Lebanon R-III School District

Basic Financial Statements

Year Ended June 30, 2025

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, each major fund, and the remaining fund information of Lebanon R-III School District, as of and for the year ended June 30, 2025, 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, each major fund, and the remaining fund information of Lebanon R-III School District, as of June 30, 2025, 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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 supplementary information is 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 December 2, 2025, 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
December 2, 2025

Government-Wide Financial Statements

Lebanon R-III School District

Statement of Net Position – Modified Cash Basis

June 30, 2025

	Governmental Activities
Assets	
Cash and investments	$ 46,765,706
Cash and cash equivalents - GOCAPS	8,213
Total Assets	$ 46,773,919
Net Position	
Restricted for food service	$ 1,648,929
Restricted for student activities	1,234,397
Restricted for scholarships	204,650
Restricted for debt service	3,271,999
Restricted for unspent bond proceeds	28,122,046
Restricted for unspent grant funds	70,367
Restricted for GOCAPS	8,213
Unrestricted	12,213,318
Total Net Position	$ 46,773,919

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2025

	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	$ (33,360,569)	$ 2,846,471	$ 6,696,964	$ 36,439	$ (23,780,695)
Student services	(3,291,991)	-	127,091	-	(3,164,900)
Instructional staff support	(2,116,165)	-	1,007,396	-	(1,108,769)
Building administration	(3,151,200)	-	22,049	-	(3,129,151)
General administration	(3,607,485)	-	-	-	(3,607,485)
Operation of plant	(5,407,915)	-	-	-	(5,407,915)
Transportation	(5,264,736)	-	1,630,946	8,025	(3,625,765)
Food Service	(3,001,428)	669,698	2,189,412	-	(142,318)
Community services	(1,212,632)	-	164,901	-	(1,047,731)
Facilities acquisition and construction	(15,177,969)	-	-	149,230	(15,028,739)
Debt service	(4,331,899)	-	-	-	(4,331,899)
Net Program (Disbursements) Receipts	$ (79,923,989)	$ 3,516,169	$ 11,838,759	$ 193,694	(64,375,367)
General Receipts					
Ad valorem tax receipts					17,635,511
Prop C sales tax receipts					6,479,361
Other tax receipts					827,625
County receipts					1,118,240
State receipts					19,780,765
Interest receipts					2,522,809
Other receipts					99,319
Total General Receipts					48,463,630
Special Items					
Premium on bonds sold					1,324,710
Sale of bonds					11,295,000
Net insurance recovery					64,487
Sale of other property					20,960
Financed purchase proceeds					306,540
Total Special Items					13,011,697
Change in Net Position					(2,900,040)
Net Position - Beginning of year					49,673,959
Net Position- End of year					$ 46,773,919

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, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and investments	$ 12,383,365	$ -	$ 3,271,999	$31,110,342	$ 46,765,706
Total Assets	$ 12,383,365	$ -	$ 3,271,999	$31,110,342	$ 46,765,706
Fund Balances					
Restricted					
Food service	$ 1,648,929	$ -	$ -	$ -	$ 1,648,929
Student activities	1,234,397	-	-	-	1,234,397
Scholarships	204,650	-	-	-	204,650
Debt service	-	-	3,271,999	-	3,271,999
Unspent bond proceeds	-	-	-	28,122,046	28,122,046
Unspent grant funds	70,367	-	-	-	70,367
Assigned for capital outlay	-	-	-	2,988,296	2,988,296
Unassigned	9,225,022	-	-	-	9,225,022
Total Fund Balances	$ 12,383,365	$ -	$ 3,271,999	$31,110,342	$ 46,765,706
Total Fund Balances - Governmental Funds					$ 46,765,706

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. 8,213

Net Position of Governmental Activities $ 46,773,919

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, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	$ 14,820,043	$ 9,945,990	$ 3,701,789	$ 2,759,170	$ 31,226,992
County	754,564	285,063	78,613	-	1,118,240
State	5,925,169	19,913,326	-	149,230	25,987,725
Federal	5,487,130	293,899	-	44,464	5,825,493
Other	35,528	1,142,971	-	-	1,178,499
Total Receipts	27,022,434	31,581,249	3,780,402	2,952,864	65,336,949
Disbursements					
Instruction	8,566,738	24,592,577	-	201,254	33,360,569
Student services	1,477,758	1,807,834	-	6,399	3,291,991
Instructional staff support	941,678	1,174,487	-	-	2,116,165
Building administration	827,153	2,324,047	-	-	3,151,200
General administration	2,310,284	944,195	-	353,006	3,607,485
Operation of plant	5,368,106	-	-	23,297	5,391,403
Transportation	4,582,826	339	-	681,571	5,264,736
Food service	2,979,191	-	-	22,237	3,001,428
Community services	474,862	737,770	-	-	1,212,632
Facilities acquisition and construction	-	-	-	15,177,969	15,177,969
Debt service	-	-	3,168,447	1,163,452	4,331,899
Total Disbursements	27,528,596	31,581,249	3,168,447	17,629,185	79,907,477
Excess (Deficit) of Receipts Over Disbursements	(506,162)	-	611,955	(14,676,321)	(14,570,528)
Other Financing Sources (Uses)					
Sale of bonds	-	-	-	11,295,000	11,295,000
Net insurance recovery	64,487	-	-	-	64,487
Sale of school buses	-	-	-	13	13
Sale of other property	19,912	-	-	1,048	20,960
Financed purchase proceeds	-	-	-	306,540	306,540
Total Other Financing Sources (Uses)	84,399	-	-	11,602,601	11,687,000
Net Change in Fund Balances	(421,763)	-	611,955	(3,073,720)	(2,883,528)
Fund Balance, Beginning of Year	12,805,128	-	2,660,044	34,184,062	49,649,234
Fund Balance, End of Year	$ 12,383,365	$ -	$ 3,271,999	$ 31,110,342	$ 46,765,706

Net change in fund balances - total governmental funds - modified cash basis	$ (2,883,528)
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.	(16,512)
Change in net position of governmental activities - modified cash basis	$ (2,900,040)

See accompanying Notes to the Financial Statements.

Lebanon R-III School District

Statement of Net Position – Proprietary Fund – Modified Cash Basis

June 30, 2025

	Internal Service Fund
Assets	
Cash and cash equivalents	$ 8,213
Net Position	
Restricted for GOCAPS	$ 8,213

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, 2025

	Internal Service Fund
Receipts	
Charges for services	$ 213,160
Total Receipts	213,160
Disbursements	
Teacher salaries and administrative expenses	233,356
Total Disbursements	233,356
Operating (Loss)	(20,196)
Nonoperating Receipts	
Interest receipts	3,684
Total Nonoperating Receipts	3,684
(Decrease) in Net Position	(16,512)
Net Position, Beginning of Year	24,725
Net Position, End of Year	$ 8,213

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, 2025

	Internal Service Fund
Cash Flows from Operating Activities	
Receipts from participants	$ 213,160
Payment of teacher salaries and administrative costs	(233,356)
Net Cash (Used) by Operating Activities	(20,196)
Cash Flows from Investing Activities	
Interest received	3,684
Net Cash Provided by Investing Activities	3,684
Net (Decrease) in Cash	(16,512)
Cash and Cash Equivalents, Beginning of Year	24,725
Cash and Cash Equivalents, End of Year	$ 8,213
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating (Loss)	$ (20,196)
Net Cash (Used) by Operating Activities	$ (20,196)

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 governmental 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

Capital 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 2024-2025 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2025 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 are carried at cost.

Inventories

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

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, 2025, all bank balances on deposit are entirely insured or collateralized with securities.

3. Investments

The District has the following investments at June 30, 2025:

Investment Type	Maturity	Total
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	$ 725,080
Certificates of Deposit	5/21/2026	2,204,650
Local Government Investment Pool (LGIP) - MOCAAT	N/A	30,938,485
U.S. Treasury Notes - MOCAAT	11/15/2025	1,996,844
		$ 35,865,059

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 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, 2025, 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 local government investment pool (LGIP). The District has a pro-rata share of the LGIP 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 U.S. Treasury notes are held until maturity and are considered fixed income securities. 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 2024 for purposes of local taxation was:

Real estate	$ 273,303,690
Personal property	116,756,509
	$ 390,060,199

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2024 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 2.8364	$ 2.8364
Special Revenue Fund	.8000	.8000
Debt Service Fund	.8536	.8536
Total Levy	$ 4.4900	$ 4.4900

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2025, aggregated approximately 101 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, 2025, 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, 2025, consist of:

$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%.	$	7,090,000
$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%.		1,250,000
$9,110,000 general obligation refunding bonds issued February 7, 2022, due in varying annual installments through March 1, 2035; interest at 3.00%.		8,910,000
$29,705,000 general obligation bonds issued May 5, 2024, due in varying annual installments through March 1, 2044; interest at 4.00% to 5.00%.		29,705,000
$11,295,000 general obligation bonds issued March 1, 2025, due in varying annual installments through March 1, 2045; interest at 5.00%-5.50%.		11,295,000
	$	58,250,000

The following is a summary of bond transactions for the year ended June 30, 2025:

Bonds Payable, Beginning of Year	$	48,525,000
Bonds issued		11,295,000
Bonds retired		(1,570,000)
Bonds Payable, End of Year	$	58,250,000

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,600,000	$ 2,477,791	$ 4,077,791
2027	1,715,000	2,433,125	4,148,125
2028	1,830,000	2,381,675	4,211,675
2029	1,945,000	2,326,775	4,271,775
2030	1,745,000	2,268,425	4,013,425
2031	1,925,000	2,207,375	4,132,375
2032	1,905,000	2,138,825	4,043,825
2033	2,100,000	2,072,475	4,172,475
2034	2,305,000	1,997,975	4,302,975
2035	2,525,000	1,914,425	4,439,425
2036	2,750,000	1,821,375	4,571,375
2037	3,090,000	1,683,875	4,773,875
2038	3,425,000	1,529,375	4,954,375
2039	3,080,000	1,358,125	4,438,125
2040	3,430,000	1,204,125	4,634,125
2041	3,800,000	1,032,625	4,832,625
2042	4,160,000	875,275	5,035,275
2043	4,555,000	702,925	5,257,925
2044	4,965,000	508,800	5,473,800
2045	5,400,000	297,000	5,697,000
	$ 58,250,000	$ 33,232,366	$ 91,482,366

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, 2025, was:

Constitutional debt limit	$ 58,509,030
General obligation bonds outstanding	(58,250,000)
Amount available in Debt Service Fund	3,271,999
Legal Debt Margin Remaining	$ 3,531,029

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 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 August 24, 2023, the District entered into a five-year cancelable financed purchase agreement to finance the purchases of two buses at the cost of $159,000. The financed purchase provides for interest at 4.85%.

On April 29, 2024, the District entered into a five-year cancelable financed purchase agreement to finance the purchases of two buses at the cost of $293,944. The financed purchase provides for interest at 4.79%.

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%.

On April 11, 2024, the District entered into a four-year financed purchase agreement to purchase Dell 3100 Chromebooks at a cost of $283,100. The financed purchase provides for interest at 10%.

On April 1, 2025, the District entered into a four-year financed purchase agreement to purchase Dell 3100 Chromebooks at a cost of $545,725. The financed purchase provides for interest at 4.52%.

On February 11, 2025, the District entered into a five-year cancelable financed purchase agreement to finance the purchases of two buses at the cost of $306,540. The financed purchase provides for interest at 4.54%.

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,	2021 Bus Financed Purchase	2022 Dell Financed Purchase	2022 Bus Financed Purchase	2023 Dell Financed Purchase	2023 Bus Financed Purchase	2024 Bus Financed Purchase	2024 Dell Financed Purchase	2025 Bus Financed Purchase	2024 Dell Financed Purchase	Total
2026	$ 164,920	$ 68,630	$ 96,378	$ 79,645	$ 35,053	$ 65,743	$ 79,440	$ 68,682	$ 152,244	$ 810,735
2027	-	68,630	96,377	-	35,053	65,743	79,440	68,682	152,244	566,169
2028	-	-	-	-	35,052	65,743	79,440	68,682	152,244	401,161
2029	-	-	-	-	-	65,743	-	68,682	152,244	286,669
2030	-	-	-	-	-	-	-	68,682	-	68,682
Total Minimum Financed Purchase/Loan Payments	164,920	137,260	192,755	79,645	105,158	262,972	238,320	343,410	608,976	2,133,416
Less Amount Representing Interest	(1,891)	(13,745)	(7,394)	(5,048)	(9,432)	(28,709)	(34,659)	(36,870)	(63,252)	(201,000)
Total Financed Purchase/Loan Payments	$ 163,029	$ 123,515	$ 185,361	$ 74,597	$ 95,726	$ 234,263	$ 203,661	$ 306,540	$ 545,724	$ 1,932,416

The following represents the changes in the financed purchase and loan obligations for the year ended June 30, 2025:

Financed Purchase/Loan Payable, Beginning of Year	$ 1,806,133
Additional obligations	$852,265
Net retirements	(725,982)
Financed Purchase/Loan Payable, End of Year	$ 1,932,416

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
2026	$ 310,000	$ 286,718	$ 596,718
2027	320,000	277,906	597,906
2028	325,000	268,793	593,793
2029	335,000	259,498	594,498
2030	345,000	249,614	594,614
2031	355,000	239,418	594,418
2032	365,000	228,933	593,933
2033	380,000	217,703	597,703
2034	390,000	206,005	596,005
2035	400,000	194,008	594,008
2036	415,000	181,693	596,693
2037	430,000	168,910	598,910
2038	440,000	155,660	595,660
2039	455,000	141,960	596,960
2040	470,000	127,785	597,785
2041	485,000	113,135	598,135
2042	500,000	96,160	596,160
2043	520,000	78,660	598,660
2044	535,000	59,940	594,940
2045	555,000	40,680	595,680
2046	575,000	20,700	595,700
	$ 8,905,000	$ 3,613,879	$ 12,518,879

The following represents the changes in Certificates of Participation payable for the year ended June 30, 2025:

Certificates of Participation Payable, Beginning of Year	$ 9,210,000
Additions	-
Retirements	(305,000)
Certificates of Participation Payable, End of Year	$ 8,905,000

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. Members who retire with 32 or more years of service will have their benefit calculated using a 2.55% 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 2025. 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 2025. 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 $3,761,983 and $927,294, respectively, for the year ended June 30, 2025.

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. Tax Abatements

As of June 30, 2025, 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 $11,229 and Laclede County had abatements that reduced taxes by $11,140 under this program during the year ended June 30, 2025.

- 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. Laclede County, Missouri granted abatements under this program resulting in a tax reduction of $86,816, for the year ended June 30, 2025.

  The Chapter 100 Industrial Development Act allow cities or countries to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of property taxes can be abated for a term agreed on by the city of county issuer and the company,. Cities and counties are allowed to require the company to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay. Laclede County, Missouri granted abatements under this program resulting in a tax reduction of $91,596, for the year ended June 30, 2025.

14. Commitments

At June 30, 2025, the District was committed to Branco Enterprises, Inc. in the amount of $450,152 for the Boswell Classroom Addition Project, $20,709,083 for the Lebanon High School Project, and $460,116 for the Maplecrest Elementary Project.

Supplementary Information

Lebanon R-III School District

Schedule of Receipts by Source

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	$10,091,079	$ 2,846,165	$ 3,036,857	$ -	$ 15,974,101
Delinquent taxes	1,049,866	296,019	315,525	-	1,661,410
School district trust fund (Prop C)	-	6,479,361	-	-	6,479,361
Financial institution tax	7,600	2,412	2,574	-	12,586
M&M surtax	635,734	179,305	-	-	815,039
Earnings from temporary deposits	601,331	142,728	346,833	1,431,917	2,522,809
Premium on bonds sold	-	-	-	1,324,710	1,324,710
Sales to pupils - reimbursable school meals	526,390	-	-	-	526,390
Nonreimbursable meal sales - non-program food	143,308	-	-	-	143,308
Admissions - student activities	1,039,456	-	-	-	1,039,456
Revenue from enterprise activities	590,989	-	-	-	590,989
Rentals	37,527	-	-	-	37,527
Gifts	82,700	-	-	-	82,700
Miscellaneous local revenue	14,063	-	-	2,543	16,606
Total Local	14,820,043	9,945,990	3,701,789	2,759,170	31,226,992
County					
Fines, escheats, etc.	-	285,063	-	-	285,063
State assessed utilities	754,564	-	78,613	-	833,177
Total County	754,564	285,063	78,613	-	1,118,240
State					
Basic formula - state monies	2,424,452	15,178,342	-	-	17,602,794
Transportation	1,630,946	-	-	-	1,630,946
Early childhood special education	-	1,442,568	-	-	1,442,568
Career ladder/excellence in education act	-	781,800	-	-	781,800
Basic formula - classroom trust fund	-	2,353,999	-	-	2,353,999
Educational screening prog	157,329	-	-	-	157,329
Career education	464,201	-	-	-	464,201
Food service - state	15,879	-	-	-	15,879
Missouri quality pre-k (MOQPK) - LEA	-	156,617	-	-	156,617
Evidence-based reading grant	20,484	-			20,484
Residential placement/excess cost	18,635	-	-	-	18,635
High need fund - special education	134,340	-	-	-	134,340
Other - state	1,058,903	-	-	149,230	1,208,133
Total State	5,925,169	19,913,326	-	149,230	25,987,725

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, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	635,571	-	-	-	635,571
ARP - ESSER III	74,695	-	-	-	74,695
Perkins basic grant, career education	-	293,899	-	-	293,899
IDEA grants	14,861	-	-	-	14,861
IDEA entitlement funds, part B IDEA	1,040,450	-	-	-	1,040,450
Early childhood special education - federal	139,393	-	-	-	139,393
National school lunch program	1,426,202	-	-	-	1,426,202
School breakfast program	704,858	-	-	-	704,858
After school snack program	42,473	-	-	-	42,473
Title I - ESEA	706,007	-	-	-	706,007
21st century community learning center/afterschool	474,000	-	-	-	474,000
Title IV.A student support and academic enrichment	55,787	-	-	-	55,787
Educ for homeless children & youth	-	-	-	44,464	44,464
Title II, part A&B, ESEA - teacher and principal training	111,842	-	-	-	111,842
Other - federal	60,991	-	-	-	60,991
Total Federal	5,487,130	293,899	-	44,464	5,825,493
Other Sources					
Sale of bonds	-	-	-	11,295,000	11,295,000
Net insurance recovery	64,487	-	-	-	64,487
Sale of school buses	-	-	-	13	13
Sale of other property	19,912	-	-	1,048	20,960
Capital lease proceeds	-	-	-	306,540	306,540
Tuition from other LEAs - regular term	-	1,085,771	-	-	1,085,771
Area voc fees from other LEAs	-	57,200	-	-	57,200
Contracted educational services	35,528	-	-	-	35,528
Total Other Sources	119,927	1,142,971	-	11,602,601	12,865,499
Total Receipts	$27,106,833	$31,581,249	$ 3,780,402	$14,555,465	$77,023,949

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, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Salaries	$ 11,486,036	$ 24,881,909	$ -	$ -	$ 36,367,945
Employee benefits	3,808,992	6,699,340	-	-	10,508,332
Purchased services	5,456,036	-	-	-	5,456,036
Supplies	6,777,532	-	-	-	6,777,532
Capital outlay	-	-	-	16,465,733	16,465,733
Other objects	-	-	3,168,447	1,163,452	4,331,899
Total Disbursements	$ 27,528,596	$ 31,581,249	$ 3,168,447	$ 17,629,185	$ 79,907,477

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, 2025

	District Operated	District Operated Disabled	Total
Certificated salaries	$ 83,816	$ 10,318	$ 94,134
Non-certificated salaries	2,445,452	322,685	2,768,137
Employee benefits	764,685	72,110	836,795
Purchased services	243,344	30,235	273,579
Supplies	374,044	47,313	421,357
Depreciation, net	524,246	-	524,246
	$ 4,435,587	$ 482,661	$ 4,918,248
School buses purchased	$ 306,540		
School buses financed			
Principal	$ 338,592		

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

Other Information

Lebanon R-III School District

Budgetary Comparison Schedule – General Fund – Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Local	$ 14,170,672	$ 14,820,043	$ 14,820,043	$ -
County	775,437	754,564	754,564	-
State	4,506,365	5,925,169	5,925,169	-
Federal	7,248,675	5,487,130	5,487,130	-
Other	289,402	35,528	35,528	-
Total Receipts	26,990,551	27,022,434	27,022,434	-
Disbursements				
Instruction	8,276,299	8,566,738	8,566,738	-
Student services	1,583,617	1,477,758	1,477,758	-
Instructional staff support	492,654	941,678	941,678	-
Building administration	960,288	827,153	827,153	-
General administration	2,796,193	2,310,284	2,310,284	-
Operation of plant	5,291,907	5,368,106	5,368,106	-
Transportation	3,955,086	4,582,826	4,582,826	-
Food service	3,198,510	2,979,191	2,979,191	-
Community services	435,997	474,862	474,862	-
Total Disbursements	26,990,551	27,528,596	27,528,596	-
Excess (Deficit) of Receipts Over Disbursements	-	(506,162)	(506,162)	-
Other Financing Sources (Uses)				
Net Insurance Recovery	-	64,487	64,487	-
Sale of other property	-	19,912	19,912	-
Total Other Financing Sources (Uses)	-	84,399	84,399	-
Net Change in Fund Balance	-	(421,763)	(421,763)	-
Fund Balance, Beginning of Year	12,805,128	12,805,128	12,805,128	-
Fund Balance, End of Year	$ 12,805,128	$ 12,383,365	$ 12,383,365	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Special Revenue Fund – Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Local	$ 9,698,942	$ 9,945,990	$ 9,945,990	$ -
County	365,306	285,063	285,063	-
State	21,321,114	19,913,326	19,913,326	-
Federal	126,231	293,899	293,899	-
Other	249,825	1,142,971	1,142,971	-
Total Receipts	31,761,418	31,581,249	31,581,249	-
Disbursements				
Instruction	25,238,287	24,592,577	24,592,577	-
Student services	1,659,895	1,807,834	1,807,834	-
Instructional staff support	1,193,054	1,174,487	1,174,487	-
Building administration	2,337,764	2,324,047	2,324,047	-
General administration	888,906	944,195	944,195	-
Transportation	13,412	339	339	-
Community services	430,100	737,770	737,770	-
Total Disbursements	31,761,418	31,581,249	31,581,249	-
Excess (Deficit) of Receipts Over Disbursements	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Debt Service Fund – Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	$ 3,165,455	$ 3,701,789	$ 3,701,789	$ -
County	75,000	78,613	78,613	-
Total Receipts	3,240,455	3,780,402	3,780,402	-
Disbursements				
Debt service	3,170,193	3,168,447	3,168,447	-
Total Disbursements	3,170,193	3,168,447	3,168,447	-
Excess (Deficit) of Receipts Over Disbursements	70,262	611,955	611,955	-
Fund Balance, Beginning of Year	2,660,044	2,660,044	2,660,044	-
Fund Balance, End of Year	$ 2,730,306	$ 3,271,999	$ 3,271,999	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

Lebanon R-III School District

Budgetary Comparison Schedule – Capital Projects Fund – Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Receipts				
Local	$ 726,193	$ 2,759,170	$ 2,759,170	$ -
State	11,601,000	149,230	149,230	-
Federal	-	44,464	44,464	-
Total Receipts	12,327,193	2,952,864	2,952,864	-
Disbursements				
Instruction	222,390	201,254	201,254	-
Student services	-	6,399	6,399	-
General administration	782,345	353,006	353,006	-
Operation of plant	-	23,297	23,297	-
Transportation	409,893	681,571	681,571	-
Food service	148,175	22,237	22,237	-
Facilities acquisition and construction	9,235,000	15,177,969	15,177,969	-
Debt service	625,815	1,163,452	1,163,452	-
Total Disbursements	11,423,618	17,629,185	17,629,185	-
Excess (Deficit) of Receipts Over Disbursements	903,575	(14,676,321)	(14,676,321)	-
Other Financing Sources				
Sale of bonds	-	11,295,000	11,295,000	-
Sale of school buses	-	13	13	-
Sale of other property	-	1,048	1,048	-
Financed purchase proceeds	-	306,540	306,540	-
Total Other Financing Sources	-	11,602,601	11,602,601	-
Net Change in Fund Balance	903,575	(3,073,720)	(3,073,720)	-
Fund Balance, Beginning of Year	34,184,062	34,184,062	34,184,062	-
Fund Balance, End of Year	$ 35,087,637	$ 31,110,342	$ 31,110,342	$ -

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, each major fund, and the remaining fund information of the Lebanon R-III School District as of and for the year ended June 30, 2025, 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 December 2, 2025.

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
December 2, 2025

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 and January, 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, 2025. 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, 2025.

This report is intended solely for the information and use of the Board of Education, District management, and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2025

Lebanon R-III School District

Schedule of Selected Statistics

Year Ended June 30, 2025

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
7520	PK	PK	A	3.42	163.00	556.92
7520	PK	PK	-	6.82	163.00	1,077.22
4020	K	1	-	6.80	163.00	1,074.60
4060	2	3	-	6.80	163.00	1,074.60
4080	4	5	-	6.80	163.00	1,074.60
2050	6	8	-	6.80	163.00	1,074.60
1050	9	12	-	6.80	163.00	1,074.60

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
7520	PK-12	65,918.50	-	-	-	-	65,918.50
4020	K-1	615,088.31	592.81	7,611.67	-	38,201.77	661,494.56
4060	2-3	665,545.10	3,470.38	19,999.11	-	35,400.32	724,414.91
4080	4 - 5	587,633.66	3,079.12	9,730.11	-	23,243.41	623,686.30
2050	6 - 8	838,496.21	7,814.29	5,173.66	-	29,176.85	880,661.01
1050	9 - 12	1,188,501.80	4,380.06	-	-	26,740.36	1,219,622.22
Grand Total	**PK-12**	**3,961,183.58**	**19,336.66**	**42,514.55**	**-**	**152,762.71**	**4,175,797.50**

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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File (example: 102 (20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
7520	PK	267.00	-	-	267.00
4020	K-1	610.00	-	-	610.00
4060	2-3	663.00	0.78	-	663.78
4080	4-5	585.00	0.02	-	585.02
2050	6-8	860.00	1.18	-	861.18
1050	9-12	1,281.00	4.14	-	1,285.14
Grand Total	**PK-12**	**4,266.00**	**6.12**	**-**	**4,272.12**

Notes:	PK in the table above includes all PK students. The District identified 94 PK students as being eligible to be
claimed for state aid in the October MOSIS Student Core Files	

4. January Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in January 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 include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the February MOSIS Student Core File (example: 102(20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
7520	PK	286.00	-	-	286.00
4020	K-1	618.00	0.01	-	618.01
4060	2-3	670.00	0.18	-	670.18
4080	4-5	588.00	0.10	-	588.10
2050	6-8	855.00	2.07	-	857.07
1050	9-12	1,159.00	4.51	-	1,163.51
Grand Total	**PK-12**	**4,176.00**	**6.87**	**-**	**4,182.87**

Notes:	PK in the table above includes all PK students. The District identified 94 PK students as being eligible to be
claimed for state aid in the February MOSIS Student Core Files	

5. 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	24.00	-	-	-	24.00
4020	370.01	58.00	-	-	428.01
4060	348.18	74.00	-	-	422.18
4080	311.07	58.00	-	-	369.07
2050	373.50	107.00	-	-	480.50
1050	436.25	118.00	-	-	554.25
Grand Total	**1,863.01**	**415.00**	**-**	**-**	**2,278.01**

6. Finance

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

Section	Question	Answer
6.1	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
6.2	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

Lebanon R-III School District

Schedule of Selected Statistics

Year Ended June 30, 2025

6.3	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
6.4	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
6.5	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
6.6	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
6.7	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
6.8	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
6.9	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
6.10	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
6.11	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
6.12	The amount spent for approved professional development committee plan activities was:	$175,955
6.13	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

7. 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
7.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
7.2	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
7.3	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	2,677
	Ineligible ADT	-
7.4	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
7.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	702,651
7.6	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	537,199
	Ineligible Miles (Non-Route/Disapproved)	165,452
7.7	Number of days the district/charter school operated the school transportation system during the regular school year:	157

Notes:	

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

Finding:	None
Management Letter Comment:	N/A