

AFFTON SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2019

AFFTON SCHOOL DISTRICT

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Independent Auditors' Report

Board of Education
Affton School District

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Affton School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 the Affton School District as of June 30, 2018, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Affton School District's basic financial statements. The management's discussion and analysis, supplementary information, and schedule of selected statistics, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing standards applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The management's discussion and analysis, supplementary information and schedule of selected statistics, as listed in the table of contents, have 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 an assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2019, on our consideration of the Affton School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Affton School District's internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
St. Louis, Missouri
August 30, 2019

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

The Management's Discussion and Analysis (MD&A) of Affton School District (the District) provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2019. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the financial section and the notes thereto to enhance their understanding of the District's modified cash basis financial performance.

The financial statements of the District have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid rather than when incurred. Additional information on the District's modified cash basis of accounting can be found in the notes to basic financial statements.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2019, include the following:

- The General (Incidental) Fund had revenue of \$24,488,605, expenditures of \$11,717,482 and fund transfers out of \$10,858,285. The General Fund balance increased \$1,912,838 from the prior year.
- The Special Revenue (Teachers) Fund had revenue of \$6,929,254 plus fund transfers in from the General Fund of \$10,858,285 and expenditures of \$17,787,539. The Special Revenue (Teachers) Fund balance did not change from the prior year.
- Combined operating funds, General and Special Revenue (Teachers) Funds, had revenue of \$31,417,859 and expenditures of \$29,505,021. Combined fund balances in all operating funds increased \$1,912,838 from the prior year.
- The Capital Projects Fund had revenue of \$2,827,656 and expenditures of \$4,006,658. The Capital Projects Fund balance decreased \$1,179,002 from the prior year. The decrease in fund balance is primarily due to the expenditure of bond funds, which were sold in a prior fiscal year.

Using the Basic Financial Statements

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the modified cash basis operations of the District as a whole (i.e., an entire operating entity). The "Basic Financial Statements" section includes government-wide financial statements, fund financial statements and notes to financial statements.

AFFTON SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED

The government-wide financial statements, consisting of the Statement of Net Position (modified cash basis) and the Statement of Activities (modified cash basis), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District’s financial condition. They present an aggregate view of the District’s finances. These statements seek to answer the question, “How did the District do financially during the 2018-19 fiscal year?” These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net position (modified cash basis) for the year, the reader may ascertain whether the District’s financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District’s financial condition include increases in or erosion of the property tax base within the District, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in depth reporting of the District’s financial position and changes in financial position, fund financial information is presented in the “Fund Financial Statements”. These fund financial statements, which should be familiar to those who have read previous governmental financial statements, report governmental fund activities on a modified cash basis, indicating modified cash basis sources and uses of funding.

Fund financial statements also provide more in-depth data on the District’s most significant funds, its General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. These funds are considered “major funds” by the Missouri Department of Elementary and Secondary Education. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements are reconciled in the financial statements.

Government-Wide Financial Analysis

Net position of the District at June 30, 2019, of \$20,474,523 reflects the District’s total assets of cash and investments compared to net position at June 30, 2018, of \$19,574,477. Net position of the District consists of the following as of June 30,:

	<u>2019</u>	<u>2018</u>
Restricted	\$ 4,589,425	\$ 6,494,834
Unrestricted	<u>15,885,098</u>	<u>13,079,643</u>
	<u>\$20,474,523</u>	<u>\$19,574,477</u>

The restricted net position at June 30, 2019 and 2018 is restricted for capital outlay expenses and debt services pursuant to the general obligation bond agreements.

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Governmental Activities

Net position at June 30, 2019, reflects an increase of \$900,046 from the net position balance of \$19,574,477 at June 30, 2018. Key elements of this increase consist of the following:

	2019	2018
Program revenues		
Charges for services	\$ 2,816,239	\$ 3,142,433
Operating grants and contributions	5,736,562	5,728,838
General revenues		
Taxes	26,490,076	26,108,421
Federal, state and county aid not restricted to specific purposes	437,824	454,651
Interest and investment earnings	435,808	246,971
Other	290,526	329,867
Total revenues	<u>36,207,035</u>	<u>36,011,181</u>
Function/Program expenses		
Instruction	17,387,552	15,869,726
Supporting Services	13,947,831	13,214,313
Capital outlay	2,176,296	4,053,156
Principal, interest and other expenses on long-term debt	1,795,310	1,081,231
Total functional/program expenses	<u>35,306,989</u>	<u>34,218,426</u>
Change in net position	900,046	1,792,755
Net position at beginning of year	<u>19,574,477</u>	<u>17,781,722</u>
Net position at end of year	<u>\$20,474,523</u>	<u>\$19,574,477</u>

As reflected above, the expenses paid for the District's governmental activities for the years ended June 30, 2019 and 2018, of \$35,306,989 and \$34,218,426 respectively, are not all borne by the taxpayers of the District. Of these amounts \$2,816,239 and \$3,142,433 were charges for services. Also, federal and state grants and contributions for the years ending June 30, 2019 and 2018 were \$5,736,562 and \$5,728,838, respectively.

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Consequently, for the years ending June 30, 2019 and 2018, respectively, the net costs of \$26,754,188 and \$25,347,155, after taking into consideration these fees and grants, were paid from other general revenues, which include property taxes paid by the taxpayers of the District as well as other taxes, additional state funding and net position.

The next table shows the total cost of programs and the net cost of these programs (after deducting charges for services and grants and contributions revenue collected for the various categories of expenses paid) for the years ended June 30, 2019 and 2018. The net cost presentation allows the taxpayers of the District to determine the remaining cost of the various categories, which were borne by them or paid from other general revenues and fund balances, and allows them the opportunity to assess the cost of these functions in comparison to the benefits received.

COST OF GOVERNMENTAL ACTIVITIES

Years Ended June 30,

	2019		2018	
	Total cost of programs	Net cost of programs	Total cost of programs	Net cost of programs
Instruction	\$ 17,387,552	\$11,157,609	\$15,869,726	\$ 9,249,760
Guidance/Attendance	1,132,613	1,132,613	1,142,750	1,142,750
Health, psych, speech and audio	298,684	298,684	272,574	272,574
Improvement of instruction	537,669	434,638	436,417	367,205
Professional development	70,310	70,310	47,250	47,250
Media services	1,454,399	1,454,399	1,532,423	1,532,423
Board of education services	170,206	170,206	138,055	138,055
Executive administration	533,431	533,431	502,043	502,043
Building administration	1,560,407	1,560,407	1,503,552	1,503,552
Central services	6,890,376	5,722,906	6,384,764	5,274,111
Community services	1,299,736	247,379	1,254,485	183,045
Capital outlay	2,176,296	2,176,296	4,053,156	4,053,156
Principal, interest and other expenses on long-term debt	1,795,310	1,795,310	1,081,231	1,081,231
Total	<u>\$ 35,306,989</u>	<u>\$26,754,188</u>	<u>\$34,218,426</u>	<u>\$25,347,155</u>

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (i.e., dedicated taxes and bond proceeds). The fund financial statements allow the District to demonstrate its stewardship over and accountability for resources provided by the taxpayers and other entities. These statements also allow the reader to obtain more insight into financial workings of the District and assess further the District's financial health.

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

The District completed the fiscal year ended June 30, 2019 with a combined fund balance for Governmental funds (Balance Sheet - modified cash basis) of \$20,474,523 as compared to a combined fund balance of \$19,574,477 at June 30, 2018 for an increase of \$900,046.

The fund balance of the operating funds (General and Special Revenue) increased by \$1,912,838 as compared to an increase of \$5,184,760 the previous year.

The fund balance of the Capital Projects Fund decreased by \$1,179,002 as compared to a decrease of \$3,646,299 the previous year.

The major source of revenue for operations and debt service is local property taxes amounting to \$23,513,355. This is derived from the District's operating levy of \$4.9225, debt service levy of \$0.4900, and capital projects levy of \$0.5469 for a total levy of \$5.9594. Other significant local revenues are \$2,399,857 from Prop C sales tax, \$1,052,357 from community services, \$556,246 from merchants and manufacturer's surtax and \$730,613 from student activities.

County revenues of \$437,825 are derived primarily from state assessed utility taxes of \$417,555.

State funding, which makes up 12.8% of total revenues collected, increased \$25,368 from the previous year for a total of \$4,649,061.

State revenues collected are as follows for the year ended June 30,:

	<u>2019</u>	<u>2018</u>
Basic formula and classroom trust	\$ 4,379,707	\$ 4,380,397
Transportation	140,188	112,853
Early childhood education	81,120	70,190
Other	<u>48,046</u>	<u>60,253</u>
Total state revenue	<u>\$ 4,649,061</u>	<u>\$ 4,623,693</u>

Federal funding which makes up 3.2% of total revenues collected decreased to \$1,150,703 from \$1,167,059 the previous year. Federal revenues collected are as follows for the year ended June 30,:

	<u>2019</u>	<u>2018</u>
School lunch and breakfast	\$ 552,496	\$ 563,255
Title I	325,095	299,615
Title II A and D	103,031	69,212
Other	<u>170,081</u>	<u>234,977</u>
Total federal revenue	<u>\$ 1,150,703</u>	<u>\$ 1,167,059</u>

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Overall, the combination of state and federal funds increased from the previous year by \$9,012.

Total governmental funds expenditures were \$35,306,989 for the year compared to \$34,218,426 the previous year. The General Fund accounts for \$11,717,482 or 33.2% of the total expenditures. The Special Revenue (Teachers) Fund accounts for \$17,787,539 or 50.4% of total expenditures and consists of certificated teachers' salaries and benefits. Capital Projects Fund expenditures of \$4,006,658 or 11.4% of total expenditures are for construction projects, facility repairs and capital equipment. The remaining 5.0% is attributed to the Debt Service Fund expenditures, which relates to interest payments on general bond obligations.

The following tables summarize the governmental fund revenues collected and expenditures paid, including other financial sources and uses for the years ended June 30,:

	REVENUES			
	Years ended June 30,			
	2019	%	2018	%
Local	\$ 29,834,555	82.4%	\$29,607,815	82.3%
County	437,825	1.2%	454,652	1.3%
State	4,649,061	12.8%	4,623,693	12.8%
Federal	1,150,703	3.2%	1,167,059	3.2%
Other	134,891	0.4%	157,962	0.4%
Total revenues and other financing sources	<u>\$ 36,207,035</u>	<u>100.0%</u>	<u>\$36,011,181</u>	<u>100.0%</u>

	EXPENDITURES			
	Years ended June 30,			
	2019	%	2018	%
Instruction	\$ 17,387,552	49.2%	\$15,869,726	46.3%
Support services	12,648,095	35.8%	11,959,828	35.0%
Debt Services	1,795,310	5.1%	1,081,231	3.2%
Capital Projects	2,176,296	6.2%	4,053,156	11.8%
Community services and other	1,299,736	3.7%	1,254,485	3.7%
Total expenditures and other financing sources	<u>\$ 35,306,989</u>	<u>100.0%</u>	<u>\$34,218,426</u>	<u>100.0%</u>

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

Budgetary Highlights

Over the course of the year, the Board of Education revised the District's budget to take into consideration expected changes in revenues collected or expenditures paid. Missouri Statutes for Public School Finance, Section 67.010, RSMo requires a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 19, 2018.

Statements comparing revenues and expenditures to the original and final budgets are provided in this report.

Capital Assets and Debt Administration

Capital Assets

The District operates under the modified cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Long-Term Obligations

The District sold \$21,920,000 in general obligation bonds in January 2017. The debt associated with the bonds is payable over a 20 year term.

The District operates on the modified cash basis of accounting, therefore, payments on long-term obligations are recorded as expenditures. Long-term obligations are not reflected in the financial statements. Commitments for long-term obligations are disclosed in the notes to the financial statements.

Economic Factors

The Affton School District is financially stable. The local community proudly supports public schools.

The main financial concerns that confront the District, include:

- In January 2017, the District issued \$21,920,000 in general obligation bonds. The majority of the funds generated were used to retire the debt associated with the 2011 and 2012 Capital Leases through Commerce Bank. The remaining funds, approximately \$9 million, is being used for new capital projects.
- The strong reliance on property tax revenue presents a situation whereby this revenue source generally grows less than the rate of inflation. Meanwhile, the District's expenditures for labor, services and supplies generally grow at rates equal to or greater than the rate of inflation. Due to a large increase in Assessed Valuation for 2017 and 2019 and the approval of the two tax referendums, the District is in a better financial position in the near future; however, this remains a long-term concern.

AFFTON SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

- The Voluntary Desegregation Program (VTS), which allows certain students to attend the District, is nearing the end of its planned existence. Approximately 1.8% of the District's operating funds are provided via this program.
- In 2017-2018 and 2018-2019 the state was able to fully fund the formula. Because of this, state revenue was relatively consistent with the prior year. However; due to the unpredictability of the Basic Funding Formula, the District will continue to monitor any changes at the State level going forward.

In conclusion, the District is committed to financial excellence. The District's system of financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue sound fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report please contact Steven Fedchak, Chief Financial Officer.

AFFTON SCHOOL DISTRICT

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

As of June 30, 2019

	<u>Governmental activities</u>
ASSETS	
Cash and investments	\$ 16,287,587
Restricted cash and investments	<u>4,186,936</u>
TOTAL ASSETS	<u><u>\$ 20,474,523</u></u>
NET POSITION	
Restricted	
Debt service	\$ 1,121,732
Capital projects	3,467,693
Unrestricted	<u>15,885,098</u>
TOTAL NET POSITION	<u><u>\$ 20,474,523</u></u>

The notes to the financial statements are an integral part of this statement.

AFFTON SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Year ended June 30, 2019

Function/Program	Expenses	Program revenues			Net (expense)
		Charges for services	Operating grants and contributions	Capital grants and contributions	revenue and changes in net position Total governmental activities
Governmental activities					
Instruction	\$ 17,387,552	\$ 1,296,652	\$ 4,933,291	\$ -	\$ (11,157,609)
Attendance	63,218	-	-	-	(63,218)
Guidance	1,069,395	-	-	-	(1,069,395)
Health, psych, speech and audio	298,684	-	-	-	(298,684)
Improvement of instruction	537,669	-	103,031	-	(434,638)
Professional development	70,310	-	-	-	(70,310)
Media services	1,454,399	-	-	-	(1,454,399)
Board of education services	170,206	-	-	-	(170,206)
Executive administration	533,431	-	-	-	(533,431)
Building level administration	1,560,407	-	-	-	(1,560,407)
Business central service	738,429	-	-	-	(738,429)
Operation of plant	4,233,860	-	-	-	(4,233,860)
Security services	161,698	-	-	-	(161,698)
Pupil transportation	720,333	-	140,189	-	(580,144)
Food services	943,188	467,230	560,051	-	84,093
Central office support services	92,868	-	-	-	(92,868)
Community services	1,299,736	1,052,357	-	-	(247,379)
Facilities acquisition and construction	2,176,296	-	-	-	(2,176,296)
Principal, interest and other expenses on long-term debt	1,795,310	-	-	-	(1,795,310)
Total governmental activities:	\$ 35,306,989	\$ 2,816,239	\$ 5,736,562	\$ -	(26,754,188)
General revenues					
Taxes					
					23,513,357
					576,862
					2,399,857
					437,824
					435,808
					290,526
					<u>27,654,234</u>
					900,046
					<u>19,574,477</u>
					<u>\$ 20,474,523</u>

The notes to the financial statements are an integral part of this statement.

AFFTON SCHOOL DISTRICT

BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

June 30, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 14,737,718	\$ -	\$ 402,489	\$ 1,147,380	\$ 16,287,587
Restricted cash and investments	-	-	719,243	3,467,693	4,186,936
TOTAL ASSETS	<u>\$ 14,737,718</u>	<u>\$ -</u>	<u>\$ 1,121,732</u>	<u>\$ 4,615,073</u>	<u>\$ 20,474,523</u>
FUND BALANCES					
Restricted for:					
Debt service	\$ -	\$ -	\$ 1,121,732	\$ -	\$ 1,121,732
Capital outlay	-	-	-	3,467,693	3,467,693
Assigned:					
Capital projects	-	-	-	1,147,380	1,147,380
Unassigned	<u>14,737,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,737,718</u>
TOTAL FUND BALANCES	<u>\$ 14,737,718</u>	<u>\$ -</u>	<u>\$ 1,121,732</u>	<u>\$ 4,615,073</u>	<u>\$ 20,474,523</u>

The notes to the financial statements are an integral part of this statement.

AFFTON SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
Year ended June 30, 2019**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources	\$ 22,597,865	\$ 2,525,328	\$ 1,917,858	\$ 2,793,504	\$ 29,834,555
County sources	339,741	20,270	43,662	34,152	437,825
State sources	265,405	4,383,656	-	-	4,649,061
Federal sources	1,150,703	-	-	-	1,150,703
Other sources	134,891	-	-	-	134,891
Total revenues	24,488,605	6,929,254	1,961,520	2,827,656	36,207,035
Expenditures					
Instruction	2,765,162	14,215,954	-	406,436	17,387,552
Attendance	63,218	-	-	-	63,218
Guidance	64,539	1,004,856	-	-	1,069,395
Health, psych speech and audio	298,684	-	-	-	298,684
Improvement of instruction	305,377	228,209	-	4,083	537,669
Professional development	70,310	-	-	-	70,310
Media services	685,710	389,772	-	378,917	1,454,399
Board of education services	170,206	-	-	-	170,206
Executive administration	308,488	224,943	-	-	533,431
Building level administration	374,196	1,186,211	-	-	1,560,407
Business central services	737,249	-	-	1,180	738,429
Operation of plant	3,199,546	-	-	1,034,314	4,233,860
Security services	161,698	-	-	-	161,698
Pupil transportation	720,333	-	-	-	720,333
Food service	937,756	-	-	5,432	943,188
Central office support services	92,868	-	-	-	92,868
Community services	762,142	537,594	-	-	1,299,736
Capital outlay	-	-	-	2,176,296	2,176,296
Debt service:					
Principal	-	-	845,000	-	845,000
Interest and other charges	-	-	950,310	-	950,310
Total expenditures	11,717,482	17,787,539	1,795,310	4,006,658	35,306,989
Revenues over (under) expenditures	12,771,123	(10,858,285)	166,210	(1,179,002)	900,046
Other financing sources (uses)					
Transfers	(10,858,285)	10,858,285	-	-	-
NET CHANGE IN FUND BALANCE	1,912,838	-	166,210	(1,179,002)	900,046
Fund balance at July 1, 2018	12,824,880	-	955,522	5,794,075	19,574,477
Fund balance at June 30, 2019	<u>\$ 14,737,718</u>	<u>\$ -</u>	<u>\$ 1,121,732</u>	<u>\$ 4,615,073</u>	<u>\$ 20,474,523</u>

The notes to the financial statements are an integral part of this statement.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Affton School District (the District) operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

These financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include relevant Governmental Accounting Standards Board (GASB) pronouncements.

Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and the Affton 101 School District Education Facilities Improvement Authority (the Authority) has been identified as a component unit. Although legally separate, the Authority is blended and presented as an "other governmental fund" in the accompanying governmental financial statements. Separate financial statements for the Authority are not issued.

While parent-teacher organizations of the District's schools provide financial support exclusively to the District, they are not included as a component unit because the amount of financial support provided is of a de minimus nature.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include charges paid by the students for goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for expenditures for noncertified employees, pupil transportation, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for specific revenue sources that are restricted or committed for the payment of salaries and certain employee benefits for certified personnel.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned for the periodic payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Net Position

In the government-wide financial statements, equity is classified as net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the District's highest level of decision making authority, or a body or official. The chief financial officer has such authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned for those purposes, a negative unassigned balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The District has not reported any nonspendable or committed fund balances.

The details of the fund balances are included in the Governmental Funds Balance Sheet.

Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets and payroll withholdings are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable and general obligation bonds payable and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

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

Cash and Investments

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments which is managed by the District's Chief Financial Officer. State law requires that all deposits of the Debt Service Fund be kept separate from all other funds of the District. Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

Separate bank accounts are not maintained for all District funds, instead, certain funds maintain their uninvested cash balances in a common checking account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, certificates of deposit and commercial paper.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets consist of amounts escrowed for future general obligation bond principal and interest payments included in the Missouri Direct Deposit Program and restricted for building renovations.

Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year the District transferred \$10,858,285 from the General Fund to the Special Revenue Fund. Transfers are made to the Special Revenue Fund in order to achieve a zero balance in this Fund.

Teachers' Salaries

The salary payment schedule of the District for the year ended June 30, 2019 requires the payment of salaries over a twelve-month period. Consequently, the July 2019 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law.

Deposits – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2019, the carrying amount of the District’s deposits was \$1,178,768 and the bank balance was \$1,880,600. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,630,600 was covered by collateral held at the Federal Reserve Bank and the District’s safekeeping bank agent, in the District’s name.

The District participates in the Missouri Direct Deposit Program, which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the District’s state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent of the bonds. The direct deposit occurs ten times per year and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues. At June 30, 2019, the District had \$719,243 in this program.

The District participates in the Missouri Security Investment Program (MoSIP). All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a pro rata share of each investment or deposit which is held in the name of the Fund. The District had \$18,576,512 invested through MoSIP June 30, 2019.

The cash and investments held at June 30, 2019 and reported at cost are as follows:

	Cost	Investment Maturities 0 to 1 year
Deposits		
Demand deposits	\$ 1,178,768	N/A
Investments - external investment pool		
Money market funds	17,295,755	17,295,755
Term investments	2,000,000	2,000,000
	<u>\$ 20,474,523</u>	<u>\$ 19,295,755</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificate of deposits which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (FDIC or NCUSIF), as applicable. The District’s deposits were not exposed to custodial credit risk at year end.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the district or its agent, but not in the government's name. The District does not have a policy for custodial credit risk for investments. The District's investments were not exposed to custodial credit risk at year end.

Investment Interest Rate Risk

Investment 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 limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the institution with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

The credit ratings of the District's investments at June 30, 2019, are summarized in the schedule below.

	<u>Cost</u>	<u>Credit rating</u>
Investments		
Missouri Security Investment Program		
Money market funds	\$ 16,576,512	AAAm
Term investments	2,000,000	AAAf
Missouri Direct Deposit Program	<u>719,243</u>	Unrated
	<u>\$ 19,295,755</u>	

NOTE 3 – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on a prior year weighted average attendance.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2018 for the purposes of local taxation was:

Real estate	
Residential	\$ 273,980,110
Commercial	75,465,990
Personal property	<u>56,695,030</u>
Total	<u>\$ 406,141,130</u>

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

	Unadjusted	Adjusted
General Fund	\$ 4.9225	\$ 4.9225
Special Revenue Fund	-	-
Debt Service Fund	0.4900	0.4900
Capital Projects Fund	<u>0.5469</u>	<u>0.5469</u>
Total	<u>\$ 5.9594</u>	<u>\$ 5.9594</u>

The receipts of current property taxes during the fiscal year ended June 30, 2019, aggregated approximately 94.75 percent of the current assessment computed on the basis of the levy as shown above.

NOTE 4 – LONG-TERM DEBT OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Bonds Payable	<u>\$21,920,000</u>	<u>\$ -</u>	<u>\$ (845,000)</u>	<u>\$21,075,000</u>	<u>\$ 865,000</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Bonds payable consists of the following at June 30, 2019:

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2019
Series 2017A	\$18,920,000	2036	3.25%-5.00%	\$18,920,000
Series 2017B	<u>3,000,000</u>	2022	1.90-2.75%	<u>2,155,000</u>
	<u>\$21,920,000</u>			<u>\$21,075,000</u>

The annual requirements to amortize general obligation bonds are as follows at June 30, 2019:

Year ending June 30,	Principal	Interest	Total
2020	\$ 865,000	\$ 933,055	\$ 1,798,055
2021	735,000	914,025	1,649,025
2022	825,000	895,650	1,720,650
2023	860,000	869,588	1,729,588
2024	915,000	835,188	1,750,188
2025-2029	5,590,000	3,498,236	9,088,236
2030-2034	7,555,000	2,058,413	9,613,413
2035-2036	<u>3,730,000</u>	<u>282,500</u>	<u>4,012,500</u>
Total	<u>\$21,075,000</u>	<u>\$10,286,655</u>	<u>\$ 31,361,655</u>

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of the District (including state assessed railroad and utilities). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2019, was:

Constitutional debt limit	\$ 60,921,170
General obligation bond payable	(21,075,000)
Amount available in debt service fund	<u>402,489</u>
Legal debt margin	<u>\$ 40,248,659</u>

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Capital Lease

During 2016, the District entered into a lease agreement with De Lage Laden Public Finance LLC to purchase 15 copiers. Lease payments for the year ended June 30, 2019, were \$36,288.

The following is a schedule of future minimum lease payments under the capital lease with the present value of the net minimum lease payments as of June 30, 2019:

Year ending June 30,		
2020	\$	36,288
2021		36,288
2022		<u>30,240</u>
Total future minimum lease payments		102,816
Less amount representing interest		<u>(7,060)</u>
Present value of future minimum lease payments	\$	<u>95,756</u>

NOTE 5 – PENSION PLANS

Affton School District contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by The Public School Retirement System are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of the Missouri Revised Statutes.

The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and Affton School District is required to contribute a matching amount. The contribution requirements of members and Affton School District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2019, 2018 and 2017 were \$2,172,063, \$2,084,204 and \$2,017,555, respectively, equal to the required contributions.

The Affton School District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to The Public School Retirement System of Missouri. Positions covered by The Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of The

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.86% of their annual covered salary and Affton School District is required to contribute a matching amount. The contribution requirements of members and Affton School District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2019, 2018 and 2017 were \$327,749, \$291,962 and \$286,717, respectively, equal to the required contributions.

NOTE 6 – CONTINGENCIES

Grant Audits

The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursements or to withholding of future funding for expenditures disallowed under, or other noncompliance with terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

Litigation

Various claims and lawsuits are pending against the District. In the opinion of District management and legal counsel, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

Participation in Public Entity Risk Pools

The District is exposed to various risks of loss due to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was joined together with approximately 470 other Missouri public school districts to form the Missouri United School Insurance Council (MUSIC). MUSIC is public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2019 assessment was \$377,539.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – ST. LOUIS DESEGREGATION PROGRAM

The District was party to, and bound by, the terms of the Settlement Agreement negotiated in 1983 regarding the St. Louis desegregation case. On October 1, 1991, the District filed a motion for final judgment notifying the court that it met the required plan ration in September 1991. On November 4, 1991, the District received a final judgment from the U.S. District Court stating that the District had satisfied its inter-district pupil desegregation obligation. The District remains under a voluntary obligation to comply with all terms of the new settlement agreement negotiated in 1999. The Voluntary Interdistrict Choice Corporation (VICC) currently administers the St. Louis interdistrict transfer program. Desegregation aid received for the year ended June 30, 2019 was \$566,039.

NOTE 8 – POST EMPLOYMENT BENEFITS

The District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand-alone financial report is not available for the plan. During the year ended June 30, 2019, 103 retirees participated in the District's insurance plans and paid premiums totaling \$287,538.

NOTE 9 – ENVIRONMENTAL REMEDIATION

The District recognizes the existence of asbestos pipe insulation and floor tile throughout its buildings. While not harmful to occupants in its current state, the District is aware that future renovation projects will require professional abatement and removal of any existing asbestos. The estimated future obligations to remove asbestos from all areas is \$1,750,000. The District plans to address these issues as areas are renovated in future years.

NOTE 10 – EARLY RETIREMENT PLAN

On April, 2018, the District approved a voluntary separation incentive program. Eligible certified employees qualify if they retire by June 30, 2018 and have completed at least twenty years of service credit with the District. Eligible certified employees choosing to participate in this plan will receive \$25,000, 3 years or insurance premium coverage, or any combination of the two. Eligible classified employees qualify if they retire by June 30, 2018 and have completed at least twenty years of service credit with the District. Eligible classified employees choosing to participate in this plan will receive \$10,000.

Under this plan, the District paid approximately \$226,000 in the fiscal year ending June 30, 2019 and will pay \$24,000 in both fiscal years ending June 30, 2020 and 2021.

AFFTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 30, 2019, the date which the financial statements were available for issue, and noted no reportable events.

AFFTON SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED
Year ended June 30, 2019**

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 23,472,200	\$ 23,112,493	\$ 22,597,865	\$ (359,707)	\$ (514,628)
County sources	325,000	339,750	339,741	14,750	(9)
State sources	220,450	281,372	265,405	60,922	(15,967)
Federal sources	1,141,965	1,200,888	1,150,703	58,923	(50,185)
Other sources	220,000	158,000	134,891	(62,000)	(23,109)
Total revenues	25,379,615	25,092,503	24,488,605	(287,112)	(603,898)
Expenditures					
Current:					
Instruction	3,148,563	2,883,850	2,765,162	264,713	118,688
Attendance	64,148	64,048	63,218	100	830
Guidance	90,098	71,398	64,539	18,700	6,859
Health, psych, speech and audio	277,800	305,785	298,684	(27,985)	7,101
Improvement of instruction	332,485	309,042	305,377	23,443	3,665
Professional development	58,545	70,545	70,310	(12,000)	235
Media services	645,239	690,439	685,710	(45,200)	4,729
Board of education services	171,620	172,720	170,206	(1,100)	2,514
Executive administration	339,256	315,566	308,488	23,690	7,078
Building level administration	295,705	387,055	374,196	(91,350)	12,859
Business central services	960,026	743,622	737,249	216,404	6,373
Operation of plant	3,297,963	3,253,551	3,199,546	44,412	54,005
Security services	172,500	162,200	161,698	10,300	502
Pupil transportation	735,994	720,513	720,333	15,481	180
Food service	1,005,000	938,050	937,756	66,950	294
Central office support services	91,571	93,671	92,868	(2,100)	803
Community services	795,863	793,437	762,142	2,426	31,295
Total expenditures	12,482,376	11,975,492	11,717,482	506,884	258,010
Revenues over expenditures	12,897,239	13,117,011	12,771,123	219,772	(345,888)
Other financing uses					
Transfers	(10,992,874)	(10,938,849)	(10,858,285)	(54,025)	80,564
NET CHANGE IN FUND BALANCE	\$ 1,904,365	\$ 2,178,162	1,912,838	\$ 165,747	\$ (265,324)
Fund balance at July 1, 2018			12,824,880		
Fund balance at June 30, 2019			\$ 14,737,718		

AFFTON SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - SPECIAL REVENUE FUND - UNAUDITED
Year ended June 30, 2019**

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 2,565,500	\$ 2,515,975	\$ 2,525,328	\$ (49,525)	\$ 9,353
County sources	25,000	20,270	20,270	(4,730)	-
State sources	4,162,500	4,348,950	4,383,656	186,450	34,706
Total revenues	<u>6,753,000</u>	<u>6,885,195</u>	<u>6,929,254</u>	<u>132,195</u>	<u>44,059</u>
Expenditures					
Current:					
Instruction	14,186,734	14,231,636	14,215,954	(44,902)	15,682
Guidance	986,029	1,011,466	1,004,856	(25,437)	6,610
Improvement of instruction	239,035	233,279	228,209	5,756	5,070
Media services	383,738	390,405	389,772	(6,667)	633
Executive administration	217,831	225,832	224,943	(8,001)	889
Building level administration	1,175,452	1,188,352	1,186,211	(12,900)	2,141
Business central services	78,000	-	-	78,000	-
Community services	479,055	543,074	537,594	(64,019)	5,480
Total expenditures	<u>17,745,874</u>	<u>17,824,044</u>	<u>17,787,539</u>	<u>(78,170)</u>	<u>36,505</u>
Revenues over (under) expenditures	(10,992,874)	(10,938,849)	(10,858,285)	54,025	80,564
Other financing sources					
Transfers	<u>10,992,874</u>	<u>10,938,849</u>	<u>10,858,285</u>	<u>54,025</u>	<u>(80,564)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 108,050</u>	<u>\$ -</u>
Fund balance at July 1, 2018			<u>-</u>		
Fund balance at June 30, 2019			<u>\$ -</u>		

AFFTON SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - DEBT SERVICE FUND - UNAUDITED
Year ended June 30, 2019**

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
	Revenues				
Local sources	\$ 1,921,270	\$ 1,912,858	\$ 1,917,858	\$ (8,412)	\$ 5,000
County sources	43,000	43,665	43,662	665	(3)
Total revenues	<u>1,964,270</u>	<u>1,956,523</u>	<u>1,961,520</u>	<u>(7,747)</u>	<u>4,997</u>
Expenditures					
Debt service:					
Principal	845,000	845,000	845,000	-	-
Interest and other charges	949,710	950,310	950,310	(600)	-
Total expenditures	<u>1,794,710</u>	<u>1,795,310</u>	<u>1,795,310</u>	<u>(600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 169,560</u>	<u>\$ 161,213</u>	166,210	<u>\$ (8,347)</u>	<u>\$ 4,997</u>
Fund balance at July 1, 2018			<u>955,522</u>		
Fund balance at June 30, 2019			<u>\$ 1,121,732</u>		

AFFTON SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND - UNAUDITED
Year ended June 30, 2019**

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 1,101,853	\$ 2,262,977	\$ 2,793,504	\$ 1,161,124	\$ 530,527
County sources	23,000	34,155	34,152	11,155	(3)
Total revenues	<u>1,124,853</u>	<u>2,297,132</u>	<u>2,827,656</u>	<u>1,172,279</u>	<u>530,524</u>
Expenditures					
Instruction	35,320	409,205	406,436	(373,885)	2,769
Improvement of instruction	-	4,150	4,083	(4,150)	67
Media services	275,000	386,750	378,917	(111,750)	7,833
Business central services	3,000	1,200	1,180	1,800	20
Operation of plant	808,000	1,089,081	1,034,314	(281,081)	54,767
Food service	-	5,500	5,432	(5,500)	68
Capital outlay	3,231,200	2,176,604	2,176,296	1,054,596	308
Total expenditures	<u>4,352,520</u>	<u>4,072,490</u>	<u>4,006,658</u>	<u>280,030</u>	<u>65,832</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,227,667)</u>	<u>\$ (1,775,358)</u>	(1,179,002)	<u>\$ 1,452,309</u>	<u>\$ 596,356</u>
Fund balance at July 1, 2018			<u>5,794,075</u>		
Fund balance at June 30, 2019			<u>\$ 4,615,073</u>		

AFFTON SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - ALL MAJOR FUNDS - UNAUDITED
Year ended June 30, 2019**

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 29,060,823	\$ 29,804,303	\$ 29,834,555	\$ 743,480	\$ 30,252
County sources	373,000	437,840	437,825	64,840	(15)
State sources	4,382,950	4,630,322	4,649,061	247,372	18,739
Federal sources	1,141,965	1,200,888	1,150,703	58,923	(50,185)
Other sources	220,000	158,000	134,891	(62,000)	(23,109)
Total revenues	<u>35,178,738</u>	<u>36,231,353</u>	<u>36,207,035</u>	<u>1,052,615</u>	<u>(24,318)</u>
Expenditures					
Instruction	17,370,617	17,524,691	17,387,552	(154,074)	137,139
Attendance	64,148	64,048	63,218	100	830
Guidance	1,076,127	1,082,864	1,069,395	(6,737)	13,469
Health, psych, speech and audio	277,800	305,785	298,684	(27,985)	7,101
Improvement of instruction	571,520	542,321	537,669	29,199	4,652
Professional development	58,545	70,545	70,310	(12,000)	235
Media services	1,303,977	1,467,594	1,454,399	(163,617)	13,195
Board of education services	171,620	172,720	170,206	(1,100)	2,514
Executive administration	557,087	541,398	533,431	15,689	7,967
Building level administration	1,471,157	1,575,407	1,560,407	(104,250)	15,000
Business central services	1,041,026	744,822	738,429	296,204	6,393
Operation of plant	4,105,963	4,342,632	4,233,860	(236,669)	108,772
Security services	172,500	162,200	161,698	10,300	502
Pupil transportation	735,994	720,513	720,333	15,481	180
Food service	1,005,000	938,050	943,188	66,950	(5,138)
Central office support services	91,571	93,671	92,868	(2,100)	803
Community services	1,274,918	1,336,511	1,299,736	(61,593)	36,775
Capital outlay	3,231,200	2,176,604	2,176,296	1,054,596	308
Debt service:					
Principal	845,000	845,000	845,000	-	-
Interest and other charges	949,710	950,310	950,310	(600)	-
Total expenditures	<u>36,375,480</u>	<u>35,657,686</u>	<u>35,306,989</u>	<u>717,794</u>	<u>350,697</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,196,742)</u>	<u>\$ 573,667</u>	<u>900,046</u>	<u>\$ 1,770,409</u>	<u>\$ 326,379</u>
Fund balance at July 1, 2018			<u>19,574,477</u>		
Fund balance at June 30, 2019			<u>\$ 20,474,523</u>		

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The 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.
6. Budgets are adopted on the modified cash basis of accounting for all governmental funds.

AFFTON SCHOOL DISTRICT

SCHEDULE OF REVENUES COLLECTED BY SOURCE

ALL MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED

Year ended June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Local					
Current taxes	\$ 18,941,847	\$ -	\$ 1,885,527	\$ 2,104,477	\$ 22,931,851
Delinquent taxes	531,688	-	21,831	27,985	581,504
School district trust fund (Prop C)	-	2,399,857	-	-	2,399,857
Financial institution tax	20,616	-	-	-	20,616
M&M surtax	-	-	-	556,246	556,246
Earnings on investments	320,041	471	10,500	104,796	435,808
Food service program	467,230	-	-	-	467,230
Student activities	730,613	-	-	-	730,613
Community services	1,052,357	-	-	-	1,052,357
Other local sources	533,473	125,000	-	-	658,473
	<u>22,597,865</u>	<u>2,525,328</u>	<u>1,917,858</u>	<u>2,793,504</u>	<u>29,834,555</u>
County					
Fines, escheat, etc.	-	20,270	-	-	20,270
State assessed utilities	339,741	-	43,662	34,152	417,555
	<u>339,741</u>	<u>20,270</u>	<u>43,662</u>	<u>34,152</u>	<u>437,825</u>
State					
Basic formula	-	3,442,705	-	-	3,442,705
Transportation	140,188	-	-	-	140,188
Classroom Trust Fund	-	937,002	-	-	937,002
Educational Screening Prog/PAT	81,120	-	-	-	81,120
Vocational/Technical Aid	36,541	-	-	-	36,541
Food Service - State	7,556	-	-	-	7,556
Residential Placement/Excess Cost	-	3,949	-	-	3,949
	<u>265,405</u>	<u>4,383,656</u>	<u>-</u>	<u>-</u>	<u>4,649,061</u>
Federal					
Medicaid	59,253	-	-	-	59,253
Perkins Basic Grant, Career Education	60,181	-	-	-	60,181
School lunch program	422,486	-	-	-	422,486
School breakfast program	130,010	-	-	-	130,010
Title I -ESEA	325,095	-	-	-	325,095
Title IV, Student Support and Academic Enrichment	18,391	-	-	-	18,391
Title III, ESEA-English language acquisition	32,256	-	-	-	32,256
Title II, Part A, ESEA-teacher & principal quality	103,031	-	-	-	103,031
	<u>1,150,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,703</u>
Other sources					
Tuition from other districts	61,998	-	-	-	61,998
Contracted educational services	61,746	-	-	-	61,746
Transportation From Other LEA's for Non-hand	11,147	-	-	-	11,147
	<u>134,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,891</u>
	<u>\$ 24,488,605</u>	<u>\$ 6,929,254</u>	<u>\$ 1,961,520</u>	<u>\$ 2,827,656</u>	<u>\$ 36,207,035</u>

AFFTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES PAID BY OBJECT ALL MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS - UNAUDITED Year ended June 30, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Salaries	\$ 4,527,654	\$ 13,801,682	\$ -	\$ -	\$ 18,329,336
Employee benefits	2,010,538	3,860,233	-	-	5,870,771
Purchased services	2,161,541	125,624	-	-	2,287,165
Supplies	3,017,749	-	-	-	3,017,749
Capital outlay	-	-	-	4,006,658	4,006,658
Other objects	-	-	1,795,310	-	1,795,310
	<u>\$ 11,717,482</u>	<u>\$ 17,787,539</u>	<u>\$ 1,795,310</u>	<u>\$ 4,006,658</u>	<u>\$ 35,306,989</u>

AFFTON SCHOOL DISTRICT**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES
PAID AND CHANGES IN FUND BALANCE
ALL MAJOR GOVERNMENTAL FUNDS -MODIFIED CASH BASIS - UNAUDITED
Year ended June 30, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues Collected	\$ 24,488,605	\$ 6,929,254	\$ 1,961,520	\$ 2,827,656	\$ 36,207,035
Expenditures Paid	<u>11,717,482</u>	<u>17,787,539</u>	<u>1,795,310</u>	<u>4,006,658</u>	<u>35,306,989</u>
Revenues over (under) expenditures	12,771,123	(10,858,285)	166,210	(1,179,002)	900,046
Other financing sources (uses)	<u>(10,858,285)</u>	<u>10,858,285</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,912,838	-	166,210	(1,179,002)	900,046
Fund balance at July 1, 2018	<u>12,824,880</u>	<u>-</u>	<u>955,522</u>	<u>5,794,075</u>	<u>19,574,477</u>
Fund balance at June 30, 2019	<u>\$ 14,737,718</u>	<u>\$ -</u>	<u>\$ 1,121,732</u>	<u>\$ 4,615,073</u>	<u>\$ 20,474,523</u>



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

We have examined management's assertion that Affton School District did comply with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures. The attendance and transportation records are so maintained in order to disclose accurately the average daily attendance and average daily transportation of pupils during the year ended June 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our audit.

Our audit was made in accordance with attestation 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 examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, Affton School District complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2019.

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

Fick, Eggemeyer & Williamson

Fick, Eggemeyer, & Williamson, CPA's
St. Louis, Missouri
August 30, 2019

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4040	K	2		6.40	174	1,091.60
4080	3	5		6.40	174	1,091.60
3000	6	8		6.30	174	1,078.15
1050	9	12		6.25	173	1,036.95

2. Average Daily Attendance (ADA)

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4040	K	208,918.9331	0.0000	0.0000	0.0000	5,071.8501	213,990.7832
4040	1	206,831.5995	376.0667	0.0000	0.0000	5,877.7333	213,085.3995
4040	2	233,826.4666	29.0000	0.0000	0.0000	6,497.0833	240,352.5499
4080	3	202,489.6832	417.2666	0.0000	0.0000	6,276.6500	209,183.5998
4080	4	213,996.7831	0.0000	0.0000	0.0000	6,273.4000	220,270.1831
4080	5	201,226.4332	0.0000	0.0000	0.0000	5,794.3999	207,020.8331
3000	6	208,826.1333	0.0000	0.0000	0.0000	7,382.4999	216,208.6332
3000	7	179,960.9673	0.0000	0.0000	0.0000	3,777.9167	183,738.8840
3000	8	181,650.0999	1,849.5666	0.0000	0.0000	5,266.3999	188,766.0664
1050	9	199,505.3550	604.4333	0.0000	0.0000	1,235.3667	201,345.1550
1050	10	176,240.0929	353.1500	0.0000	0.0000	3,815.8501	180,409.0930
1050	11	162,614.2886	15,671.5000	0.0000	0.0000	5,000.8000	183,286.5886
1050	12	141,645.6247	10,187.1998	0.0000	0.0000	3,394.5333	155,227.3578
Grand Total		2,517,732.4604	29,488.1830	0.0000	0.0000	65,664.4832	2,612,885.1266

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

3. *September Membership*

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4040	K	198.00	0.00	3.00	201.00
4040	1	198.00	0.40	0.00	198.40
4040	2	216.00	0.03	8.00	224.03
4080	3	187.00	0.60	7.00	194.60
4080	4	204.00	0.00	2.00	206.00
4080	5	185.00	0.00	6.00	191.00
3000	6	197.00	0.00	7.00	204.00
3000	7	167.00	0.00	9.00	176.00
3000	8	173.00	0.97	9.00	182.97
1050	9	197.00	0.40	9.00	206.40
1050	10	173.00	0.37	11.00	184.37
1050	11	161.00	15.39	9.14	185.53
1050	12	160.00	10.98	11.14	182.12
Grand Total		2,416.00	29.14	91.28	2,536.42

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4040	183.20	32.00	6.00	3.00	224.20
4080	164.00	40.00	9.00	2.00	215.00
3000	182.00	54.00	15.00	3.00	254.00
1050	164.60	53.42	23.14	4.57	245.73
Grand Total	693.80	179.42	53.14	12.57	938.93

5. *Finance*

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$70,310

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

Finding:	N/A
Management Letter Comment:	N/A

AFFTON SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED

6. *Transportation (Section 163.161, RSMo)*

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	1,475.0
	Ineligible ADT	254.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	145,399
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	120,140
	Ineligible Miles (Non-Route/Disapproved)	25,259
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	177

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

Finding:	N/A
Management Letter Comment:	N/A



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
Affton School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Affton School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Affton School District's basic financial statements, and have issued our report thereon dated August 30, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be 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 Affton School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
St. Louis, Missouri
August 30, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Education
Affton School District

Report on Compliance for Each Major Federal Program

We have audited the Affton School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Affton School District's major federal programs for the year ended June 30, 2019. The Affton School 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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Affton School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
St. Louis, Missouri
August 30, 2019

AFFTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2019

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Title I Part A, Grants to Local Educational Agencies	84.010	096-098	\$ 357,105
Title II Part A, Improving Teacher Quality State Grants	84.367	096-098	51,575
English Language Acquisition Grants	84.365	096-098	34,004
Perkins Basic Grant, Career Education	84.048	096-098	121,341
Total U.S. Department of Education			<u>564,025</u>
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
School Breakfast Program (m)	10.553	096-098	130,010
National School Lunch Program (m)			
Cash assistance	10.555	096-098	422,485
Non-cash assistance (food distribution) (m)	10.555	096-098	71,482
Total National School Lunch Program			<u>493,967</u>
Total Child Nutrition Cluster			<u>623,977</u>
			<u><u>\$ 1,188,002</u></u>

(m) - Program audited as a major program.

AFFTON SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Affton School District and is presented on the modified cash basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to the sub-recipients.

NOTE 3 – DESCRIPTIONS OF MAJOR FEDERAL PROGRAM

The Child Nutrition Cluster programs provide funds for nutritious and well balanced lunches and breakfasts to children.

NOTE 4- NON-CASH ASSISTANCE

The District received and distributed commodities through the National School Lunch Program. The value of commodities as determined by the Food Service Section of the Department of Elementary and Secondary Education was \$71,482.

NOTE 5 – INSURANCE

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

NOTE 6 – LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

NOTE 7 – DE MINIMUS COST RATE

The District has not elected to use the 10% de minimus indirect cost rate.

AFFTON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified Yes No

Significant deficiencies identified that are not considered to be material weaknesses Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes No

Reportable conditions identified that are not considered to be material weaknesses Yes No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Yes No

Identification of major programs:

CFDA Numbers Name of Federal Program or Cluster

10.555 National School Lunch Program
10.553 National School Breakfast Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? Yes No

AFFTON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS **Year ended June 30, 2019**

Section II - Financial Statement Findings

There are no reportable conditions to disclose.

Section III - Federal Award Findings

There are no federal award findings to disclose.

AFFTON SCHOOL DISTRICT

SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
Year ended June 30, 2019

There were no prior year audit findings.