

**JOPLIN SCHOOLS  
JOPLIN, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Joplin Schools

### Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Joplin Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Joplin Schools as of June 30, 2017, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Management's discussion and analysis on pages 3 through 11 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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 the District's internal control over financial reporting and compliance.

### ***Basis of Accounting***

We draw attention to Note A of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

*Westbrook & Co., P.C.*

Richmond, Missouri  
October 24, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Joplin Schools financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements, the notes to the basic financial statements and other supplementary information to enhance their understanding of the District's financial performance.

### Financial Highlights

Key financial highlights for 2017 are as follows:

- The District's financial status, as reflected in total net position, decreased by \$47,526,122. This planned reduction in the Debt Service Fund is a result of paying \$48,450,000 in refunding bonds from funds held in escrow for that purpose.
- General revenues are reported at \$65,452,013. Program specific revenues in the form of charges for services, operating of grants and contributions, and capital grants and contributions accounted for \$19,712,811.
- The District had \$132,690,946 in expenditures; \$19,712,811 of the expenditures were offset by program specific charges for services, grants and contributions.
- Total assets of governmental activities were reported at \$29,176,837.
- Among major funds, the General Fund had \$40,836,386 in revenues and \$26,824,250 in expenditures. After transfers to other funds, the General Fund balance increased \$3,169,031 from 2016. The District transferred \$7,076,330 from the General Fund to the Special Revenue Fund and \$3,766,775 from the General Fund to the Capital Projects Fund.

### Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.



Fund financial statements provide the next level of detail. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities. The fund financial statements also look at the District's most significant funds.

## **Reporting the District as a Whole**

### *Statement of Net Position and the Statement of Activities*

While this document contains the various funds used by the District to provide programs and activities, the Statement of Net Position and the Statement of Activities summarizes how the District as a whole performed financially during 2017. These statements include all assets and liabilities using the modified cash basis of accounting. The modified cash basis of accounting records revenues when collected and expenditures when paid, as explained in Note A to the financial statements.

These two statements report the District's net position and change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in Missouri, required educational programs, facility conditions and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where all of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

## **Reporting the District's Most Significant Funds**

### *Fund Financial Statements*

Fund financial reports provide detailed information about the District's major funds. The District uses four governmental funds to account for a multitude of financial transactions. The District considers the following to be major funds: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

## **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using the modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

## Fiduciary Funds

The District is the trustee, or fiduciary, for healthcare funds. All of the District's fiduciary activities are reported in separate statements. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

## The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position for 2017 and 2016:

**TABLE 1**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 29,176,837	\$ 76,747,048
<b>LIABILITIES</b>		
Payroll liabilities	<u>1,420,120</u>	<u>1,464,209</u>
<b>NET POSITION</b>		
Restricted for:		
Scholarships	591,630	578,111
Professional development	21,096	22,419
Capital outlay	2,819,738	5,790,664
Debt service	6,424,176	54,148,403
Unrestricted	<u>17,900,077</u>	<u>14,743,242</u>
Total Net Position	<u>\$ 27,756,717</u>	<u>\$ 75,282,839</u>

Unrestricted net position, the part of the net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District are reported at \$17,900,077. The District has restricted net position of \$6,424,176 for debt service, \$2,819,738 for capital outlay; \$21,096 for professional development and \$591,630 for scholarships.

**TABLE 2**

The following table shows the changes in net position for fiscal year 2017 and 2016.



<b>REVENUES</b>	<u>2017</u>	<u>2016</u>
Program Revenues:		
Charges for services	\$ 3,610,594	\$ 3,931,663
Operating grants and contributions	12,792,386	10,641,153
Capital grants and contributions	<u>3,309,831</u>	<u>4,600,738</u>
Total Program Revenues	<u>19,712,811</u>	<u>19,173,554</u>
General Revenues:		
Property taxes	32,317,652	31,872,186
Sales tax	7,666,159	7,471,854
Basic Formula	21,179,242	20,543,816
M & M surtax	1,853,754	1,824,603
State assessed utilities	1,607,338	1,642,764
Earnings on investments	348,719	5,008,464
Fines and escheats	216,505	205,126
In lieu of tax	39,843	35,313
Financial institution tax	103,690	28,193
Other revenue	119,111	165,093
Special item - bond proceeds	<u>-</u>	<u>43,780,000</u>
Total General Revenues and Special Item	<u>65,452,013</u>	<u>112,577,412</u>
Total Revenues	<u>85,164,824</u>	<u>131,750,966</u>
<b>PROGRAM EXPENSES</b>		
Instruction	37,074,110	36,345,578
Student activities	1,230,097	1,631,348
Student services	2,234,373	2,024,264
Instructional staff support	4,155,455	4,060,965
General administration and central services	3,384,608	3,343,359
Building administration	2,903,004	2,944,885
Operation of plant	7,056,919	7,372,379
Transportation	2,903,328	2,401,507
Food service	3,094,129	3,152,650
Community services	2,492,865	2,717,826
Facility acquisition and construction	7,346,183	9,659,440
Debt Service:		
Principal retirement	51,853,298	8,078,720
Interest and fees	<u>6,962,577</u>	<u>5,900,090</u>
Total Governmental Activities Expenses	<u>132,690,946</u>	<u>89,633,011</u>
CHANGE IN NET POSITION	(47,526,122)	42,117,955
Net Position Beginning of Year	<u>75,282,839</u>	<u>33,164,884</u>
Net Position End of Year	<u>\$ 27,756,717</u>	<u>\$ 75,282,839</u>

## GOVERNMENTAL ACTIVITIES

General revenues accounted for \$65,452,013 in revenue. General revenues are composed primarily of receipts from taxes, \$32,317,652. Other sources of general revenues are federal, state, and local aid not restricted for specific purposes, interest and investment earnings and miscellaneous other sources.

The District had \$132,690,946 in expenditures, \$19,712,811 of these expenditures were offset by program specific charges for services, grants and contributions. General revenues were also expended to provide for these programs.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. It identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

**TABLE 3**

	2017		2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 37,074,110	\$ 27,973,989	\$ 36,345,578	\$ 26,938,931
Student activities	1,230,097	(36,176)	1,631,348	73,946
Student services	2,234,373	2,223,273	2,024,264	2,024,264
Instructional staff support	4,155,455	4,152,455	4,060,965	4,060,965
General administration and central services	3,384,608	3,384,608	3,343,359	3,343,359
Building administration	2,903,004	2,903,004	2,944,885	2,944,885
Operation of plant	7,056,919	6,567,235	7,372,379	7,347,063
Transportation	2,903,328	2,449,469	2,401,507	1,854,252
Food service	3,094,129	(279,321)	3,152,650	(24,272)
Community services	2,492,865	276,645	2,717,826	648,607
Facilities acquisition and construction	7,346,183	4,547,079	9,659,440	7,268,647
Debt service:				
Principal retirement	51,853,298	51,853,298	8,078,720	8,078,720
Interest and fees	6,962,577	6,962,577	5,900,090	5,900,090
Total Governmental Activities	<u>\$ 132,690,946</u>	<u>\$ 112,978,135</u>	<u>\$ 89,633,011</u>	<u>\$ 70,459,457</u>

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student activities includes activities that add to a student's educational experience but are not related to educational activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching to pupils.

General administration and central services includes the expenditures associated with administrative and financial supervision of the district. It also includes expenditures related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Building administration includes the cost of salaries and benefits for building level principals and office support staff.

Operation of plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services includes expenditure related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvements of grounds; construction of buildings, remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest and other related charges for debt of the District.

### **The District's Funds**

The District's major funds are accounted for using the modified cash basis of accounting. All major funds had total revenues of \$85,164,824 and expenditures of \$132,690,946. The District's total fund balances decreased by \$47,526,122.

### **General Fund Budgeting Highlights**

The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2017 year, the District amended its General Fund budget. The amendments were due to changes in expenditure priorities in the buildings and revenues that exceeded conservatively budgeted amounts. The District uses a budgeting system that estimates expenditures at a maximum and revenues at conservative levels. Site budgets are tightly controlled but provide flexibility for site management.

The District's ending General Fund balance was \$6,070,852 above the final budgeted amount.

**Table 4**  
**Debt Administration**

The District had the following debt outstanding at June 30:

	<u>2017</u>	<u>2016</u>
2005 General Obligation Refunding Bonds	\$ 2,320,000	\$ 3,305,000
2006 General Obligation Refunding Bonds	3,440,000	4,140,000
2007 General Obligation Building Bonds	-	48,450,000
2012 General Obligation Building Bonds	34,250,000	34,500,000
2013 General Obligation Building Bonds	27,000,000	27,000,000
2016 General Obligation Refunding Bonds	43,780,000	43,780,000
2015A Lease Participation Certificates	-	15,023,120
2017 Lease Participation Certificates	14,045,000	-
Apple Computer Lease	494,589	984,767
	<u>\$ 125,329,589</u>	<u>\$ 177,182,887</u>

The Series 2005 bonds in the amount of \$6,600,000 financed the refunding of the outstanding Series 1999 bonds.

The Series 2006 bonds in the amount of \$7,100,000 financed the refunding of the outstanding Series 2001 bonds.

The Series 2007 bonds in the amount of \$57,300,000 financed the acquiring, constructing, improving, furnishing and equipping of school facilities, including renovating and expanding North Middle School, and making improvements to Memorial Middle School, and constructing a new middle school on 50<sup>th</sup> Street.

The Series 2012 bonds in the amount of \$35,000,000 and the Series 2013 bonds in the amount of \$27,000,000 financed the acquiring, constructing, repairing, improving, furnishing and equipping school facilities, including a new Joplin High School/Franklin Technical Center, a new East Middle School, two new elementary schools, and repairs and improvements to existing schools to include areas that will serve as community safe rooms (tornado shelters).

The Series 2016 bonds in the amount of \$43,780,000 financed the refunding of the outstanding Series 2007 bonds.

The Series 2015A lease certificates in the amount of \$28,500,000 financed the refunding of the outstanding Series 2014 lease certificates.

The Series 2017 lease certificates in the amount of \$14,045,000 financed the refunding of the outstanding Series 2015A lease certificates.

The Apple Computer lease was used to fund the purchase of technology equipment.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized General Obligation Bonds of a district to 15% of the assessed valuation of the District. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2017 was:

Constitution debt limit	\$ 132,921,605
General Obligation bonds payable	(110,790,000)
Amount available in Debt Service fund	<u>4,163,009</u>
Legal debt margin	<u>\$ 26,294,614</u>

### **Current Financial Issues and Concerns**

As the district continues to emerge from the unusual circumstances caused throughout the community by the tragic disaster in 2011, through strategically purposed actions the district has regained a solid financial basis to position it to move forward. The administration and Board of Education is now in a better position to focus on the day-to-day educational delivery to the students served by the district than it has been in recent years.

While the availability of adequate revenues that enable Joplin School to meet its reoccurring program needs while also implementing improvement goals is always a challenge, the combination of local and state funds continued to move in a positive direction in fiscal year 2017. Encouraging signs were evidenced in a November 7, 2017 article appearing in the Joplin Globe that reported, “For the second straight year, construction in Joplin has set a record dating back nearly two decades.” Continued increases in the Joplin School’s assessed valuation, and maintaining current student enrollment with potential increases, are critical as the district looks to its future.

The lease purchase financing with Bank of America was reduced by \$978,120 with earmarked grants and revenues received to support the rebuild effort. The purpose of the financing was to fund the rebuild scope of work to recover from the 2011 tornado. The financing allowed Joplin Schools to pay contractors, then submit paid invoices to agencies for reimbursement. The balance of \$14,045,000 as of June 1, 2017 was refinanced at a fixed rate of 2.96%, with annual principal and interest payments required for ten years. The lease purchase may be paid after three years, with no prepayment penalty. It is anticipated that all of the revenues from FEMA/SEMA obligations should be received by the June 1, 2020 prepayment date.

In conclusion, Joplin Schools has a solid financial footing to support future operations. In recent years of extreme challenges, it was the combined efforts of district staff, students, patrons, and Board of Education members working together that successfully brought us to this point. With the continuation of this collaborative cooperation, Joplin Schools will be able to continue to focus on making the best use of its resources to meet educational needs of all its students.

## **Contacting the District's Financial Management**

This financial report is designed to provide our taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the funds received. If you have questions about this report or need additional financial information contact the Superintendent or Chief Financial Officer, Joplin Schools, P.O. Box 128, Joplin, MO 64802, phone (417) 625-5200.

**JOPLIN SCHOOLS**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**JUNE 30, 2017**

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	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>29,176,837</u>
<b>LIABILITIES</b>	
Payroll liabilities	<u>1,420,120</u>
<b>NET POSITION</b>	
Restricted for:	
Scholarships	591,630
Professional development	21,096
Capital outlay	2,819,738
Debt service	6,424,176
Unrestricted	<u>17,900,077</u>
Total net position	<u>\$ 27,756,717</u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	Expenditures	PROGRAM REVENUES			Net (Expenditure) Revenue And Change in Net Position Governmental
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 37,074,110	\$ 544,802	\$ 8,055,692	\$ 499,627	\$ (27,973,989)
Student activities	1,230,097	1,266,273	-	-	36,176
Student services	2,234,373	-	-	11,100	(2,223,273)
Instruction staff support	4,155,455	-	3,000	-	(4,152,455)
General administration & central services	3,384,608	-	-	-	(3,384,608)
Building administration	2,903,004	-	-	-	(2,903,004)
Operation of plant	7,056,919	46,821	442,863	-	(6,567,235)
Transportation	2,903,328	-	453,859	-	(2,449,469)
Food service	3,094,129	575,055	2,798,395	-	279,321
Community services	2,492,865	1,177,643	1,038,577	-	(276,645)
Facility acquisition and construction	7,346,183	-	-	2,799,104	(4,547,079)
Debt service:					
Principal retirement	51,853,298	-	-	-	(51,853,298)
Interest and fees	6,962,577	-	-	-	(6,962,577)
<b>Total Governmental Activities</b>	<b>\$ 132,690,946</b>	<b>\$ 3,610,594</b>	<b>\$ 12,792,386</b>	<b>\$ 3,309,831</b>	<b>(112,978,135)</b>
General Revenues:					
					21,179,242
					32,317,652
					7,666,159
					348,719
					1,607,338
					1,853,754
					39,843
					119,111
					216,505
					103,690
					<u>65,452,013</u>
					Change in net position (47,526,122)
					Net Position Beginning of year <u>75,282,839</u>
					Net Position End of year <u>\$ 27,756,717</u>

See accompanying notes to the basic financial statements.



**JOPLIN SCHOOLS**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

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	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 18,672,996</u>	<u>\$ 1,259,927</u>	<u>\$ 6,424,176</u>	<u>\$ 2,819,738</u>	<u>\$ 29,176,837</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Payroll liabilities	<u>\$ 160,193</u>	<u>\$ 1,259,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,420,120</u>
Fund Balances:					
Restricted	612,726	-	6,424,176	-	7,036,902
Committed	-	-	-	2,819,738	2,819,738
Assigned	2,211,370	-	-	-	2,211,370
Unassigned	<u>15,688,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,688,707</u>
Total fund balances	<u>18,512,803</u>	<u>-</u>	<u>6,424,176</u>	<u>2,819,738</u>	<u>27,756,717</u>
Total Liabilities and Fund Balances	<u>\$ 18,672,996</u>	<u>\$ 1,259,927</u>	<u>\$ 6,424,176</u>	<u>\$ 2,819,738</u>	<u>\$ 29,176,837</u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local	\$ 27,932,175	\$ 8,830,881	\$ 8,879,650	\$ 127,778	\$ 45,770,484
County	1,176,192	216,505	431,146	-	1,823,843
State	4,691,491	19,459,134	-	101,134	24,251,759
Federal	6,986,093	2,503,419	-	3,197,597	12,687,109
Other	50,435	492,123	-	89,071	631,629
	<u>40,836,386</u>	<u>31,502,062</u>	<u>9,310,796</u>	<u>3,515,580</u>	<u>85,164,824</u>
<b>Total Revenues</b>					
<b>EXPENDITURES:</b>					
Instruction	4,746,793	31,581,971	-	745,346	37,074,110
Student activities	1,230,097	-	-	-	1,230,097
Student services	804,018	1,422,212	-	8,143	2,234,373
Instruction staff support	1,797,736	2,029,542	-	328,177	4,155,455
General administration & central services	3,024,401	360,207	-	-	3,384,608
Building administration	984,026	1,918,978	-	-	2,903,004
Operation of plant	7,056,919	-	-	-	7,056,919
Transportation	2,873,817	-	-	29,511	2,903,328
Food service	3,079,060	-	-	15,069	3,094,129
Community services	1,227,383	1,265,482	-	-	2,492,865
Facility acquisition and construction	-	-	-	7,346,183	7,346,183
<b>Debt service:</b>					
Principal retirement	-	-	50,385,000	1,468,298	51,853,298
Interest and fees	-	-	6,650,023	312,554	6,962,577
	<u>26,824,250</u>	<u>38,578,392</u>	<u>57,035,023</u>	<u>10,253,281</u>	<u>132,690,946</u>
<b>Total Expenditures</b>					
Revenues Over (Under) Expenditures	14,012,136	(7,076,330)	(47,724,227)	(6,737,701)	(47,526,122)
<b>Other Financing Sources (Uses):</b>					
Transfers	(10,843,105)	7,076,330	-	3,766,775	-
Net change in fund balance	3,169,031	-	(47,724,227)	(2,970,926)	(47,526,122)
Fund balance, beginning	15,343,772	-	54,148,403	5,790,664	75,282,839
Fund balance, ending	<u>\$ 18,512,803</u>	<u>\$ -</u>	<u>\$ 6,424,176</u>	<u>\$ 2,819,738</u>	<u>\$ 27,756,717</u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**JUNE 30, 2017**

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	<u>SELF INSURANCE FUND</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 3,866,688</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 3,866,688</u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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	SELF INSURANCE FUND
	<u>                    </u>
Additions	
Contributions - Employees	\$ 2,545,798
Contributions - District	<u>4,372,548</u>
Total additions	<u>6,918,346</u>
Deductions	
Administrative fees	570,802
Benefit claims	<u>3,742,317</u>
Total deductions	<u>4,313,119</u>
Change in Net Position	2,605,227
Net Position, beginning	<u>1,261,461</u>
Net Position, ending	<u><u>\$ 3,866,688</u></u>

See accompanying notes to the basic financial statements.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the District, except for fiduciary funds.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports the accumulation of resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Funds:

Self Insurance Fund: Accounts for transactions of the District's self-funded medical plan for the purpose of providing benefits to eligible employees.

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Also, salaries for teachers are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Pooled Cash and Temporary Investments: Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the District's Treasurer. Investments of the pooled accounts consist primarily of U.S. Government securities and certificates of deposit, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances. The investment pool is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District).

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Vacation and Sick Leave: Vacation time and sick leave are considered as expenditures in the year paid. Accumulated vacation and sick leave benefits unused and which are vested in the employee are payable upon termination at varying rates depending on the employee's rate of pay.

Teachers' Salaries: In accordance with teacher contracts, payroll and benefits for July and August, 2017 related to 2016-2017 contracts in the amount of \$4,392,418 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

OPEB Liabilities: As the District uses the modified cash basis of accounting, other post employment benefits liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

**NOTE B - CASH AND CASH EQUIVALENTS**

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2017, the bank balances of the District's deposits, including certificates of deposit, totaled \$33,574,488. Of this amount, \$250,000 was covered by FDIC insurance and \$33,324,488 was supported by a letter of credit, held by banks in the District's name that do not hold the collateralized deposits.

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

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. The District had \$4,625,858 invested with MOHEFA at June 30, 2017.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy states that the portfolio not have a concentration of assets in specific maturity, specific issuer, or specific class of securities.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE C - RISK MANAGEMENT**

The District is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors and omissions; natural disasters; employee injuries and illnesses; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health and dental benefits.

The District participates in a self-funded medical plan covering substantially all employees. The plan operates on a fiscal year ended September 30. The administration of the plan is provided through a third party claims administrator. Plan contributions for employee and dependent coverage are made by the District and employees. For the year ended June 30, 2017, the District made contributions of \$4,372,548 and employees contributed \$2,545,798 to the plan.

**NOTE D - 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. Jasper and Newton County collect the property tax and remits it to the District. The District also receives sales tax collected by the state and remitted based on weighted average daily attendance. 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. The District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2016.

The assessed valuation of the tangible taxable property for the calendar year 2016 for purposes of local taxation was:

Real Estate:	
Residential	\$ 372,103,430
Agricultural	6,764,730
Commercial	269,480,370
Personal property	<u>237,795,508</u>
Total	<u>\$ 886,144,038</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2016 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 2.7500	\$ 2.7500
Special Revenue Fund	-	-
Debt Service Fund	0.9100	0.9100
Capital Projects Fund	<u>-</u>	<u>-</u>
	<u>\$ 3.6600</u>	<u>\$ 3.6600</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2017, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.



**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE E - RETIREMENT PLAN**

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's 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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at [www.psr-peers.org](http://www.psr-peers.org).

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 5 years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-peers.org](http://www.psr-peers.org). Since the prior valuation date the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2017. 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 for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2017 were \$4,649,308 equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2017 were \$19,427 equal to the required contributions.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE E - RETIREMENT PLAN (continued)**

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work in a position that requires 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at [www.psrps-peers.org](http://www.psrps-peers.org).

PEERS is a defined benefit plan providing service retirement and disability 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 .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psrps-peers.org](http://www.psrps-peers.org).

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2017. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS for the year ended June 30, 2017 were \$865,492 equal to the required contributions.

**NOTE F - INTERFUND TRANSFERS**

During the year, the District transferred \$7,076,330 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

The District also made a \$15,069 transfer from the General Fund to the Capital Projects Fund for food services capital outlay expenditures; a \$354,724 transfer from the General Fund to the Capital Projects Fund for transportation capital outlay expenditures; and a \$3,396,982 revenue transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE)

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE G - CAPITAL LEASE OBLIGATIONS**

On April 27, 2015, the District entered into a lease purchase agreement for technology equipment. The agreement requires three annual payments of \$499,041 including interest at 0.90%.

On April 1, 2016, the District entered into a \$17,100,000 Series 2015A lease purchase agreement to refinance the Series 2014A Certificates of Participation. The original lease was used to provide the short-term funding needed to complete construction until the District collects FEMA, SEMA and grant reimbursements. These Series 2015A Certificates of Participation matured on June 1, 2017 and were refinanced by \$14,045,000 Series 2017 Certificates of Participation. The lease certificates are payable in annual installments of principal and interest at 2.96% due semi-annually through June 1, 2027.

Future minimum lease payments on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,724,589	\$ 420,183	\$ 2,144,772
2019	1,265,000	379,324	1,644,324
2020	1,300,000	341,880	1,641,880
2021	1,340,000	303,400	1,643,400
2022	1,380,000	263,736	1,643,736
2023	1,420,000	222,888	1,642,888
2024	1,460,000	180,856	1,640,856
2025	1,505,000	137,640	1,642,640
2026	1,550,000	93,092	1,643,092
2027	1,595,000	47,212	1,642,212
Total	<u>\$ 14,539,589</u>	<u>\$ 2,390,211</u>	<u>\$ 16,929,800</u>

**NOTE H - LONG-TERM DEBT**

Changes in long-term debt during the fiscal year were as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amount due in one year
Bonds Payable	\$ 161,175,000	\$ -	\$ 50,385,000	\$ 110,790,000	\$ 3,365,000
Lease Participation Certificates	15,023,121	-	978,121	14,045,000	1,230,000
Capital Lease	<u>984,767</u>	<u>-</u>	<u>490,178</u>	<u>494,589</u>	<u>494,589</u>
Total	<u>\$ 177,182,888</u>	<u>\$ -</u>	<u>\$ 51,853,299</u>	<u>\$ 125,329,589</u>	<u>\$ 5,089,589</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE I - BONDS PAYABLE**

Bonds payable at June 30, 2017, consist of:

Series 2005 general obligation refunding bonds due in varying annual installments through March 1, 2017; interest at 4.4 to 5.1%	\$ 2,320,000
Series 2006 general obligation refunding bonds due in varying annual installments through March 1, 2021; interest at 4.5 to 5.25%	3,440,000
Series 2012 general obligation building bonds due in varying annual installments through March 1, 2032; interest at 2.0 to 5.0%	34,250,000
Series 2013 general obligation building bonds due in varying annual installments through March 1, 2033; interest at 3.0 to 5.0%	27,000,000
Series 2016 general obligation refunding bonds due in varying annual installments through March 1, 2027; interest at 2.0 to 5.0%	<u>43,780,000</u>
Total	<u><u>\$ 110,790,000</u></u>

Bond requirements at June 30, 2017, are:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,365,000	\$ 4,522,333	\$ 7,887,333
2019	3,540,000	4,383,193	7,923,193
2020	4,130,000	4,234,637	8,364,637
2021	4,325,000	4,039,825	8,364,825
2022	4,950,000	3,835,225	8,785,225
2023	5,450,000	3,592,725	9,042,725
2024	5,950,000	3,325,225	9,275,225
2025	6,400,000	3,089,725	9,489,725
2026	6,830,000	2,836,225	9,666,225
2027	7,100,000	2,697,125	9,797,125
2028	7,900,000	2,484,125	10,384,125
2029	8,700,000	2,192,125	10,892,125
2030	9,550,000	1,844,125	11,394,125
2031	10,000,000	1,398,125	11,398,125
2032	11,100,000	932,125	12,032,125
2033	11,500,000	516,813	12,016,813
	<u>\$ 110,790,000</u>	<u>\$ 45,923,676</u>	<u>\$ 156,713,676</u>

**NOTE J - COMMITMENTS**

On November 26, 2016, the Board approved a construction contract to construct an early childhood center. As of June 30, 2017, the District had \$6,138,025 in remaining committed construction costs.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE K - LITIGATION**

As of June 30, 2017, the District had several unsettled claims at various stages of litigation. At this time, outcomes cannot be predicted, however the District is vigorously defending against each claim.

**NOTE L - SUBSEQUENT EVENTS**

Subsequent to the end of the fiscal year, the board approved the purchase of four (4) school buses at a total cost of \$360,939.

**NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS**

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Fund. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance.

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined.

**JOPLIN SCHOOLS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS (continued)**

As of June 30, 2017, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Restricted:				
Debt service	\$ -	\$ -	\$ 6,424,176	\$ -
Scholarships	591,630	-	-	-
Professional development	21,096	-	-	-
Total restricted	<u>612,726</u>	<u>-</u>	<u>6,424,176</u>	<u>-</u>
Committed:				
Construction projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,819,738</u>
Assigned:				
Student activities	976,439	-	-	-
Food service	1,234,931	-	-	-
Total assigned	<u>2,211,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>15,688,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 18,512,803</u>	<u>\$ -</u>	<u>\$ 6,424,176</u>	<u>\$ 2,819,738</u>

**NOTE N - TAX ABATEMENTS**

The District's 2016 property tax revenues were reduced by \$1,855,363 under agreements entered into by Jasper County. The District also received \$39,843 from Jasper County associated with these agreements.

## **SUPPLEMENTARY INFORMATION**

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 27,289,699	\$ 27,960,524	\$ 27,932,175	\$ (28,349)
County	900,000	900,000	1,176,192	276,192
State	4,166,679	4,149,930	4,691,491	541,561
Federal	7,225,252	8,353,877	6,986,093	(1,367,784)
Other	-	8,640	50,435	41,795
<b>Total Revenues</b>	<b>39,581,630</b>	<b>41,372,971</b>	<b>40,836,386</b>	<b>(536,585)</b>
<b>EXPENDITURES:</b>				
Instruction	5,314,674	5,763,329	4,746,793	1,016,536
Student activities	946,462	1,793,897	1,230,097	563,800
Student services	817,748	1,029,253	804,018	225,235
Instruction staff support	2,192,226	2,265,584	1,797,736	467,848
General administration & central services	2,630,011	3,221,299	3,024,401	196,898
Building administration	1,059,513	1,059,513	984,026	75,487
Operation of plant	7,643,114	7,636,714	7,056,919	579,795
Transportation	2,712,410	3,021,548	2,873,817	147,731
Food service	3,037,116	3,037,116	3,079,060	(41,944)
Community services	3,411,620	3,575,622	1,227,383	2,348,239
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<b>29,764,894</b>	<b>32,403,875</b>	<b>26,824,250</b>	<b>5,579,625</b>
Revenues Over (Under) Expenditures	9,816,736	8,969,096	14,012,136	5,043,040
<b>Other Financing Sources (Uses):</b>				
Transfers	(9,756,752)	(11,870,917)	(10,843,105)	1,027,812
Net change in fund balance	59,984	(2,901,821)	3,169,031	6,070,852
Fund balance, beginning	15,343,772	15,343,772	15,343,772	-
Fund balance, ending	<u>\$ 15,403,756</u>	<u>\$ 12,441,951</u>	<u>\$ 18,512,803</u>	<u>\$ 6,070,852</u>



**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 9,434,732	\$ 9,434,732	\$ 8,830,881	\$ (603,851)
County	240,000	240,000	216,505	(23,495)
State	18,894,434	19,109,770	19,459,134	349,364
Federal	2,647,201	2,644,544	2,503,419	(141,125)
Other	989,694	989,694	492,123	(497,571)
<b>Total Revenues</b>	<u>32,206,061</u>	<u>32,418,740</u>	<u>31,502,062</u>	<u>(916,678)</u>
<b>EXPENDITURES:</b>				
Instruction	33,057,607	33,273,372	31,581,971	1,691,401
Student activities	-	-	-	-
Student services	1,266,530	1,266,530	1,422,212	(155,682)
Instruction staff support	1,184,038	1,442,364	2,029,542	(587,178)
General administration & central services	310,295	310,295	360,207	(49,912)
Building administration	2,868,215	2,868,215	1,918,978	949,237
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	1,307,128	1,362,106	1,265,482	96,624
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<u>39,993,813</u>	<u>40,522,882</u>	<u>38,578,392</u>	<u>1,944,490</u>
Revenues Over (Under) Expenditures	(7,787,752)	(8,104,142)	(7,076,330)	1,027,812
<b>Other Financing Sources (Uses):</b>				
Transfers	<u>7,787,752</u>	<u>8,104,142</u>	<u>7,076,330</u>	<u>(1,027,812)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 8,176,873	\$ 8,176,873	\$ 8,879,650	\$ 702,777
County	300,000	300,000	431,146	131,146
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>8,476,873</b>	<b>8,476,873</b>	<b>9,310,796</b>	<b>833,923</b>
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
General administration & central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	3,185,000	50,385,000	50,385,000	-
Interest and fees	5,181,000	6,653,000	6,650,023	2,977
<b>Total Expenditures</b>	<b>8,366,000</b>	<b>57,038,000</b>	<b>57,035,023</b>	<b>2,977</b>
Revenues Over (Under) Expenditures	110,873	(48,561,127)	(47,724,227)	836,900
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of bonds	-	-	-	-
Net change in fund balance	110,873	(48,561,127)	(47,724,227)	836,900
Fund balance, beginning	54,148,403	54,148,403	54,148,403	-
Fund balance, ending	<u>\$ 54,259,276</u>	<u>\$ 5,587,276</u>	<u>\$ 6,424,176</u>	<u>\$ 836,900</u>

**JOPLIN SCHOOLS**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 49,079	\$ 49,079	\$ 127,778	\$ 78,699
County	-	-	-	-
State	3,233,894	122,144	101,134	(21,010)
Federal	23,818,271	3,225,251	3,197,597	(27,654)
Other	-	-	89,071	89,071
<b>Total Revenues</b>	<b>27,101,244</b>	<b>3,396,474</b>	<b>3,515,580</b>	<b>119,106</b>
<b>EXPENDITURES:</b>				
Instruction	1,534,099	851,691	745,346	106,345
Student activities	-	-	-	-
Student services	8,170	8,170	8,143	27
Instruction staff support	821,992	331,151	328,177	2,974
General administration & central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	29,511	29,511	-
Food service	-	-	15,069	(15,069)
Community services	-	-	-	-
Facility acquisition and construction	10,906,730	7,498,750	7,346,183	152,567
<b>Debt service:</b>				
Principal retirement	15,023,120	1,513,298	1,468,298	45,000
Interest and fees	300,000	308,863	312,554	(3,691)
<b>Total Expenditures</b>	<b>28,594,111</b>	<b>10,541,434</b>	<b>10,253,281</b>	<b>288,153</b>
Revenues Over (Under) Expenditures	(1,492,867)	(7,144,960)	(6,737,701)	407,259
<b>Other Financing Sources (Uses):</b>				
Transfers	1,969,000	3,766,775	3,766,775	-
Net change in fund balance	476,133	(3,378,185)	(2,970,926)	407,259
Fund balance, beginning	5,790,664	5,790,664	5,790,664	-
Fund balance, ending	<u>\$ 6,266,797</u>	<u>\$ 2,412,479</u>	<u>\$ 2,819,738</u>	<u>\$ 407,259</u>

**JOPLIN SCHOOLS**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2017**

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**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

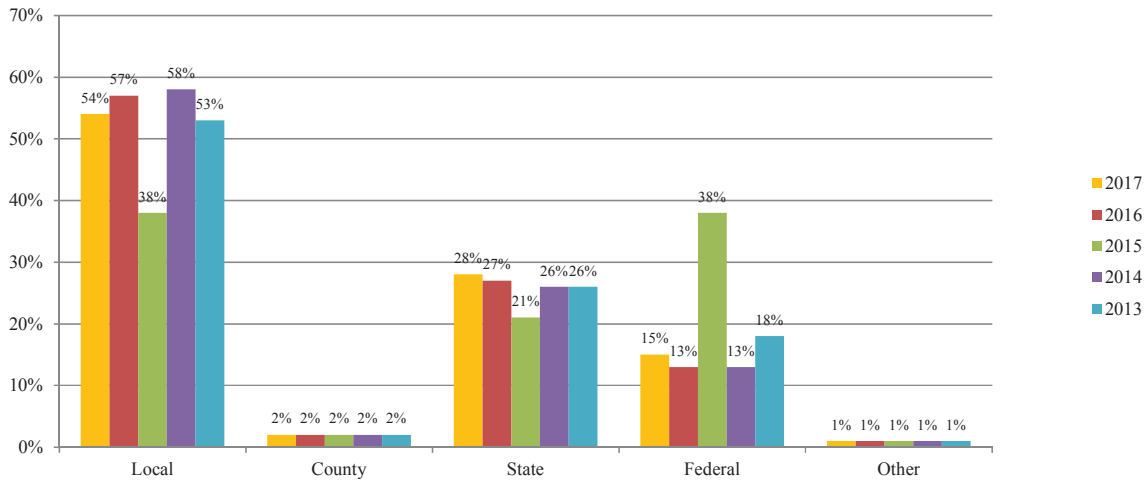
1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to June 30, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues 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.
6. Budgets for the District governmental funds are prepared on the modified cash basis of accounting.

**JOPLIN SCHOOLS**  
**SCHEDULE OF REVENUES COLLECTED BY SOURCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>LOCAL:</b>					
Property tax	\$ 24,282,389	\$ -	\$ 8,035,263	\$ -	\$ 32,317,652
Sales tax	-	7,666,159	-	-	7,666,159
M & M surtax	1,392,848	-	460,906	-	1,853,754
Financial institution tax	-	-	25,781	77,909	103,690
In lieu of tax	-	-	9,906	29,937	39,843
Earnings on investments	736	189	347,794	-	348,719
Tuition	47,344	1,132,543	-	-	1,179,887
Food service	575,055	-	-	-	575,055
Student activities	1,266,273	-	-	-	1,266,273
Other local revenue	367,530	31,990	-	19,932	419,452
Total Local	<u>27,932,175</u>	<u>8,830,881</u>	<u>8,879,650</u>	<u>127,778</u>	<u>45,770,484</u>
<b>COUNTY:</b>					
Fines and escheats	-	216,505	-	-	216,505
State assessed utilities	1,176,192	-	431,146	-	1,607,338
Total County	<u>1,176,192</u>	<u>216,505</u>	<u>431,146</u>	<u>-</u>	<u>1,823,843</u>
<b>STATE:</b>					
Basic formula	-	18,249,990	-	-	18,249,990
Transportation	453,859	-	-	-	453,859
Basic formula - classroom trust fund	2,929,252	-	-	-	2,929,252
Early Childhood Special Ed.	713,585	581,805	-	-	1,295,390
Career Education	-	627,339	-	3,250	630,589
Food service	27,096	-	-	-	27,096
High Need Fund	301,537	-	-	-	301,537
Educational Screening Prog/PAT	225,114	-	-	-	225,114
Career education enhancement grant	-	-	-	97,884	97,884
Other state revenue	41,048	-	-	-	41,048
Total State	<u>4,691,491</u>	<u>19,459,134</u>	<u>-</u>	<u>101,134</u>	<u>24,251,759</u>
<b>FEDERAL:</b>					
Title I	1,009,191	1,795,289	-	-	2,804,480
Title II - Part A	327,049	121,000	-	-	448,049
Title III	24,983	4,110	-	-	29,093
Adult Education & Literacy	67,130	150,679	-	-	217,809
Perkins Basic Grant	135,089	57,107	-	-	192,196
Medicaid	289,348	-	-	-	289,348
Individuals with Disabilities	1,738,282	122,900	-	9,290	1,870,472
Food Service	2,771,299	-	-	-	2,771,299
Dept of Health food service program	141,867	-	-	-	141,867
Early Childhood Special Ed.	-	190,935	-	-	190,935
Resource Officer Training Corps	-	61,399	-	-	61,399
IDEA grants	35,992	-	-	-	35,992
Federal emergency mgt agency (FEMA) funds	442,863	-	-	443,432	886,295
Other federal revenue	3,000	-	-	2,744,875	2,747,875
Total Federal	<u>6,986,093</u>	<u>2,503,419</u>	<u>-</u>	<u>3,197,597</u>	<u>12,687,109</u>
<b>OTHER:</b>					
Sale of property	-	-	-	89,071	89,071
Payments from other districts	50,435	492,123	-	-	542,558
Total Other	<u>50,435</u>	<u>492,123</u>	<u>-</u>	<u>89,071</u>	<u>631,629</u>
Total Revenues Collected	<u>\$ 40,836,386</u>	<u>\$ 31,502,062</u>	<u>\$ 9,310,796</u>	<u>\$ 3,515,580</u>	<u>\$ 85,164,824</u>

**JOPLIN SCHOOLS  
COMPARISON OF REVENUES COLLECTED BY SOURCE  
FOR THE YEARS ENDED JUNE 30, 2017, 2016, 2015, 2014 AND 2013**

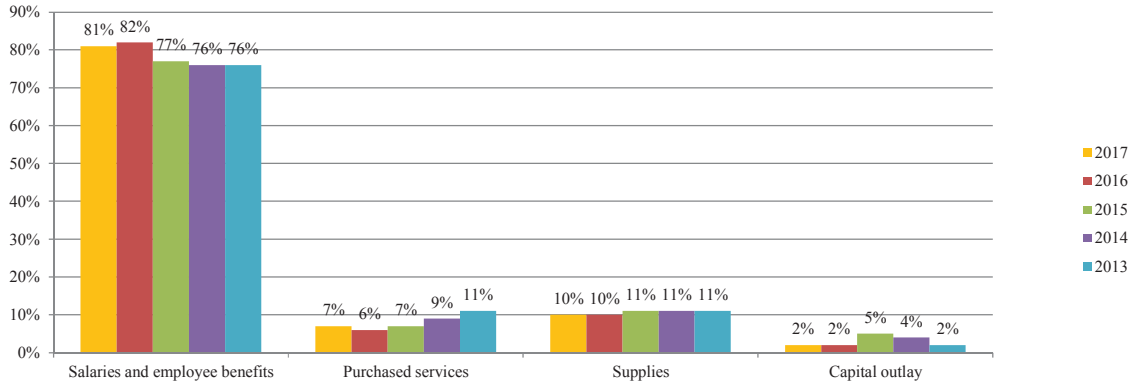
	2017	2016	2015	2014	2013
Local	\$ 45,770,484	\$ 49,864,442	\$ 110,793,037	\$ 47,471,397	\$ 47,482,921
County	1,823,843	1,847,890	1,620,828	1,581,258	1,448,632
State	24,251,759	23,671,688	24,023,742	21,116,361	22,765,026
Federal	12,687,109	11,838,933	44,599,612	10,536,549	16,037,536
Other	631,629	748,013	4,946,919	4,303,985	81,087,067
<b>Total</b>	<b>\$ 85,164,824</b>	<b>\$ 87,970,966</b>	<b>\$ 185,984,138</b>	<b>\$ 85,009,550</b>	<b>\$ 168,821,182</b>



Note: The above graphs do not include proceeds from bonds, leases or insurance recovery.

**JOPLIN SCHOOLS**  
**SCHEDULE OF EXPENDITURES PAID BY OBJECT**  
**FOR THE YEARS ENDED JUNE 30, 2017, 2016, 2015, 2014 AND 2013**

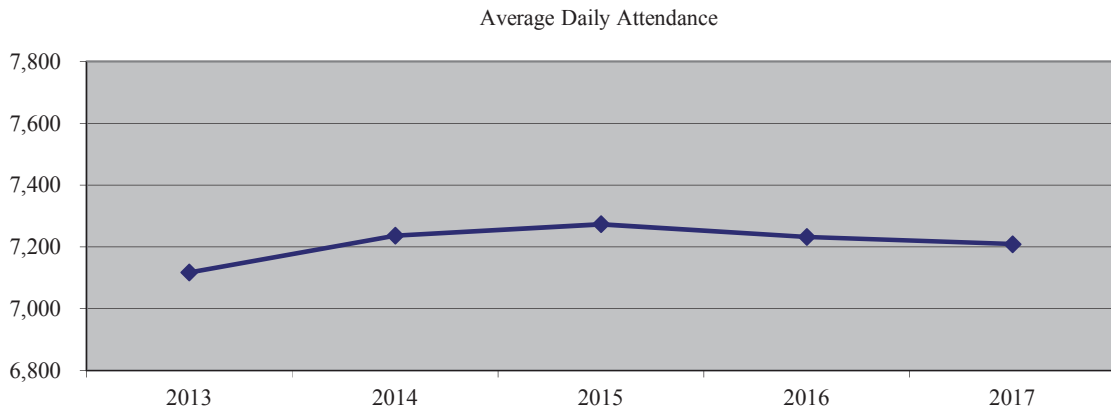
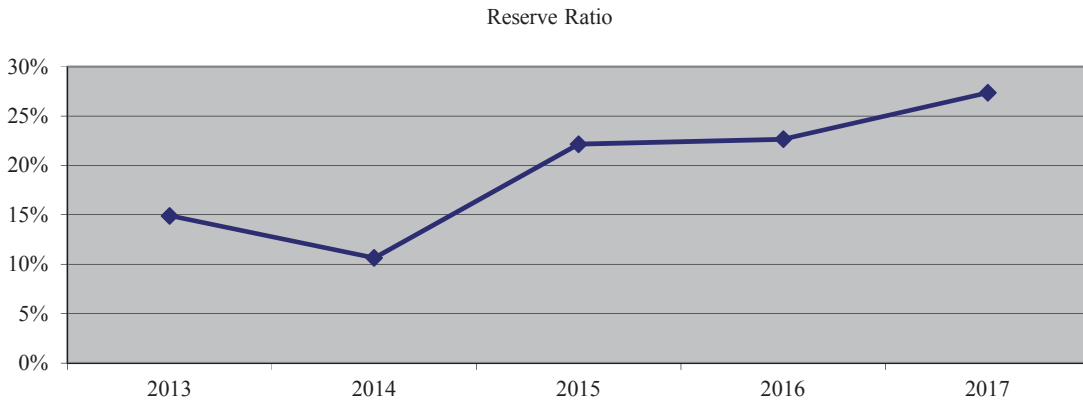
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2017 TOTALS	2016 TOTALS	2015 TOTALS	2014 TOTALS	2013 TOTALS
Salaries	\$ 11,753,927	\$ 30,537,257	\$ -	\$ -	\$ 42,291,184	\$ 42,055,961	\$ 41,499,027	\$ 42,444,321	\$ 43,236,217
Employee benefits	3,874,640	8,041,135	-	-	11,915,775	12,142,259	10,171,426	9,807,072	9,913,794
Purchased services	4,474,313	-	-	-	4,474,313	4,016,355	4,837,059	6,473,767	7,819,168
Supplies	6,721,370	-	-	-	6,721,370	6,844,685	7,630,173	7,338,030	7,645,038
Capital outlay	-	-	-	8,472,429	8,472,429	10,594,942	57,027,799	112,236,391	54,793,418
Principal	-	-	50,385,000	1,468,298	51,853,298	8,078,720	49,309,682	2,430,000	2,210,000
Interest and other charges	-	-	6,650,023	312,554	6,962,577	5,900,091	5,976,500	5,260,413	3,813,786
	<u>\$ 26,824,250</u>	<u>\$ 38,578,392</u>	<u>\$ 57,035,023</u>	<u>\$ 10,253,281</u>	<u>\$ 132,690,946</u>	<u>\$ 89,633,013</u>	<u>\$ 176,451,666</u>	<u>\$ 185,989,994</u>	<u>\$ 129,431,421</u>



Note: The above graphs do not include expenditures for debt service or for capital improvements.

**JOPLIN SCHOOLS  
SELECTED TRENDS  
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH 2017**

<u>General and Special Revenue Funds</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Fund Balances - unrestricted	\$ 10,220,141	\$ 7,031,264	\$ 14,214,281	\$ 14,743,242	\$ 17,900,077
Total Expenditures	<u>68,614,217</u>	<u>66,063,190</u>	<u>64,137,685</u>	<u>65,059,258</u>	<u>65,402,642</u>
Reserve Ratio	14.90%	10.64%	22.16%	22.66%	27.37%
Average Daily Attendance	7,117.43	7,236.02	7,273.23	7,231.93	7,208.74





**JOPLIN SCHOOLS  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2017**

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County District Number 049-148

**1. CALENDAR**

A. Standard day length (SDL) - The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Grades K-5	6.8333
Grades K-5 Irving Elementary	6.8333
Grades 6-8	6.7666
Grades 9-12	6.7167

B. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

Grades K-5	1,150.33
Grades K-5 Irving Elementary	1,147.69
Grades 6-8	1,139.26
Grades 9-12	1,130.97

C. The number of days classes were in session and pupils were under the direction of teachers during this school year was 170 days.

**2. AVERAGE DAILY ATTENDANCE (ADA)**

Grades K-12	7,073.46
Grades K-12 - Remedial	<u>15.21</u>
	7,088.67
Summer School	<u>120.07</u>
Total Average Daily Attendance	<u><u>7,208.74</u></u>

**3. SEPTEMBER MEMBERSHIP**

September Membership FTE Count: 7,558.53

**4. FREE AND REDUCED PRICE LUNCH FTE COUNT (Section 163.011(6), RSMo)**

State FTE Total: Free: 3,970.83  
Reduced: 511.60  
Total: 4,482.43

**5. FINANCE**

A. As required by Section 162.401, RSMo. a bond was purchased for the District's treasurer in the amount of: \$250,000

B. The District's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo. True

**JOPLIN SCHOOLS  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2017**

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County District Number 049-148

**5. FINANCE (continued)**

- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. True
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, did 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? N/A
- F. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- G. 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. True
- H. The amount spent for approved professional development committee plan activities was: \$ 185,816

**6. TRANSPORTATION (Section 163.161, RSMo.)**

- A. The District's transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True
- C. 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: 2,773.50
  - Ineligible ADT: 126.50
- D. The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible miles for the year. True
- E. Actual odometer records show the total district-operated and contracted mileage for the year was: 673,470

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: 593,591  
Ineligible miles (non-route/disapproved): 79,879

- F. Number of days the District operated the school transportation system during the regular school year: 170

**JOPLIN SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>				
Child Nutrition Cluster:				
Passed-through Missouri Department of Elementary and Secondary Education:				
National School Breakfast Program	10.553	049-148	\$ -	\$ 756,516
National School Lunch Program	10.555	049-148	-	1,966,787
National School Snack Program	10.555	049-148	-	47,996
Non-cash: Food Distribution Program	10.555	049-148	-	313,653
			<u>-</u>	<u>3,084,952</u>
Passed-through Missouri Department of Health and Senior Services:				
Summer Food Service Program	10.559	ERS046-19315	-	141,867
Total Child Nutrition Cluster			<u>-</u>	<u>3,226,819</u>
<u>U.S. Department of Commerce</u>				
Direct:				
Economic Adjustment Assistance Grant Program	11.307		-	437,459
<u>U.S. Department of Defense</u>				
Direct:				
Army Junior Reserve Officer Training Corps	12.000		-	61,985
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through City of Joplin, Missouri:				
Community Development Block Grant - Disaster Recovery Grant	14.269	B-13-MS-29-0001	-	3,245,163
<u>U.S. Department of Education</u>				
Special Education Cluster:				
Passed-through Missouri Department of Elementary and Secondary Education:				
IDEA, Part B	84.027A	049-148	-	1,773,083
IDEA - Preschool Grants	84.173A	049-148	-	43,548
			<u>-</u>	<u>1,816,631</u>
Passed-through University of Kansas Center for Research:				
IDEA - Post-Secondary Success Grant	84.027A		-	1,695
Total Special Education Cluster			<u>-</u>	<u>1,818,326</u>
Passed-through Missouri Department of Elementary and Secondary Education:				
Adult Basic Education Grant	84.002	049-148	-	213,316
Title I, Part A	84.010A	049-148	-	2,343,855
Career and Technical Education Grants (Perkins IV)	84.048A	049-148	53,472	206,272
Title III - Limited English Proficiency	84.365A	049-148	-	14,313
Title II.A	84.367A	049-148	-	352,246
Direct:				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063		-	469,903
Federal Direct Student Loan Program	84.268		-	687,917
Total Student Financial Aid Cluster			<u>-</u>	<u>1,157,820</u>
Total U.S. Department of Education			<u>53,472</u>	<u>6,106,148</u>
Total Expenditures of Federal Awards			<u>\$ 53,472</u>	<u>\$ 13,077,574</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Joplin Schools under programs of the federal government for the year ended June 30, 2017. 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 Joplin Schools, it is not intended to and does not present the financial position, change in net position or cash flows of Joplin Schools.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. 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. Joplin Schools has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **INTERNAL CONTROL AND COMPLIANCE**

**REPORT ON THE ADMINISTRATION'S ASSERTIONS  
ABOUT COMPLIANCE WITH SPECIFIED  
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Board of Education  
Joplin Schools

We have audited the administration's assertions, included in its representation letter dated October 24, 2017 that Joplin Schools complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2016 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2017; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2017. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2017, are fairly stated in all material respects.

We noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

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

*Westbrook & Co., P.C.*

October 24, 2017

**JOPLIN SCHOOLS  
SCHEDULE OF STATE FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**TRANSPORTATION**

During our audit of pupils transported, we noted that the District did not report the students living less than one mile from the school as ineligible riders on the Application for State Transportation Aid. This resulted in non-disabled riders being overstated by 14 and ineligible riders being understated by 14.

*Auditee Response:* The District has corrected the Application for State Transportation Aid.

**ATTENDANCE**

The state requires that each district report its full-time equivalency on the last Wednesday in September. For this count part-time students should be reported as a decimal for the pro-rata amount of attendance. The District originally reported 106.04 12<sup>th</sup> Grade students as full-time instead of part-time students in the September Membership count. We recommend that the District implement controls to insure that the District's attendance data is reconciled to that which was reported to DESE.

*Auditee Response:* The District has corrected information reported to Core Data.

**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***

To the Board of Education  
Joplin Schools

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 aggregate remaining fund information for Joplin Schools as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Westbrook & Co., P.C.".

Richmond, Missouri  
October 24, 2017



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Joplin Schools

**Report on Compliance for Each Major Federal Program**

We have audited Joplin Schools compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the 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, 2017.

## Report on Internal Control Over Compliance

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

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

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

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

*Westbrook & Co., P.C.*

Richmond, Missouri  
October 24, 2017

**JOPLIN SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

\_\_\_\_\_ Yes            X       No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes            X       None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes            X       No

*Federal Awards*

Internal control over major federal programs:

• Material weakness(es) identified?

\_\_\_\_\_ Yes            X       No

• Significant deficiency(ies) identified?

\_\_\_\_\_ Yes            X       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 2 CFR 200.516(a)?

\_\_\_\_\_ Yes            X       No

Identification of major programs:

Title I, Part A

CFDA No. 84.010

Community Development Block Grant - Disaster Recovery

CFDA No. 14.269

Career & Technical Education Grants (Perkins IV)

CFDA No. 84.048A

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes            X       No

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

None

**JOPLIN SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

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None