

ORCHARD FARM R-V SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Orchard Farm R-V School District
St. Charles, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Orchard Farm R-V School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents excluding the fiduciary net position and statement of changes in fiduciary net position which were unaudited.

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 as described in note 2; this included determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 and each major fund of Orchard Farm R-V 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 2.

Basis of Accounting

We draw attention to Note 2 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 Orchard Farm R-V School District's Basic financial statement excluding the statement of fiduciary net position and statement of changes in fiduciary net position as listed in the basic financial section of the table of contents. The Schedule of Employer Contributions PSRS and PEERS, the budget statements and schedules as listed in the "Supplementary Information" section of the table of contents and the Schedule of Selected statistics are presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

The Schedule of Employer Contributions PSRS and PEERS, the budget statements and schedules as listed in the "Supplementary Information" section of the table of contents, Schedule of Selected Statistics and the statement of fiduciary of net position and the

statement of changes in fiduciary net position as shown in the basic financial statement section of 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 any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018, on our consideration of the Orchard Farm School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Orchard Farm School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orchard Farm School District's internal control over financial reporting and compliance.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
December 18, 2018

Orchard Farm R-V School District
Statement of Net Position-Modified Cash Basis
Year Ended June 30, 2018

	Governmental Activities	Total
Assets		
Cash and Cash Equivalent	\$ 12,095,601	\$ 12,095,601
Escrow Deposits	<u>808,035</u>	<u>808,035</u>
Total Assets	<u><u>\$ 12,903,636</u></u>	<u><u>\$ 12,903,636</u></u>
 Net Assets		
Resticted for:		
Debt Service	\$ 2,710,554	\$ 2,710,554
Bond Proceeds	123,422	123,422
Unrestricted	<u>10,069,660</u>	<u>10,069,660</u>
Total Net Assets	<u><u>\$ 12,903,636</u></u>	<u><u>\$ 12,903,636</u></u>

See accompanying notes to the financial statements.

Orchard Farm R-V School District
Statement of Activities
Modified Cash Basis
Year Ended June 30, 2018

	Program Revenues				Net (Disbursement) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Government Activities					
Instruction	\$ (14,477,662)	\$ 24,077	\$ 1,815,039	\$ -	(12,638,546)
Student Charges	(858,339)	761,039	56,438	-	(40,861)
Support Services:					
Attendance	(58,876)	-	-	-	(58,876)
Guidance	(503,799)	-	-	-	(503,799)
Health, Psych, Speech and Audio	(313,024)	-	-	-	(313,024)
Improvement of Instruction	(394,767)	-	-	-	(394,767)
Professional Development	(81,129)	-	36,210	-	(44,919)
Media Services	(393,316)	-	-	-	(393,316)
Board of Education Services	(216,888)	-	-	-	(216,888)
Executive Administration	(530,268)	-	-	-	(530,268)
Building Level Administration	(1,697,553)	-	-	-	(1,697,553)
Business, Fiscal, Internal Service	(274,968)	-	-	-	(274,968)
Operation of Plant	(2,770,278)	-	-	-	(2,770,278)
Security Services	-	-	-	-	-
Pupil Transportation	(2,147,088)	33,450	283,341	-	(1,830,298)
Food Service	(737,376)	319,940	333,619	-	(83,817)
Central Office Support Service	(385,952)	-	-	-	(385,952)
Adult Education	-	-	-	-	-
Community Services	(834,652)	583,893	-	-	(250,758)
Facilities Acq & Construction	(1,677,291)	-	-	-	(1,677,291)
Principal	(1,275,000)	-	-	-	(1,275,000)
Interest	(741,318)	-	-	-	(741,318)
Other Fees	(49,504)	-	-	-	(49,504)
Total Governmental Activities	(30,419,048)	1,722,400	2,524,647	-	(26,172,001)

General Receipts	
Taxes:	
Property and other Taxes, Levied for General Purposes	8,419,989
Property and other Taxes, Levied for Special Revenue	6,277,656
Property and other Taxes Levied for Debt Service	2,364,784
Property and other Taxes Levied for Capital Projects	-
County Revenues	397,190
State Revenues	5,406,410
Other Revenues	203,502
Interest and Investment Earnings	368,000
Refunding Bond Proceeds	6,554
Insurance Proceeds	1,036
Sale of Other Property	1,236,717
Miscellaneous Revenue	24,681,838
Subtotal General Receipts	(1,490,163)
Increase (Decrease) in Net Assets	14,393,799
Net Assets Beginning of Year	12,903,636
Net Assets End of Year	

See accompanying notes to the financial statements.

Orchard Farm R-V School District
 Balance Sheet- Governmental Funds- Modified Cash Basis
 Year ended June 30, 2018

	Governmental Funds				Totals June 30, 2018
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects (Building) Fund	
ASSETS					
Cash and Cash Equivalent	\$ 9,429,263	\$ -	\$ 1,902,519	\$ 763,819	\$ 12,095,601
Escrow Deposits	-	-	808,035	-	808,035
TOTAL ASSETS	<u>\$ 9,429,263</u>	<u>\$ -</u>	<u>\$ 2,710,554</u>	<u>\$ 763,819</u>	<u>\$ 12,903,636</u>
FUND BALANCE					
Fund balances:					
Restricted for:					
Debt Service	-	-	2,710,554	-	2,710,554
Capital Outlay	-	-	-	123,422	123,422
Committed for:					
Capital Outlay	-	-	-	640,397	640,397
Special Revenue (Teachers Fund)	9,429,263	-	-	-	9,429,263
Unassigned	-	-	-	-	-
FUND BALANCE	<u>\$ 9,429,263</u>	<u>\$ -</u>	<u>\$ 2,710,554</u>	<u>\$ 763,819</u>	<u>\$ 12,903,636</u>

The accompanying notes are an integral part of this financial statement.

**Orchard Farm R-V School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Governmental Fund Balances-Modified Cash Basis
Year ended June 30, 2018**

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals June 30, 2018
REVENUE COLLECTED					
Local	\$ 10,912,374	\$ 6,860,210	\$ 2,394,726	\$ 211	\$ 20,167,521
County	187,737	148,453	61,001	-	397,190
State	445,719	6,433,127	-	19,449	6,898,295
Federal	345,304	687,458	-	-	1,032,761
Other	33,450	24,077	-	-	57,527
TOTAL REVENUES COLLECTED	\$ 11,924,584	\$ 14,153,324	\$ 2,455,726	\$ 19,660	\$ 28,553,295
EXPENDITURES PAID					
CURRENT					
Instruction	2,919,058	12,138,283	-	278,659	15,336,001
Support services	7,621,534	2,523,225	-	360,524	10,505,284
Adult Education	-	-	-	-	-
Community Services	490,335	336,348	-	7,968	834,652
CAPITAL OUTLAY					
Facilities and Acquisitions	-	-	-	1,677,291	1,677,291
DEBT SERVICE					
Principal	-	-	1,275,000	-	1,275,000
Interest	-	-	741,318	-	741,318
Other fees	46,667	-	2,837	-	49,504
TOTAL EXPENDITURES PAID	\$ 11,077,594	\$ 14,997,857	\$ 2,019,155	\$ 2,324,443	\$ 30,419,048
Revenue Collected over/(under) Expenditures Paid	\$ 846,990	\$ (844,533)	\$ 436,572	\$ (2,304,783)	\$ (1,865,753)
Other Financing Sources(Uses)					
Operating Transfers in(out)	(405,896)	405,896	-	-	-
Sale of Bond	-	-	-	368,000	368,000
Net Insurance Recovery	3,767	-	-	2,787	6,554
Sale of Other Property	1,036	-	-	-	1,036
TOTAL OTHER FINANCING	(401,093)	405,896	-	370,787	375,590
FUND BALANCE-					
Beginning of Year	8,983,365	438,637	2,273,983	2,697,814	14,393,799
FUND BALANCE	\$ 9,429,263	\$ -	\$ 2,710,554	\$ 763,819	\$ 12,903,636
End of Year					

The accompanying notes are an integral part of this financial statement

Orchard Farm R-V School District
Statement of Fiduciary Net Position (Unaudited)
Modified Cash Basis
Year Ended June 30, 2018

		Employee Benefit Trust Fund
Assets		
Cash and Cash Equivalents	\$	15,438
Total Assets	\$	15,438
Net Position		
Held in Trust for Employee Flexible Spending Account		15,438
Total Net Position	\$	15,438

See accompanying notes to the financial statements.

Orchard Farm R-V School District
Statement of Changes in Fiduciary Net Position (Unaudited)
Modified Cash Basis
Year Ended June 30, 2018

	Employee Benefit Trust Fund
Additions	
Earnings on Investments	257
Deductions	
Fees	(873)
Employee Flexible Plan Draws	(36,156)
Deposits	33,798
Changes in Net Position	(2,974)
Net Position- June 30, 2017	18,412
Net Position- June 30, 2018	15,438

See accompanying notes to the financial statements.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT

Orchard Farm R-V School District (the District) was established in 1959 under the Statutes of the State of Missouri. The District operates as a “six director” district (with seven members of the Board of Education) as described in RSMo Chapter 162.

Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in generally accepted accounting principles accepted in the United States of America. The basic criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the District’s reporting entity.

Excluded from the reporting entity:

Public School Retirement System of Missouri, Public Education Employees Retirement System and Missouri United School Insurance Council (MUSIC). The participating school district’s governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Orchard Farm R-V School District have been prepared on a basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles accepted in the United States of America. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the District, and exclude fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by external resource providers (for example, grant providers, constitutionally, or through enabling legislation (this is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers. Unrestricted balances are the residual fund balances after restrictions.

The Statement of Net Position: Presents the financial condition of the governmental activities of the School District at year-end.

The Statement of Activities: Presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. 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 School District.

B. Fund Accounting

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

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets and fund equity revenues and expenditures or expense as appropriate. District resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent.

Governmental Funds:

General (Incidental) Fund – Used to account for general activities of the District, including student activities, food services, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers’) Fund – Used to account for the financial resources from taxes, revenues restricted by the State and local tax levy and other sources for the payment of teacher salaries and certain employee benefits that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Fund – Used to account for the accumulation of resources that are restricted, committed or assigned for, and the payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects (Building) Fund – Used to account for and report financial resources from long term debt, taxes and other resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Fund- The fiduciary funds category consists of four fund types. Of the four fund types the school utilized the following:

Pension and Other Employee Benefit Trust Fund: Used to report resources required to be held in trust for the members or beneficiaries. The District’s employee benefit plans are for an employee flexible spending plan.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental Funds: (Continued)

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Assignments are authorized by fund placement in the special revenue, capital projects and debt service funds in the original, adopted and later revised budget. Upon adoption of a budget where fund balance is used as a source to balance the budget, the superintendent shall record the amount as assigned fund balance. The Board delegates the authority to assign amounts for specific purposes(s) to the superintendent.

Fund Balance Categories

- **Nonspendable Fund Balance:** amounts that are not in spendable form or are required to be maintained intact.
- **Restricted Fund Balance:** amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or enabling legislation.
- **Committed Fund Balance:** amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the restraint.
- **Assigned Fund Balance:** amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Education or by an official body to which the Board of Education delegates authority.
- **Unassigned Fund Balance:** amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second and unassigned funds last.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental Funds: (Continued)

The undesignated fund balance in the operating funds will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. The District will strive to maintain a minimum undesignated balance in its operating funds equal to a range of 5-10 percent of its prior year operating expenditures.

If fund balances are ever projected to decline below the 5 percent floor, administration will develop a plan to replenish the fund balance above the minimum level.

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

C. Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. The modification to the cash basis relates to the presentation of investments. This basis recognizes assets, net position/fund equity, receipts and disbursements when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of modified cash basis of accounting, certain assets and their related revenue (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Measurement Focus

Government Wide Financial Statements: The government-wide financial statements are reported using the current financial resources measurement focus or the economic resources measurement focus is used as appropriate and the modified cash basis of accounting.

Fund Financial Statements: The governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Pooled Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments that is managed by the District Treasurer. Temporary investments of the pooled accounts are carried at cost, which approximates market. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

F. Property & Equipment

Capital assets are recorded as expenditures in the General (Incidental) Fund and the Capital Projects (Building) Fund at the time the expenditures are paid. No depreciation is provided for property and equipment.

G. Inventory

Inventory is deemed to be immaterial. Supplies are charged to expenditures when purchased.

H. Compensated Absences

Vacation time, personal leave, and sick leave are considered an expenditure in the year paid. Unused personal leave and sick leave rollover into the next year as sick leave and may accumulate up to 140 days. The district pays for unused accumulated sick leave for vested employees upon termination. The district pays for unused accumulated vacation time upon termination. As of the fiscal year ending June 30, 2018 the District has \$6,773 in outstanding sick leave and \$24,274 in outstanding vacation.

I. Teachers' Salaries

The salary payment schedule for certain teachers of the District for the 2017-18 school year requires the payment of their salaries over a 12-month period. Consequently, the July 2018 payroll checks are included in the financial statements as an expenditure in the month of June.

J. Post Employment Benefits

The District does not offer any Post Employment Benefits.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

M. Transfers

Transfers are used to move revenues from the fund that statute or budget requires expending them and moving unrestricted revenue collected in the general fund to finance programs in other funds.

N. Subsequent Events

The District evaluated subsequent events for potential required disclosure through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

NOTE 3: CASH AND INVESTMENTS

The District maintains a cash and temporary cash investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the balance sheet governmental funds-cash basis as "Cash and Cash Equivalents" under each fund's caption. Cash Equivalents represent all investments which are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less.

Custodial Credit Risk: Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2018, the carrying amount of the District's deposits was \$12,095,601 and the bank balance was \$13,950,907. Included in the previous balance the District has \$368,211 in money markets not covered by federal depository insurance (FDIC). The remainder of

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

the District funds were fully insured by federal depository insurance or secured with collateral held by the school districts or its agent in the school districts name.

The District has an account held in the District's name but is a trust fund for an employee flexible spending account. The value of the account as of June 30, 2018 was \$15,438. This was covered by Federal depository insurance or collateral held by the school district or its agent in the school districts name.

Credit Risk and Investment Interest Rate Risk: The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

TYPE	RATING	MATURITY	CARRYING VALUES	FAIR MARKET VALUE
Deposits				
Demand Deposits	N/A	N/A	\$12,095,601	\$12,095,601
Total Demand Deposits			<u>\$12,095,601</u>	<u>\$12,095,601</u>
<u>Reconciliation To Statement of Net Position</u>				
Cash and Cash Equivalents			\$ 12,095,601	
Escrow Deposits (MOHEFA) (See Note 6)			<u>808,035</u>	
Total Current Assets on Statement of Net Position			<u>\$ 12,903,636</u>	

NOTE 4: 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 tax and remits them to the District on a monthly basis.

The District also receives sales tax collected by the state and remitted based on eligible pupils. The District is required to reduce its property tax by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 4: TAXES (Continued)

The assessed valuation of the tangible taxable property for the calendar years 2017 and 2016 for purposes of local taxation was \$318,755,165 and \$301,727,890 respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2017 and 2016 for purposes of local taxation was:

	2017		2016	
	Unadjusted	Adjusted	Unadjusted	Adjusted
General (Incidental) Fund	2.5486	2.4341	1.9057	1.7959
Special Revenue (Teachers') Fund	1.5144	1.4000	2.0299	1.9202
Debt Service Fund	0.7300	0.7300	0.7300	0.7300
Capital Projects (Building) Fund	0.0000	0.0000	0.2000	0.2000
	<u>4.7930</u>	<u>4.5641</u>	<u>4.8656</u>	<u>4.6461</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2018, aggregated approximately 99.85% of the current assessment computed on the basis of the adjusted levy as shown above.

NOTE 5: TAX ABATEMENTS

The District is subject to TIF real estate tax abatements for St. Charles County for two projects totaling \$2,521,505.

NOTE 6: COMMITMENTS

BOND PAYABLE

The following is a summary of changes in long-term debt for the year ended June 30, 2018:

<u>Bonds Payable</u>	
Balance at July 1, 2017	\$ 26,320,000
Plus- bond issue	-
Less – payments/defeasance	<u>(1,275,000)</u>
Balance at June 30, 2018	<u>\$ 25,045,000</u>

Bonds payable at June 30, 2018 consist of:

\$9,405,000 General Obligation Refunding Bonds, Series 2016- due in varying annual principal through March 1, 2029. Interest rates vary from 2.00% to 4.0%. \$ 8,285,000

\$6,200,000 General Obligation Refunding Bonds, Series 2015- due in varying annual principal through March 1, 2027. Interest rates vary from 2.00% to 2.50%. 5,640,000

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 6: COMMITMENTS (Continued)

BOND PAYABLE (Continued)

\$8,900,000 General Obligation Bonds, Series 2014- due in varying annual principal through March 1, 2034. Interest rates vary from 0.20% to 3.30%.	8,700,000
\$1,490,000 General Obligation Refunding Bond, Series 2013- due in varying annual principal through March 2019. Interest rates at 2%	85,000
\$3,475,000 General Obligation Refunding Bond, Series 2012- due in varying annual principal through March 2023. Interest rates from 1.00% to 2.00%	<u>2,335,000</u>
Total bonds payable	<u>\$25,045,000</u>

Debt Service requirements for the following years ended are:

<u>June 30,</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,315,000	\$ 704,980	\$ 2,019,980
2020	1,350,000	666,955	2,016,955
2021	1,395,000	627,600	2,022,600
2022	1,435,000	579,600	2,014,600
2023	1,475,000	544,200	2,019,200
2024-2028	7,920,000	2,162,462	10,082,462
2029-2033	8,300,000	1,117,206	9,417,206
2034-2036	1,855,000	60,288	1,915,288
	<u>\$25,045,000</u>	<u>\$ 6,463,291</u>	<u>\$31,508,291</u>

The District participated in the program created by Senate Bill 301 administered by the Missouri Health and Educational Facilities Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the debt service requirements of the District's outstanding bonds. This is direct deposit money paid directly to the trustee. The trustee then invests in a pool of funds that are given to an investment agent. The agent only buys government treasury notes or government agency type funds. The funds cannot be used by the District. The funds are released by the trustee to pay on the behalf of the District the district bond obligations directly.

During the fiscal year ending June 30, 2016 the District issued \$9,405,000 General Obligation Refunding Bonds, Series 2016 for the purpose of refunding \$2,370,000 principal amount of the District's outstanding General Obligation Refunding Bonds, Series 2007A and to advance refund \$7,580,000 principal amount of the District's outstanding General Obligation Bonds, Series 2009.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 6: COMMITMENTS (Continued)

BOND PAYABLE (Continued)

During the fiscal year ending June 30, 2015 the District issued \$6,200,000 General Obligation Refunding Bonds, Series 2015 along with certain other funds of the District to advance refund \$6,310,000 principal amount of the District's outstanding General Obligation Bonds, Series 2007B.

During the fiscal year ending June 30, 2014 the District issued \$8,900,000 General Obligation Bonds, Series 2014 for the purpose of acquiring, constructing, renovating, repairing, improving, furnishing, and equipping new and existing school sites, buildings and related facilities in the District, including construction of additional classrooms at Discovery Elementary School and the construction of a new early childhood center.

During the fiscal year ending June 30, 2013 the District issued \$1,490,000 General Obligation Refunding Bonds, Series 2013, together with funds of the District, for the purpose of refunding \$1,780,000 principal amount of the District's outstanding General Obligation Refunding Bonds, Series 2005.

During the fiscal year ending June 30, 2012 the District issued \$3,475,000 of General Obligation Refunding Bonds, Series 2012. The purpose of the bond, together with certain other funds of the District, will be used to refund \$4,060,000 principal amount of the District outstanding General Obligation Bonds, Series 2003, which comprise that portion of the Series 2003 Bonds that are subject to redemption on March 1, 2013.

Total amount of interest paid on bond debt for fiscal year ending June 30, 2018 was \$741,318.

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 of the District as of June 30, 2018 was:

Constitutional debt limit	\$ 47,813,275
Long-term debt	(25,045,000)
Amount available in Debt Service Fund	<u>2,710,554</u>
Legal Debt Margin	<u>\$ 25,478,829</u>

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 6: COMMITMENTS (Continued)

CAPITAL LEASES

The District has a lease purchase agreement to purchase copiers for \$82,156. The agreement signed in June 2015 is for sixty payments of \$1,535 and has an interest rate of 4.59%. Total interest over the life of the lease will be \$9,944. Total principal and interest paid for the year ending June 30, 2018 was \$15,663 and \$2,757 respectively.

The District entered into a lease purchase agreement to purchase a copier. The agreement signed in June 2015 is for sixty payments of \$248 and has an interest rate of 8.95%. Total interest over the life of the lease will be \$1,564. Total principal and interest paid for the year ending June 30, 2018 was \$1,763 and \$717 respectively.

The District entered into a lease purchase agreement to purchase a bus for \$60,549. The agreement signed in the fiscal year ending June 30, 2016 is for six payments with implied interest 2%. The lease has an option for cancellation after three years ending July 2019, at which time the total cost for the three years would be \$34,455. The District does anticipate cancellation of the lease on July 2019. Total implied interest of the life of the lease will be \$3,331 with total payments for the life of the lease is \$63,880. Total payments and implied interest for the year ending June 30, 2018 were \$10,414 and \$1,071 respectively.

Total future annual lease payments, assuming renewal, consist of the following:

Fiscal Year Ending:	Principal	Interest	Total
2019	\$ 27,857	\$ 3,783	\$ 31,640
2020	31,138	1,212	32,350
2021	13,524	406	13,930
2022	1,516	49	1,565
Total Lease Payment	<u>\$ 74,035</u>	<u>\$ 5,450</u>	<u>\$ 79,485</u>

NOTE 7: RETIREMENT PLANS

Public School Retirement System of Missouri (PSRS)

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 7: RETIREMENT PLANS

Public School Retirement System of Missouri (PSRS) (Continued)

some instances, positions may be determined not be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service at retirement. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are 3 years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on the website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs. If the June to June change in the Consumer Price Index for all urban consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at the 2% cost-of-living increase is granted. If the June to June change in CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 7: RETIREMENT PLANS (Continued)

Public School Retirement System of Missouri (PSRS) (Continued)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2016, 2017 and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

The district's contributions to PSRS were \$1,727,809 for the year ended June 30, 2018. For detail of prior years contributions see schedule of employee contributions PSRS and PEERS in the required supplemental information.

The District reports its financial activity on the modified cash basis of accounting, therefore the District has not recorded a net pension liability (and related expenses), or deferred outflows and inflows of resources related to pensions in the accompanying financial statements. If the District reported on the accrual basis of accounting, the District would have recorded a net pension liability of \$16,667,280, total pension expense related to the liability of \$2,220,762, deferred outflows of resources of \$9,409,504 and deferred inflows of resources of \$4,947,233 for the year ended June 30, 2018 for PSRS as provided for in the PSRS audit report for the year ended June 30, 2017.

Public Education Employees Retirement System of Missouri (PEERS)

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of the system who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 7: RETIREMENT PLAN (Continued)

Public Education Employees Retirement System of Missouri (PEERS) (Continued)

accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62) which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 to 24.9 years of service at age 55.

Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on the systems website at www.psr-peers.org.

Cost-of-Living Adjustments (COLA). The Board of Trustees has established a policy of providing COLAs. If the June to June change in the Consumer Price Index for all urban consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at the 2% cost-of-living increase is granted. If the June to June change in CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If CPI decrease, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions: PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2016, 2017, and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The district's contributions to PEERS were \$385,961 for the year ended June 30, 2018. For detail of prior years contributions see schedule of employee contributions PSRS and PEERS in the required supplemental information.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 7: RETIREMENT PLAN (Continued)

Public Education Employees Retirement System of Missouri (PEERS) (Continued)

The District reports its financial activity on the modified cash basis of accounting, therefore the District has not recorded a net pension liability (and related expenses), or deferred outflows and inflows of resources related to pensions in the accompanying financial statements. If the District reported on the accrual basis of accounting, the District would have recorded a net pension liability of \$2,441,443, total pension expense related to the liability of \$627,316, deferred outflows of resources of \$1,432,442 and deferred inflows of resources of \$723,425 for the year ended June 30, 2018 for PEERS as provided for in the PEERS audit report for the year ended June 30, 2017.

NOTE 8: GENERAL AND CASUALTY INSURANCE - PUBLIC ENTITY RISK POOL

The District is a member of the Missouri School Insurance Council (MUSIC), a protected self-insurance program of approximately 400 Missouri Public School districts. The District does not pay premiums to purchase insurance policies, but pays an assessment to be a member of a self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

NOTE 9: INTERFUND TRANSFERS

The District transferred from the General Fund \$405,896 to the Special Projects (Teacher) Fund to zero out the fund.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2018 and the two previous fiscal years, no settlements exceeded insurance coverage.

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2018

NOTE 11: CONTINGENCIES

The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

NOTE 12: SUBSEQUENT EVENT

During the fiscal year ending June 30, 2019, the District sold \$18,400,000 in General Obligation Bonds for the purpose of numerous projects throughout the District including construction of an 8,000 square foot addition to the early learning center, renovation of two elementary schools, construction of a 13,000 square foot addition to the middle school, renovations to the high school, and acquisition of land for future growth. The District received a \$368,000 good faith deposit distribution in the current fiscal year ending June 30, 2018 in advance to the bond closing date of July 2, 2018.

SUPPLEMENTARY INFORMATION

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Employer Contributions PSRS and PEERS
June 30, 2018

Schedule of Employer Contributions PSRS

Year Ended *	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of covered Payroll
6/30/2013	\$1,194,891	\$1,194,891	\$ -	\$ 8,330,028	14.34%
6/30/2014	\$1,237,161	\$1,237,161	\$ -	\$ 8,623,900	14.35%
6/30/2015	\$1,387,203	\$1,387,203	\$ -	\$ 9,652,910	14.37%
6/30/2016	\$1,446,582	\$1,446,582	\$ -	\$10,075,433	14.36%
6/30/2017	\$1,578,542	\$1,578,542	\$ -	\$10,987,110	14.37%
6/30/2018	\$1,727,809	\$1,727,809	\$ -	\$11,684,548	14.79%

*Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of Employer Contributions PEERS

Year Ended *	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of covered Payroll
6/30/2013	\$217,486	\$217,486	\$ -	\$3,170,344	6.86%
6/30/2014	\$241,302	\$241,302	\$ -	\$3,517,517	6.86%
6/30/2015	\$257,369	\$257,369	\$ -	\$3,751,731	6.86%
6/30/2016	\$277,974	\$277,974	\$ -	\$4,052,105	6.86%
6/30/2017	\$352,772	\$352,772	\$ -	\$5,142,446	6.86%
6/30/2018	\$385,961	\$385,961	\$ -	\$5,626,242	6.86%

*Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Orchard Farm R-V School District
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance
Original Budget, Final Budget and Actual- Modified Cash Basis- General Fund
Year Ended June 30, 2018

	General (Incidental) Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 10,135,324	\$ 10,876,335	\$ 10,912,374	\$ 36,039
County	197,570	187,737	187,737	-
State	409,760	445,939	445,719	(220)
Federal	374,148	345,304	345,304	-
Other	67,677	33,450	33,450	-
TOTAL REVENUES COLLECTED	\$ 11,184,479	\$ 11,888,765	\$ 11,924,584	\$ 35,819
EXPENDITURES PAID				
Regular Instruction	796,865	744,242	676,690	67,552
Special Programs	797,572	1,329,619	1,352,183	(22,564)
Vocational Instruction	57,000	60,720	42,857	17,863
Student Activities	681,000	845,800	847,328	(1,528)
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	733,780	453,666	429,447	24,219
Staff Services	187,532	212,666	199,579	13,087
General Administration	472,345	491,924	458,495	33,429
Building Level Administration	626,773	581,981	578,874	3,107
Bldgs/Food Service/Fiscal/Transportation	5,683,531	6,004,625	5,955,139	49,486
Community Service	501,756	524,344	490,335	34,009
Facilities and Acquisitions	-	-	-	-
Debt Services	-	-	-	-
Fees Bond Indebtedness	-	12,600	46,667	(34,067)
TOTAL EXPENDITURES PAID	\$ 10,538,154	\$ 11,262,187	\$ 11,077,594	\$ 184,593
REVENUES COLLECTED OVER(UNDER)				
EXPENDITURES PAID	646,325	626,578	846,990	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	(405,896)	(405,896)	(405,896)	
Sale of Bonds	-	-	-	
Sale of Other Property	10,000	7,042	1,036	
Net Insurance Recovery	-	3,767	3,767	
REVENUES COLLECTED AND OTHER SOURCES OVER(UNDER) EXPENDITURES PAID	\$ 250,429	\$ 231,491	\$ 445,897	
FUND BALANCE - Beginning of Year	8,983,365	8,983,365	8,983,365	
FUND BALANCE - End of Year	\$ 9,233,794	\$ 9,214,856	\$ 9,429,263	

The accompanying notes are an integral part of this financial statement

Orchard Farm R-V School District
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance
Original Budget, Final Budget and Actual- Modified Cash Basis- Special Revenue Fund
Year Ended June 30, 2018

	Special Revenue (Teachers) Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 6,768,770	\$ 6,860,210	\$ 6,860,210	\$ -
County	154,150	148,453	148,453	-
State	6,111,060	6,433,127	6,433,127	-
Federal	664,682	687,458	687,458	-
Other	103,439	77,032	24,077	(52,955)
TOTAL REVENUES COLLECTED	<u>\$ 13,802,101</u>	<u>\$ 14,206,280</u>	<u>\$ 14,153,324</u>	<u>\$ (52,956)</u>
EXPENDITURES PAID				
Regular Instruction	8,042,527	8,178,461	8,191,318	(12,857)
Special Programs	2,749,504	3,029,100	3,044,442	(15,342)
Vocational Instruction	373,669	331,936	329,045	2,891
Student Activities	-	-	-	-
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	137,000	549,694	573,479	(23,785)
Pupil Services	681,014	447,024	446,253	771
Staff Services	670,248	671,545	669,633	1,912
General Administration	271,825	288,580	288,661	(81)
Building Level Administration	1,119,005	1,118,664	1,118,679	(15)
Bldgs/Food Service/Fiscal/Transportation	-	-	-	-
Community Service	407,825	408,473	336,348	72,125
Facilities and Acquisitions	-	-	-	-
Debt Services	-	-	-	-
Fees Bond Indebtedness	-	-	-	-
TOTAL EXPENDITURES PAID	<u>\$ 14,452,617</u>	<u>\$ 15,023,477</u>	<u>\$ 14,997,857</u>	<u>\$ 25,620</u>
REVENUES COLLECTED OVER(UNDER) EXPENDITURES PAID	(650,516)	(817,197)	(844,532)	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	405,896	405,896	405,896	
Sale of Property	-	-	-	
REVENUES COLLECTED AND OTHER SOURCES OVER(UNDER) EXPENDITURES PAID	<u>\$ (244,620)</u>	<u>\$ (411,301)</u>	<u>\$ (438,637)</u>	
FUND BALANCE - Beginning of Year	438,637	438,637	438,637	
FUND BALANCE - End of Year	<u>\$ 194,016</u>	<u>\$ 27,336</u>	<u>\$ -</u>	

The accompanying notes are an integral part of this financial statement

Orchard Farm R-V School District
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance
Original Budget, Final Budget and Actual- Modified Cash Basis- Debt Service Fund
Year Ended June 30, 2018

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 2,410,187	\$ 2,394,726	\$ 2,394,726	\$ -
County	61,717	61,001	61,001	-
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES COLLECTED	\$ 2,471,904	\$ 2,455,726	\$ 2,455,726	\$ -
EXPENDITURES PAID				
Regular Instruction	-	-	-	-
Special Programs	-	-	-	-
Vocational Instruction	-	-	-	-
Student Activities	-	-	-	-
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	-	-	-	-
Staff Services	-	-	-	-
General Administration	-	-	-	-
Building Level Administration	-	-	-	-
Bldgs/Food Service/Fiscal/Transportation	-	-	-	-
Community Service	-	-	-	-
Facilities and Acquisitions	-	-	-	-
Debt Services	2,016,318	2,016,318	2,016,318	-
Fees Bond Indebtedness	5,000	5,000	2,837	2,163
TOTAL EXPENDITURES PAID	\$ 2,021,318	\$ 2,021,318	\$ 2,019,155	\$ 2,163
REVENUES COLLECTED OVER(UNDER) EXPENDITURES PAID	450,586	434,408	436,572	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	-	-	-	
Sale of Refunding Bond	-	-	-	
REVENUES COLLECTED AND OTHER SOURCES OVER(UNDER) EXPENDITURES PAID	\$ 450,586	\$ 434,408	\$ 436,572	
FUND BALANCE - Beginning of Year	2,273,983	2,273,983	2,273,983	
FUND BALANCE - End of Year	\$ 2,724,569	\$ 2,708,391	\$ 2,710,554	

The accompanying notes are an integral part of this financial statement

Orchard Farm R-V School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance
Original Budget, Final Budget and Actual-Modified Cash Basis-Capital Projects Fund
Year Ended June 30, 2018

	Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 2,226	\$ 2,437	\$ 211	\$ (2,226)
County	-	-	-	-
State	-	19,449	19,449	-
Federal	-	371,787	-	(371,787)
Other	-	-	-	-
TOTAL REVENUES COLLECTED	\$ 2,226	\$ 393,673	\$ 19,660	\$ (374,013)
EXPENDITURES PAID				
Regular Instruction	266,765	247,265	241,790	5,475
Special Programs	3,000	3,000	-	3,000
Vocational Instruction	9,500	27,995	25,859	2,136
Student Activities	10,000	11,900	11,010	890
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	-	-	-	-
Staff Services	-	-	-	-
General Administration	-	-	-	-
Building Level Administration	-	-	-	-
Bldgs/Food Service/Fiscal/Transportation	340,000	410,037	360,524	49,513
Community Service	11,000	8,500	7,968	532
Facilities and Acquisitions	1,189,148	1,749,982	1,677,291	72,691
Debt Services	-	-	-	-
Fees Bond Indebtedness	-	-	-	-
TOTAL EXPENDITURES PAID	\$ 1,829,413	\$ 2,458,679	\$ 2,324,443	\$ 134,236
REVENUES COLLECTED OVER(UNDER) EXPENDITURES PAID	(1,827,187)	(2,065,006)	(2,304,783)	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	852,543	-	-	
Sale of Bond	-	-	368,000	
Insurance Recovery	-	-	2,787	
Sale of Property	3,485	-	-	
REVENUES COLLECTED AND OTHER SOURCES OVER(UNDER) EXPENDITURES PAID	\$ (971,159)	\$ (2,065,006)	\$ (1,933,996)	
FUND BALANCE - Beginning of Year	2,697,814	2,697,814	2,697,814	
FUND BALANCE - End of Year	\$ 1,726,655	\$ 632,808	\$ 763,819	

The accompanying notes are an integral part of this financial statement

ORCHARD FARM R-V SCHOOL DISTRICT
Notes to Budgetary Comparison Schedules
June 30, 2018

- 1) In accordance with Chapter 67, RSMo, the district adopts a budget for each fund.
- 2) Prior to July the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all district funds. Budgeted disbursements 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 was legally enacted by vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education.
- 6) Budgets for district funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid. The actual results of operation are presented in the statement of revenues collected, expenditures paid, and changes in fund balances – original budget, final budget and actual-modified modified cash basis- all government fund types in accordance with the budget basis to provide a meaningful comparison of actual results with the budget.

SUPPLEMENTARY STATE INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

Board of Education
Orchard Farm R-V School District
St. Charles, Missouri

We have examined management's assertions, included in its representation letter dated December 18, 2018, that Orchard Farm R-V School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid, and other statutory requirements as listed in the schedule of selected statistics, during the year ended June 30, 2018. As discussed in that representation letter, 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 examination.

Our examination was conducted 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 examination 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, management's assertions that Orchard Farm R-V School District complied with the aforementioned requirements of Missouri Laws and Regulations as described in the first paragraph is fairly stated, in all material respects for the year ended June 30, 2018.

This report is intended solely for the information of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education, Federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
December 18, 2018

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2018

Type of audit performed: Yellow Book: _____ Single Audit: X

1. Calendar (Sections 160.041 and 171.031, RSMo)

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

Kindergarten - A.M.	<u> N/A </u>	Hours	Grades	<u> 1-5 </u>	<u> 6.2000 </u>	Hours
Kindergarten - P.M.	<u> N/A </u>	Hours	Grades	<u> 6-12 </u>	<u> 6.3500 </u>	Hours
Kindergarten - Full-day	<u> 6.2000 </u>	Hours	Grades	_____	_____	Hours

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

Kindergarten - A.M.	<u> N/A </u>	Hours	Grades	<u> 1-5 </u>	<u> 1,066.00 </u>	Hours
Kindergarten - P.M.	<u> N/A </u>	Hours	Grades	<u> 6-12 </u>	<u> 1,088.25 </u>	Hours
Kindergarten - Full-day	<u> 1,066.00 </u>	Hours	Grades	_____	_____	Hours

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

Kindergarten - A.M.	<u> N/A </u>	Days	Grades	<u> 1-5 </u>	<u> 175 </u>	Days
Kindergarten - P.M.	<u> N/A </u>	Days	Grades	<u> 6-12 </u>	<u> 175 </u>	Days
Kindergarten - Full-day	<u> 175 </u>	Days	Grades	_____	_____	Days

Notes: _____

2. Average Daily Attendance (ADA)

Regular Term	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands	Total	Deseg Out
Kindergarten - A.M.	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>
Kindergarten - P.M.	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>
Kindergarten - Full-day	<u> 131.68 </u>	<u> 0.00 </u>	<u> N/A </u>	<u> N/A </u>	<u> 131.68 </u>	<u> N/A </u>
Grades	<u> 1-5 728.48 </u>	<u> 0.00 </u>	<u> N/A </u>	<u> N/A </u>	<u> 728.48 </u>	<u> N/A </u>
Grades	<u> 6-12 902.15 </u>	<u> 0.03 </u>	<u> N/A </u>	<u> N/A </u>	<u> 902.18 </u>	<u> N/A </u>
Grades	_____	_____	_____	_____	_____	_____
Subtotal Regular Term	<u> 1,762.31 </u>	<u> 0.03 </u>	<u> N/A </u>	<u> N/A </u>	<u> 1,762.34 </u>	_____
		Resident	Deseg In	Federal Lands	Total	
Summer School		<u> 5.08 </u>	<u> N/A </u>	<u> N/A </u>	<u> 5.08 </u>	
Subtotal						
Total Regular Term Plus Summer School ADA					<u> 1,767.42 </u>	<input type="text"/>

Notes: _____

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2018

3. September Membership

	Full-Time & Part- Time	Deseg In	Federal Lands	Total	Deseg Out
September Membership FTE Count	1,878.53	0	0	1,878.53	0

Notes: _____

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

	Full-Time & Part- Time	Deseg In	Total
State FTE Total			
Free	471.62	0	471.62
Reduced	59.50	0	59.50
Total	531.12	0	531.12

Notes: _____

5. Finance

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- A. As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of: \$50,000
- B. The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. True
- C. The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. True
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. N/A

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2018

5. Finance (Continued)

- F. The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- G. The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. True
- H. The amount spent for approved professional development committee plan activities was: \$81,129
- All above "false" answers must be supported by a finding or management letter comment.
- Finding #: _____
- Management Letter Comment #: _____
- Notes: _____

6. Transportation (Section 163.161, RSMo)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The district's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True
- C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:
- **Eligible ADT** #1,386.0
 - **Ineligible ADT** #3.5
- D. The district'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
- E. Actual odometer records show the total district-operated and contracted mileage for the year was: #507,887
- 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** # 430,614
 - **Ineligible Miles (Non-Route/Disapproved)** # 46,087
- F. Number of days the district operated the school transportation system during the regular school year: 177
- G. All above "False" answers must be supported by a finding or management letter comment.
- Finding #: _____
- Management Letter Comment #: _____
- Notes: _____

OTHER FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Orchard Farm R-V School District
St. Charles, Missouri

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Orchard Farm School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Orchard Farm School District's basic financial statements excluding the statement of fiduciary net position and the statement of changes in fiduciary net position, and have issued our report thereon dated December 18, 2018. In our report, on financial statements which were prepared on the modified cash basis of accounting which is another comprehensive basis of accounting other than generally accepted accounting principles accepted in the United States of America as described in footnote 2, our opinion was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orchard Farm 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 Orchard Farm School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Orchard Farm 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 we considered 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 Orchard Farm School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test 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.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
December 18, 2018

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

Board of Education
Orchard Farm R-V School District
St. Charles, Missouri

Report on Compliance for Each Major Federal Program

We have audited Orchard Farm R-V School District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. The Orchard Farm R-V 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Orchard Farm R-V 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 Orchard Farm R-V School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Programs

In our opinion, the Orchard Farm R-V School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Orchard Farm R-V School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Orchard Farm R-V School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine 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 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 Orchard Farm R-V School District's internal control over compliance.

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

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

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

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
December 18, 2018

Orchard Farm R-V School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2018

Federal Grantor Pass-through Grantor Program Title	Programs CFDA Number	Pass-Through Entity Identifying Numbers	Expenditures(1)
<u>U.S. Department of Education</u>			
Passed-through Missouri			
Department of Elementary and Secondary Education			
Title I	84.010A	S010A170025	198,601
Title II.A	84.367A	S367A170024	39,784
Title IV.A	84.424A	S424A170026	220
Special Education High Need Fund	84.027A	H027A170040	3,916
Individuals with Disabilities Education Act (IDEA) part B	84.027A	H027A170040	312,603
ECSE	84.027A	H027A170040	101,616
ECSE	84.173A	H171A170103	29,094
Total IDEA/ECSE Cluster			447,229
Total U.S. Department of Education			\$ 685,834
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri			
Department of Elementary and Secondary Education			
School Breakfast Program	10.553	20177N109943	15,886
School Breakfast Program	10.553	20188N109943	64,572
National School Lunch Program	10.555	20177N109943	51,133
National School Lunch Program	10.555	20188N109943	197,153
Commodities	10.555	092-091	45,891
Total Child Nutrition Cluster			374,635
Total U.S. Department of Agriculture			\$ 374,635
Total Expenditures of Federal Awards			\$ 1,060,469

(1) This information has been prepared on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles. Commodities are food distribution received which are non-cash revenues which are valued using prices provided by the United States Department of Agriculture. The information in this schedule is presented in accordance with the requirements of Uniform Guidance in 2 CFR Part 200. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District did not elect the 10% de minimis indirect cost rate.

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Orchard Farm R-V School District that were prepared on the modified cash basis of accounting.
2. There were no deficiencies or material weaknesses disclosed during the audit of the financial statements and reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of Orchard Farm R-V School District, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies and no material weaknesses discovered related to the audit of the major Federal Award Program.
5. The Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance for Orchard Farm R-V School District expresses an unmodified opinion on federal program tested.
6. There were no audit finding that were required to be reported in accordance with section 2 CFR 200.516 (a) of The Uniform Guidance.
7. The programs tested as major programs include:

Title I	CFDA# 84.010
Child Nutrition Cluster	CFDA# 10.553 10.555
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Orchard Farm R-V School District was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

None

ORCHARD FARM R-V SCHOOL DISTRICT
Schedule of Resolutions of Prior Year Audit Findings
Year ended June 30, 2018

Finding 2017-001 Child Nutrition Cluster CFDA No. 10.555 and 10.553

Passed Through: Department of Elementary and Secondary Education.

Federal Agency: U.S. Department of Agriculture.

Condition: During the review of the verifications performed it was noted that the verification procedures were not followed. Three family returned pay information however, the incorrect amount was used to calculate gross payroll and the students stayed on free benefits when they should have been reduced.

Current Status Action Taken: Proper training was provided for staff performing the verification process, and current year verification was performed correctly.