District entered into a four-year financed purchase agreement to purchase 700 Dell 2900 Chromebooks' at a cost of $265,349. This financed purchase provides for interest at 6%.

On May 1, 2023, the District entered into a four-year financed purchase agreement to purchase 700 Dell 2900 Chromebooks' at a cost of $244,650. This financed purchase provides for interest at 7%.

On October 1, 2022, the District entered into a four-year financed purchase agreement to purchase 260 Dell 2900 Chromebooks' at a cost of $289,550. This financed purchase provides for interest at 6%.

Although the agreements provide for cancellation at the District's option at the renewal dates, the District does not foresee exercising its options to cancel. If cancellation is selected or default occurs, the principal remaining becomes due in full or underlying collateral is transferred to lender.

The following is a schedule of the future minimum financed purchase/loan payments (assuming noncancellation):

Year Ending June 30,	2019 Bus Financed Purchase	DNR Energy Loan	2021 Bus Financed Purchase	2021 Dell Financed Purchase	2022 Dell Financed Purchase	2022 Dell Financed Purchase	2022 Bus Financed Purchase	2023 Dell Financed Purchase	Total
2024	$ 57,972	$ 3,200	$ 164,920	$ 106,372	$ 70,352	$ 68,630	$ 96,378	$ 79,645	647,469
2025	-	1,478	164,920	106,371	70,352	68,630	96,378	79,645	587,774
2026	-	-	164,920	-	-	68,630	96,377	79,645	409,572
2027	-	-	-	-	-	68,630	96,377	-	165,007
Total Minimum Financed Purchase/Loan Payments	57,972	4,678	494,760	212,743	140,704	274,520	385,510	238,935	1,809,822
Less Amount Representing Interest	(1,370)	(185)	(11,260)	(11,116)	(8,135)	(29,870)	(24,850)	(29,029)	(115,815)
Total Financed Purchase/Loan Payments	$ 56,602	$ 4,493	$ 483,500	$ 201,627	$ 132,569	$ 244,650	$ 360,660	$ 209,906	$ 1,694,007

The following represents the changes in the net financed purchase/loan payments for the year ended June 30, 2023:

Financed Purchase/Loan Payable, July 1, 2022	$ 1,294,472
Additional obligations	991,580
Net retirements	(592,045)
Financed Purchase/Loan Payable, June 30, 2023	$ 1,694,007

10. Certificates of Participation Payable

During the year ended June 20, 2021, the District issued Series 2021 Certificates of Participation to finance the construction of facilities, including a gymnasium at Maplecrest Elementary School, a FEMA shelter at Boswell Elementary School, and replacing field turf at the high school athletic stadium. In the event of default, the Lessor may take possession of the facilities, declare all remaining payments for the remainder of the current renewal term immediately due and payable, terminate the agreement, or take whatever action at law or in equity that appears necessary. These certificates are direct borrowings.

During the year ended June 30 2022, the District issued Series 2022 Certificates of Participation in the amount of $4,765,000 with interest of 3.55%. The purpose of this certificate of participation is to construct improve, renovate, furnish and equip facilities of the District, including construction of a gymnasium at the Maplecrest Elementary School and a FEMA storm shelter at Boswell Elementary School and repairing field turf at the high school athletic stadium. In the event of default, the Lessor may take possession of the facilities, declare all remaining payments for the remainder of the current renewal term immediately due and payable, terminate the agreement, or take whatever action at law or in equity that appears necessary. These certificates are direct borrowings.

The following is a schedule of the future minimum Certificates of Participation payments:

Year Ending June 30,	Principal	Interest	Total
2024	$ -	$ 292,208	$ 292,208
2025	305,000	292,208	597,208
2026	310,000	286,718	596,718
2027	320,000	277,906	597,906
2028	325,000	268,793	593,793
2029-2032	1,400,000	977,463	2,377,463
2033-2037	2,015,000	968,319	2,983,319
2038-2042	2,350,000	634,700	2,984,700
2043-2046	2,185,000	199,980	2,384,980
	$ 9,210,000	$ 4,198,295	$ 13,408,295

The following represents the changes in Certificates of Participation payable for the year ended June 30, 2023:

Certificates of Participation Payable, July 1, 2022	$ 9,210,000
Additions	-
Retirements	-
Certificates of Participation Payable, June 30, 2023	$ 9,210,000

11. 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.

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 year 2023. 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 year 2023. 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 $3,501,156 and $807,601, respectively, for the year ended June 30, 2023.

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.

12. Post-Employment Benefits

In addition to the pension benefits described in Note 11, 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, 2023, were as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 3,956,661
Special Revenue Fund	1,752,504	-
Capital Projects Fund	2,204,157	-
	$ 3,956,661	$ 3,956,661

The District makes allowed transfers from the General Fund to the Capital Projects and Special Revenue Funds to cover disbursements and build balances as allowed by state law.

14. Tax Abatements

As of June 30, 2023, 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: Enhance Enterprise Zones and the Urban Redevelopments Corporation or Chapter 353.

- 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 City of Lebanon, Missouri had abatements that reduced taxes by $10,388 and Laclede County had abatements that reduced taxes by $13,511 under this program during the year ended June 30, 2023.

- 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. The City of Lebanon, Missouri granted abatements under this program resulting in a tax reduction of $111,998, for the year ended June 30, 2023.

15. Commitments

At June 30, 2023, the District was committed to Cahills Construction, Inc. in the amount of $3,364,964 for the construction of the ECSE building. The District was also committed to Branco Enterprises, Inc. in the amount of $967,456 for the construction of the Boswell Elementary Project.

Supplementary Information

Lebanon R-III School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	$ 9,855,884	$ 2,781,255	$ 2,971,299	$ -	$ 15,608,438
Delinquent taxes	953,086	268,911	287,251	-	1,509,248
School district trust fund (Prop C)	-	5,887,336	-	-	5,887,336
Financial institution tax	8,091	1,618	-	-	9,709
M&M surtax	-	-	-	732,896	732,896
Reg day school tuition (K-12) from individuals	-	10,004	-	-	10,004
Earnings from temporary deposits	250,691	697	275,028	353,557	879,973
Sales to pupils - reimbursable school meals	551,801	-	-	-	551,801
Nonreimbursable meal sales - non-program food	176,871	-	-	-	176,871
Admissions - student activities	1,493,215	-	-	-	1,493,215
Revenue from enterprise activities	209,350	-	-	-	209,350
Rentals	40,568	-	-	-	40,568
Gifts	95,039	-	-	16,425	111,464
Miscellaneous local revenue	72,939	-	-	-	72,939
Total Local	13,707,535	8,949,821	3,533,578	1,102,878	27,293,812
County					
Fines, escheats, etc.	-	216,668	-	-	216,668
State assessed utilities	630,679	-	65,407	-	696,086
Total County	630,679	216,668	65,407	-	912,754
State					
Basic formula - state monies	3,706,116	13,758,692	-	-	17,464,808
Transportation	1,490,464	-	-	-	1,490,464
Early childhood special education	-	1,472,029	-	-	1,472,029
Career ladder/excellence in education act	-	701,700	-	-	701,700
Basic formula - classroom trust fund	279,015	-	-	1,472,107	1,751,122
Educational screening prog/PAT	179,220	9,210	-	-	188,430
Career education	159,798	244,477	-	-	404,275
Food service - state	10,592	-	-	-	10,592
Teacher baseline grant	-	27,276	-	-	27,276
Residential placement/excess cost	21,027	-	-	-	21,027
State emergency management Agency (SEMA) funds	-	-	-	1,374,176	1,374,176
High need fund - special education	112,539	-	-	-	112,539
Other - state	1,634	-	-	-	1,634
Total State	5,960,405	16,213,384	-	2,846,283	25,020,072

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

Lebanon R-III School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	454,673	-	-	-	454,673
CRRSA - ESSER II	75,691	-	-	-	75,691
Perkins basic grant, career education	-	230,299	-	-	230,299
IDEA grants	6,072	-	-	-	6,072
ARP - IDEA 611 entitlement funds	221,744	-	-	-	221,744
IDEA entitlement funds, Part B IDEA	935,470	-	-	-	935,470
Early childhood special education - federal	102,677	-	-	-	102,677
ARP - IDEA early childhood special education (ECSE) 619	15,540	-	-	-	15,540
National school lunch program	1,999,947	-	-	-	1,999,947
School breakfast program	741,451	-	-	-	741,451
After school snack program	21,876	-	-	-	21,876
Title I - ESEA	1,908,386	-	-	-	1,908,386
21st century community learning center/afterschool	177,583	-	-	-	177,583
Title IV.A student support and academic enrichment	147,720	-	-	-	147,720
Title II, Part A&B, ESEA - teacher and principal training	298,255	-	-	-	298,255
Title V, Part B rural education initiative	83,707	-	-	-	83,707
Other - federal	389,731	-	-	-	389,731
Total Federal	7,580,523	230,299	-	-	7,810,822
Other Sources					
Net insurance recovery	111	-	-	19,536	19,647
Sale of school buses	-	-	-	803	803
Sale of other property	33,750	-	-	1,000	34,750
Capital lease proceeds	-	-	-	991,580	991,580
Tuition from other LEAs - regular term	220,000	1,335,785	-	-	1,555,785
Contracted educational services	25,126	-	-	-	25,126
Total Other Sources	278,987	1,335,785	-	1,012,919	2,627,691
Total Receipts	$28,158,129	$26,945,957	$ 3,598,985	$ 4,962,080	$63,665,151

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

Lebanon R-III School District

Schedule of Disbursements by Object

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Salaries	$ 10,415,305	$ 22,652,186	$ -	$ -	$ 33,067,491
Employee benefits	3,292,459	6,046,275	-	-	9,338,734
Purchased services	5,049,066	-	-	-	5,049,066
Supplies	5,977,575	-	-	-	5,977,575
Capital outlay	-	-	-	9,405,061	9,405,061
Other objects	-	-	3,275,666	593,386	3,869,052
Total Disbursements	$ 24,734,405	$ 28,698,461	$ 3,275,666	$ 9,998,447	$ 66,706,979

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

Lebanon R-III School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2023

	District Owned	Disabled Transportation District Owned	Total
Certificated salaries	$ 116,879	$ -	$ 116,879
Non-certificated salaries	2,104,502	171,087	2,275,589
Employee benefits	563,091	57,182	620,273
Purchased services	233,068	50	233,118
Supplies	554,179	50	554,229
Depreciation, net	316,540	-	316,540
	$ 3,888,259	$ 228,369	$ 4,116,628
School buses purchased	$ 457,329		
School buses financed			
Principal	$ 362,417		

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

Other Information

Lebanon R-III School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Local	$ 13,142,166	$ 13,486,608	$ 13,486,608	$ -
County	581,953	630,679	630,679	-
State	5,238,379	5,960,405	5,960,405	-
Federal	5,202,064	7,580,523	7,580,523	-
Total Receipts	24,164,562	27,658,215	27,658,215	-
Disbursements				
Instruction	7,456,149	8,057,413	8,057,413	-
Student services	1,411,655	1,492,707	1,492,707	-
Instructional staff support	337,858	417,046	417,046	-
Building administration	689,441	725,076	725,076	-
General administration	2,288,063	2,435,243	2,435,243	-
Operation of plant	4,244,453	4,142,997	4,142,997	-
Transportation	3,417,080	3,986,444	3,986,444	-
Food service	2,933,218	2,861,697	2,861,697	-
Community services	415,764	397,710	397,710	-
Total Disbursements	23,193,681	24,516,333	24,516,333	-
Excess (Deficit) of Receipts Over Disbursements	970,881	3,141,882	3,141,882	-
Other Financing Sources (Uses)				
Net Insurance Recovery	-	111	111	-
Sale of other property	-	33,750	33,750	-
Tuition from other districts	-	220,000	220,000	-
Contracted educational services	46,250	25,126	25,126	-
Operating transfers in (out)	-	(3,956,661)	(3,956,661)	-
Total Other Financing Sources (Uses)	46,250	(3,677,674)	(3,677,674)	-
Net Change in Fund Balance	1,017,131	(535,792)	(535,792)	-
Fund Balance, July 1, 2022	14,407,839	14,407,839	14,407,839	-
Fund Balance, June 30, 2023	$ 15,424,970	$ 13,872,047	$ 13,872,047	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	$ 8,809,869	$ 8,949,821	$ 8,949,821	$ -
County	180,855	216,668	216,668	-
State	17,796,952	16,213,384	16,213,384	-
Federal	480,992	230,299	230,299	-
Total Receipts	27,268,668	25,610,172	25,610,172	-
Disbursements				
Instruction	21,902,494	22,423,731	22,423,731	-
Student services	1,497,589	1,631,195	1,631,195	-
Instructional staff support	993,533	1,053,878	1,053,878	-
Building administration	2,106,352	2,118,336	2,118,336	-
General administration	831,601	848,671	848,671	-
Operation of plant	5,843	-	-	-
Transportation	10,059	-	-	-
Community services	344,479	622,650	622,650	-
Total Disbursements	27,691,950	28,698,461	28,698,461	-
Excess (Deficit) of Receipts Over Disbursements	(423,282)	(3,088,289)	(3,088,289)	-
Other Financing Sources				
Tuition from other LEAs - regular term	1,419,418	1,335,785	1,335,785	-
Area voc fees from other LEAs	54,518	-	-	-
Operating transfers in	-	1,752,504	1,752,504	-
Total Other Financing Sources	1,473,936	3,088,289	3,088,289	-
Net Change in Fund Balance	1,050,654	-	-	-
Fund Balance, July 1, 2022	-	-	-	-
Fund Balance, June 30, 2023	$ 1,050,654	$ -	$ -	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Debt Service Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	$ 2,957,863	$ 3,533,578	$ 3,533,578	$ -
County	61,000	65,407	65,407	-
Total Receipts	3,018,863	3,598,985	3,598,985	-
Disbursements				
Debt service	3,016,320	3,275,666	3,275,666	-
Total Disbursements	3,016,320	3,275,666	3,275,666	-
Excess (Deficit) of Receipts Over Disbursements	2,543	323,319	323,319	-
Fund Balance, July 1, 2022	10,501,237	10,577,654	10,577,654	-
Fund Balance, June 30, 2023	$ 10,503,780	$ 10,900,973	$ 10,900,973	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	$ -	$ 1,102,878	$ 1,102,878	$ -
State	-	2,846,283	2,846,283	-
Total Receipts	-	3,949,161	3,949,161	-
Disbursements				
Instruction	322,353	680,585	680,585	-
General administration	742,232	1,224,216	1,224,216	-
Operation of plant	-	552,093	552,093	-
Transportation	352,733	819,746	819,746	-
Food service	-	28,032	28,032	-
Facilities acquisition and construction	210,000	6,100,389	6,100,389	-
Debt service	359,870	593,386	593,386	-
Total Disbursements	1,987,188	9,998,447	9,998,447	-
Excess (Deficit) of Receipts Over Disbursements	(1,987,188)	(6,049,286)	(6,049,286)	-
Other Financing Sources				
Net insurance recovery	259,552	19,536	19,536	-
Sale of school buses	-	803	803	-
Sale of other property	-	1,000	1,000	-
Capital lease proceeds	-	991,580	991,580	-
Operating transfers in	-	2,204,157	2,204,157	-
Total Other Financing Sources	259,552	3,217,076	3,217,076	-
Net Change in Fund Balance	(1,727,636)	(2,832,210)	(2,832,210)	-
Fund Balance, July 1, 2022	5,121,462	7,332,210	7,332,210	-
Fund Balance, June 30, 2023	$ 3,393,826	$ 4,500,000	$ 4,500,000	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

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 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 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
Lebanon R-III School District
Lebanon, 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 modified cash basis financial statements of the governmental activities and each major fund of the Lebanon R-III School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Lebanon R-III School District's basic financial statements, and have issued our report thereon dated November 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the Lebanon R-III 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lebanon R-III 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 20, 2023

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

Board of Education
Lebanon R-III School District
Lebanon, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lebanon R-III School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lebanon R-III School District's major federal programs for the year ended June 30, 2023. Lebanon R-III School District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion Lebanon R-III 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lebanon R-III School District, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of the effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lebanon R-III School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Lebanon R-III School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lebanon R-III School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lebanon R-III School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 20, 2023

Lebanon R-III School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing 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				
School Breakfast Program	10.553	20221N119943	$ -	$ 249,057
		20232N119943	-	492,394
			-	741,451
National School Lunch Program - commodities	10.555	053-113	-	286,606
National School Lunch Program - cash		20221N119943	-	590,584
		20232N119943	-	1,302,619
COVID-19 National School Lunch Program - cash		20221N890343	-	89,812
		20232N890343	-	38,809
			-	2,308,430
Total Child Nutrition Cluster			-	3,049,881
Total U.S. Department of Agriculture			-	3,049,881
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010A	S010A210025	-	662,698
		S010A220025	-	582,377
		S367A220024	-	51,505
		S424A220026	-	104,588
			-	1,401,168
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027A	H027A210040	-	952,068
		H027A220040	-	63,325
COVID-19 - Special Education Grants to States	84.027X	H027X210040	-	221,744
			-	1,237,137
Special Education Preschool Grants	84.173A	H173A210103	-	13,603
		H173A220103	-	17,743
COVID-19 - Special Education Preschool Grants	84.173X	H173X210103		15,540
			-	46,886
Total Special Education Cluster (IDEA)			-	1,284,023

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

Lebanon R-III School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor /Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
Rural Education	84.358B	S358B210025	-	16,675
			-	16,675
Supporting Effective Instruction State Grant	84.367A	S367A210024	-	102,292
		S367A220024	-	45,617
			-	147,909
Grants for State Assessments and Related Activities	84.369A	S369A200026	-	2,287
Career and Technical Education - Basic Grants to States	84.048A	V048A220025	-	140,258
			-	140,258
COVID-19 - Education Stabilization Fund	84.425C	S425C210016	-	28,000
	84.425U	S425U210021	-	2,760,959
	84.425D	S425D210021	-	151,277
			-	2,940,236
Total U.S. Department of Education			-	5,932,557
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Hazard Mitigation Grant	97.039	FEMA-DR-4451	-	1,374,177
Total U.S. Department of Homeland Security			-	1,374,177
Federal Communications Commission				
Direct				
COVID-19 - Emergency Connectivity Fund Program	32.009	N/A	-	230,589
Total Federal Communications Commission			-	230,589
U.S. Department of Health and Human Services				
Centers for Disease Control and Prevention				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NU50CK000546	-	112,495
Administration for Children and Families				
Every Student Succeeds Act/Preschool Development Grants	93.434	90TP0066	-	500
Total U.S. Department of Health and Human Services			-	112,995
Total Expenditures of Federal Awards			$ -	$ 10,700,199

N/A - Not Applicable

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

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District for the year ended June 30, 2023, and is presented on the modified cash basis of accounting as described below. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Noncash Assistance

Commodities received and expended through the Food Distribution Program were valued by the Food Service Section of the Department of Elementary and Secondary Education.

Lebanon R-III School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I: Summary of Auditors' 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 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:		
Assistance Listing Number(s)	**Name of Federal Program or Cluster**	
10.553 & 10.555	Child Nutrition Cluster	
84.425C, 84.425U & 84.425D	COVID-19 Education Stabilization Fund	
97.039	Hazard Mitigation Grant	
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

Lebanon R-III School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

There were no prior year audit findings.

Supplementary State Information

KPM
CPAS & ADVISORS

Independent Accountants' Report

Board of Education
Lebanon R-III School District
Lebanon, Missouri

We have examined Lebanon R-III School District's compliance 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, 2023. Management of Lebanon R-III School District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on Lebanon R-III School District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA, and those standards require that we plan and perform the examination to obtain reasonable assurance about whether Lebanon R-III School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Lebanon R-III School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination engagement does not provide a legal determination on Lebanon R-III School District's compliance with the specified requirements.

In our opinion, Lebanon R-III School District, complied in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

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 20, 2023

Lebanon R-III School District

Schedule of Selected Statistics

Year Ended June 30, 2023

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	PK	PK	A	3.25	171.00	555.75
4020	PK	PK	-	6.45	171.00	1,104.85
4020	K	1	-	6.60	171.00	1,106.40
4060	2	3	-	6.60	171.00	1,106.40
4080	4	5	-	6.60	171.00	1,106.40
2050	6	8	-	6.80	171.00	1,140.60
1050	9	12	-	6.70	171.00	1,123.50

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	Part-Time	Remedial Hours	Other	Summer School	Total
4020	PK - 1	761,346.00	-	449.08	-	33,203.05	794,998.13
4060	2 - 3	602,860.27	1,481.00	52.83	-	27,522.84	631,916.94
4080	4 - 5	581,040.83	39.50	32.00	-	21,716.46	602,828.79
2050	6 - 8	979,144.38	8,072.18	6,637.67	-	20,705.77	1,014,560.00
1050	9 - 12	1,304,918.48	5,170.23	-	-	19,023.80	1,329,112.51
Grand Total	**PK-12**	**4,229,309.96**	**14,762.91**	**7,171.58**	**-**	**122,171.92**	**4,373,416.37**

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
4020	PA-PK	88.00	-	-	88.00
4020	K-1	665.00	-	-	665.00
4060	2-3	577.00	0.01	-	577.01
4080	4-5	557.00	0.75	-	557.75
2050	6-8	915.00	4.38	-	919.38
1050	9-12	1,308.00	4.51	-	1,312.51
Grand Total	**PA-12**	**4,110.00**	**9.65**	**-**	**4,119.65**

Notes:	

4. Free and Reduced Price 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
N/A – Res II	4.00	1.00	-	-	5.00
4020	358.00	110.00	-	-	468.00
4060	305.44	74.00	-	-	379.44
4080	257.00	88.00	-	-	345.00
2050	426.16	119.19	-	-	545.35
1050	426.00	156.00	-	-	582.00
Grand Total	**1,776.60**	**548.19**	**-**	**-**	**2,324.79**

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 and reporting by category 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	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	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 district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	$50,000

Lebanon R-III School District

Schedule of Selected Statistics

Year Ended June 30, 2023

5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
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. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	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. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	$174,131
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.

Finding:	None
Management Letter Comment:	N/A

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	2,737.5
	Ineligible ADT	6.5
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:	651,602
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	479,173
	Ineligible Miles (Non-Route/Disapproved)	172,429
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	171

Notes:	

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

Finding:	None
Management Letter Comment:	N/A

KPM
CPAS & ADVISORS

Board of Education
Lebanon R-III School District
Lebanon, Missouri

In planning and performing our audit of the basic financial statements of the Lebanon R-III School District, for the year ended June 30, 2023, we considered the District's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness.

During the course of our audit, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and recommendations regarding these matters.

1. Cybersecurity and Internal Controls

Cyberattacks are on the rise across the globe and these attacks are evolving in sophistication. Locally, there has been an increase in electronic vendor payment schemes. Fraudsters often submit fake documents to change bank routing and account numbers for electronic vendor payment deposits and often involve multiple hacks to compromise vendor information, along with e-mail or other forms of identification, in an attempt to disguise themselves as a legitimate representative of a vendor.

We Recommend:

The District ensure that it has disbursements policies and procedures in place to help safeguard against such attacks. These policies and procedures need to be monitored and re-evaluated on an ongoing basis as threats are continually evolving.

Because of the increase in electronic vendor payment schemes, we recommend that the following items are, at a minimum, included in the District's risk assessment of electronic disbursements:

- Segregate duties of employees who has access to and updates the master vendor file and the employee who creates the ACH transaction
- Ensure that management review all payee account changes that occur
- Implement account validation by verifying accuracy of account information and possibly account ownership, which could be accomplished by various methods such as ACH pre-notification or validation services that are possibly provided by the bank

- Ensure that ACH change forms are not publicly available on the District's website and require that vendors contact the District directly for the forms
- Require a phone call to the vendor to a known and reliable contact at the vendor, to the phone number on file and not the contact or phone number that is obtained in a phone call or email that may be fictitious
- Require employee training, which will empower staff to routinely ask questions of both vendors and department staff, as well as raise the awareness of red flags
- Require reassessment of financial exposure to ACH fraud on an ongoing basis.

2. New Accounting Pronouncements

GASB Statement No. 100 – *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62 – defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error correction. This statement is effective for the fiscal year beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* – updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. This statement is effective for the fiscal year beginning July 1, 2024.

We Recommend:

Management examine the new pronouncements to determine the effect these will have on future financial reporting and to ensure successful implementation on the effective dates.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss it in further detail. We appreciate this opportunity to serve as Lebanon R-III School District's independent auditor and the courtesies and assistance extended to us by the District's employees.

Respectfully submitted,

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 20, 2023