

**RITENOUR SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2019**

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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Ritenour 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 the remaining fund information of the Ritenour School District (District), Missouri, 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 I; 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.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 remaining fund information of the District as of June 30, 2019, 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 I.

Basis of Accounting

We draw attention to Note I 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 this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, budgetary comparison schedules and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules presented on pages 41 through 45 and schedule of expenditures of federal awards presented on page 58 are the responsibility of management and were 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 budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

November 22, 2019

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

The discussion and analysis of the Ritenour School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to examine the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, the net position of the District increased \$5,379,533 which represents a 27 percent increase from 2018.
- General revenues accounted for \$69,055,796 in revenue or 90 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions, and debt proceeds accounted for \$7,654,620 or 10 percent of total revenues of \$76,710,416.
- Total assets of governmental activities increased by \$6,431,362 as cash and cash equivalents increased, as total liabilities increased by \$1,051,829 as payroll withholdings grew.
- The School District had \$71,330,883 in expenses, which represents a \$2,069,391 decrease from 2018 or a 2.8 percent decrease in expenses. Operating expenses total \$66,779,121 which is a \$1,443,154 decrease over the 2018 fiscal year, or a 2.1% decrease.
- Among major funds, the General Fund had \$35,666,757 in revenues and \$23,297,415 in expenditures. The General Fund's balance increased by \$4,649,055 from 2018. The School District transferred \$7,041,722 and \$678,565 from the General Fund to the Special Revenue (Teachers) Fund and the Capital Projects Fund respectively. The Special Revenue and Capital Projects Funds currently maintain a zero fund balance through those fund transfers from the General Fund.

Enrollment

The District served a K-12 student body of 6,182 FTE students. This is a decrease of 19 students from the previous year. It is anticipated that enrollment will slightly increase over the next several years to 6,290 students by the 2022-23 school year.

Using This Annual Report

The School District's annual report consists of a series of financial statements that show information for the School District as a whole and its significant funds, as well as notes to those statements. The Statement of Net Position and the Statement of Activities (pages 12 and 13) provide information about the activities of the Ritenour School District as a whole and present a longer-term view of the School District's finances. The fund financial statements begin on page 15. These statements present how the School District financed our services in the short-term, as well as the amounts that remain for future spending. Also, fund statements may give some insight into the School District's overall financial health; they present the School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Reporting the School District as a Whole

The Statement of Net Position and the Statement of Activities:

The analysis of the School District as a whole begins on page 12. This analysis provides answers as to whether the School District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information on the School District as a whole and its activities, which help to provide this answer. These statements include all assets and liabilities using the modified cash basis of accounting. As such, all revenues are recognized when received, and expenditures and purchases of assets are recognized when cash is disbursed.

In addition, these two statements report the School District's net position and the changes in those net positions. The change in net position is the difference between assets and liabilities and represents one way to measure the School District's financial position and whether it is improving or declining. The relationship between revenue and expense indicates the School District's operating results. However, the School District's mission is to provide services to our students, parents, and community, not to generate profits as commercial entities strive to do each year. Non-financial factors, such as the quality of education provided and the services offered to the community, must also be considered to assess the overall health of the School District.

The Statement of Net Position and Statement of Activities report governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported, including but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-like activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements:

The School District's fund financial statements, which begin on page 15, provide detailed information about the District's most significant funds, not the School District as a whole. The School District utilizes several funds to account for a multitude of financial transactions. The School District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund and the Capital Projects Fund.

Governmental Funds:

All of the School District's services are reported in governmental funds, which focus on money flows into and out of the funds, and balances remaining at year-end available for spending in future years. These statements include all significant assets and liabilities using the modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the School District's programs.

The School District as a Whole

The School District's net position was \$25,316,362 at June 30, 2019. Of this amount, \$21,247,018 was unrestricted. Restricted net assets are reported separately to reflect legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the School District's governmental activities.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

TABLE 1
NET POSITION
June 30, 2019

	2019	2018
ASSETS		
Cash and Investments	\$ 25,758,037	\$ 19,365,408
Restricted Cash and Investments	2,057,781	2,019,048
TOTAL ASSETS	\$ 27,815,818	\$ 21,384,456
LIABILITIES		
Payroll Withholdings	\$ 2,499,456	\$ 1,447,627
NET POSITION		
Restricted for:		
Retirement of Long-term Debt	3,877,772	3,147,294
Student Food and Nutrition Program	191,572	408,378
Unrestricted	21,247,018	16,381,157
Total Net Position	25,316,362	19,936,829
TOTAL LIABILITIES AND NET POSITION	\$ 27,815,818	\$ 21,384,456

The total net position of governmental activities increased by \$5,379,533 as total assets increased by \$6,431,362 and total liabilities increased by \$1,051,829. The increase in net position is primarily due to the operating activities, with a continued concerted effort to decrease expenditures due to recent operating deficits. The actual operating surplus was significantly above the budgeted surplus as shown on p. 45. The School District has historically budgeted conservatively, as directed by the Board of Education. This year, actual operating revenue was higher than budget by \$2,008,116 (2.34%). The difference was mainly due to prior year/delinquent property taxes and earnings on investments. In addition, actual operating expenditures were lower than the budget amount by \$3,716,956 (5.28%). The difference was due to several components:

1. \$848,000 (2.1%) savings on salaries
2. \$244,000 (1.9%) savings on fringe benefits
3. \$925,000 (9.9%) savings on other services purchased from outside vendors
4. \$874,000 (13.1%) savings on textbooks, supplies and utilities
5. \$565,000 (46%) savings on capital outlay

The district prides itself on being good stewards of taxpayer funds and spending on needs and not wants. Despite the savings, the district maintained sufficient resources closest to classrooms in order to effectively instruct students, while maintaining competitive salaries and benefits. The \$21,247,018 in unrestricted net assets represents the accumulated results of all past years' operations. This means that if the School District had to pay off all its current liabilities today, there would still be a balance of \$21,247,018 left after liabilities for other unrestricted purposes.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

The results of this year's operations for the School District as a whole reported in the Statement of Activities on page 13. Table 2 takes the information from that Statement and rearranges them slightly so you can see our total revenue and the change in net position for the current and previous year.

TABLE 2
CHANGES IN NET POSITION
June 30, 2019

	2019	2018
Program Revenue		
Charges for Services	\$ 1,673,521	\$ 1,989,920
Operating Grants and Contributions	5,981,099	6,261,494
General Revenue		
Property Taxes	35,496,441	31,294,301
Sales Taxes	6,798,798	6,598,973
State Aid	26,147,591	25,094,011
Investment Earnings	505,532	275,082
Miscellaneous	107,434	252,927
Total Revenues	\$ 76,710,416	\$ 71,766,708
Function/Program Expenses		
Instruction	\$ 37,396,991	\$ 38,078,689
Support Services		
Student Services	3,097,704	3,032,556
Instructional Support	2,430,641	2,408,253
General Administration	2,635,568	2,725,027
School Administration	4,791,027	4,840,684
Operation of Plant	6,854,735	7,442,539
Pupil Transportation	2,629,288	2,489,496
Food Services	3,208,927	3,246,045
Business and Central Services	1,552,269	1,548,961
Adult Education	251,400	273,594
Community Services	1,428,817	1,414,794
Facilities	397,596	677,934
Principal, Interest and Fiscal Charges	4,655,920	5,221,702
Total Function/Program Expenses	\$ 71,330,883	\$ 73,400,274
Change in Net Position	5,379,533	(1,633,566)
Net Position at Beginning of Year	19,936,829	21,570,395
Net Position at End of Year	\$ 25,316,362	\$ 19,936,829

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Governmental Activities

The cost of all governmental activities totaled \$71,330,883 in fiscal year 2019. The School District's taxpayers funded \$35,496,441 or 46.3 percent of total revenues. In addition to taxpayer funding, charges for services funded \$1,673,521 or 2.2 percent of revenues and other grants and contributions funded \$5,781,099 or 7.8 percent of revenues. State aid increased \$1,053,580 or 4.2 percent from 2018 to 2019.

Instruction comprises 52.4 percent of district expenses. Support services expenses make up 38.5 percent of the expenses.

TABLE 3
COST OF PROGRAM SERVICES
For the year ended June 30, 2019

	2019	2018
Instruction	\$ 37,396,991	\$ 38,078,689
Support Services		
Student Services	3,097,704	3,032,556
Instructional Support	2,430,641	2,408,253
General Administration	2,635,568	2,725,027
School Administration	4,791,027	4,840,684
Operation of Plant	6,854,735	7,619,031
Pupil Transportation	2,629,288	2,489,496
Food Services	3,208,927	3,246,045
Business and Central Services	1,552,269	1,548,961
Adult Education	251,400	273,594
Community Services	1,428,817	1,414,794
Facilities	397,596	501,442
Principal, Interest and Fiscal Charges	4,655,920	5,221,702
Total	\$ 71,330,883	\$ 73,400,274

Instruction expenses include the activities dealing directly with the teaching of pupils, or the interaction between teachers and pupils.

Student services include the activities that are designed to assess and improve the well-being of pupils and to supplement the teaching process.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Instructional support includes the activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

General administration includes the expenses concerned with establishing and administering policy for operating the local education agency.

School administration includes the expenses concerned with overall administrative responsibility for a single school or a group of schools.

Business services include the activities concerned with purchasing, paying, transporting, exchanging, and maintaining goods and services for the School District.

Operation of plant services are concerned with the keeping the physical plant comfortable and safe for use, and providing appropriate instructional spaces; and keeping the grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities.

Food services include the preparation, delivery, and servicing of breakfast, lunches, and snacks to students and school staff in connection with school activities.

Central office support services include activities other than general administration, which support each of the other instructional and supporting services programs.

Community services consist of those activities that do not directly relate to providing education for pupils in a school. These include services provided by the School District for the community as a whole or some segment of the community and community welfare activities.

Facilities consist of those activities concerned with the acquisition of land and buildings. It also includes the remodeling, construction and additions to buildings as well as the improvements to sites.

Interest and fiscal charges involves the transactions associated with the payment of principal, interest and other related charges to debt of the School District.

The School District's Funds

As noted earlier, the School District uses funds to help it control and manage money for a particular purpose. Looking at funds helps you consider whether the School District is being accountable for the resources taxpayers and others provide, but it may also give insight into the School District's overall financial health.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

All funds are accounted for using the modified cash basis of accounting. In total, governmental funds had a fund balance of \$25,316,361 at June 30, 2019, which represents an increase of \$5,379,533 from the prior year, as discussed previously. The increase is primarily due to the operating activities, with a continued concerted effort to decrease expenditures due to recent operating deficits. The School District realized a surplus of \$4,649,055 in the General Fund and a surplus of \$728,639 in the Debt Service Fund. The Special Revenue and Capital Projects Funds maintain zero balances as those funds receive transfers from the General Fund.

TABLE 4
FUND ACTIVITY SUMMARY
Year Ended June 30, 2019

	Major Funds			Non-Major Funds	
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Educational Facilities Authority
Beginning Fund Balance, July 1, 2018	\$ 16,789,535	\$ -	\$ 2,948,114	\$ -	\$ 199,180
Revenues	35,666,757	35,685,020	5,280,400	76,400	1,839
Expenditures	(23,297,415)	(42,726,741)	(4,551,761)	(754,965)	-
Other Financing Sources/(Uses)	(7,720,287)	7,041,722	-	678,565	-
Change in Fund Balance	4,649,055	-	728,639	-	1,839
Ending Fund Balance, June 30, 2019	<u>\$ 21,438,590</u>	<u>\$ -</u>	<u>\$ 3,676,753</u>	<u>\$ -</u>	<u>\$ 201,019</u>

General Fund Budget Highlights

The School District's budget is prepared according to Missouri law. It is organized and presented in a format that meets the Association of School Business Officials' (ASBO) Meritorious Budget Award standards. The budget is based upon accounting for certain transactions on a cash basis. The most significant budgeted fund is the General Fund.

During the course of the 2019 fiscal year, the School District amended its General Fund budget as needed, the final revenue budget was \$33,923,397 while the actual revenues were \$35,666,757. This increase is primarily due to additional federal appropriations and the re-authorization of outstanding encumbrances from the prior year.

The General Fund's final expenditure budget was \$25,493,281 while actual expenditures were \$23,297,415. The difference of \$2,195,866 or 8.6% decrease was due to the accumulation of overall under expending of total funds appropriated in all programs.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

The final actual revenue for the General Fund was \$1,692,309 above the final budgeted revenue. This variance was caused due to conservatively budgeting operating revenue, leading to actual revenue higher than budget from several sources: property taxes, investment earnings, early- childhood tuition and student activity revenue.

Debt Administration

At June 30, 2019, the School District had \$47,340,000 in general obligation bonds outstanding. These bonds are legal obligations of the School District and payable from property taxes received and expended from the Debt Service Fund. On its most recent bond issue, Standard and Poor's issued the School District an AA+ bond rating due to the Missouri Direct Deposit Program, and an underlying rating of AA-.

**OUTSTANDING GENERAL OBLIGATION DEBT
June 30, 2019**

	2019	2018
General Obligation Bonds - by issue date:		
October 22, 2009	9,185,000	9,185,000
May 17, 2011	1,705,000	2,205,000
January 24, 2012	11,850,000	12,814,892
April 28, 2016	17,640,000	19,045,000
September 5, 2017	6,960,000	6,960,000
	\$ 47,340,000	\$ 50,209,892

The School District approved the formation of the Ritenour School District Educational Facilities Authority for the purpose of acting on the School District's behalf to issue Leasehold Revenue Bonds. As of June 30, 2019, the Ritenour School District Educational Facilities Authority had \$715,000 in bonds outstanding.

Current Financial Issues and Concerns

The Ritenour School District is financially stable. The School District is proud of its community support and relationship with state and local government officials, law enforcement agencies and fire protection districts.

The State of Missouri's education funding formula for K-12 public school is based on student need, and applies additional weighting to students who are on free and reduced lunch, receive special education services, or have limited English proficiency. In addition, the new formula provides for a regional cost of living adjustment. The formula calculates total revenue based on student needs, then reduces that amount by a minimum local effort and provides funding for the difference. This formula accounted for \$26,147,591 or 34.1 percent of total revenue.

RITENOUR SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Due to a more robust economy, the State of Missouri appropriated sufficient funds to fully fund the education funding formula for fiscal year 2019. For the 2020 fiscal year, the General Assembly approved a \$61 million increase in appropriations for the foundation formula, which is the estimated amount to fully fund the formula for the 2019-20 fiscal year. In addition, an increase of \$10 million was appropriated to the transportation formula. However, the funding for these levels is partially dependent upon gaming revenue, which sometimes in the past has not met projections. In addition, a new law was passed providing tax reductions to Missouri citizens, which is expected to reduce the state's general revenue. In addition, federal tax reform was passed into law, which will also adversely affect the Missouri state income tax revenue, as Missouri's tax law uses the federal standard deduction. This will cause extreme pressure on local tax revenue and will cause the School District to continue to review its' educational and support programs to be more aligned with projected educational resources. St. Louis County prepares biennial reassessments of all real and personal property.

After three consecutive reassessment cycles had resulted in decreases in the overall property wealth of the District, the 2017 net assessed valuation of the District increased by \$35 million or 6.8 percent over the 2015 values. The 2019 reassessment resulted in an increase of \$75.8 million or 13.8 percent over the 2017 values.

The School District has implemented expenditure savings over the past several budgets and continues to look for ways to limit operating expenditure growth. District and building administrators, support department directors and all employees are working together to spend only those costs absolutely necessary to operate the District and support its instructional programs.

In conclusion, the Ritenour School District has committed itself to financial excellence. In addition, the School District's systems of financial planning and budgeting are well regarded as affirmed by the Association of School Business Officials International through the granting of the Meritorious Budget Award to the School District from 2003 through 2020.

Contacting the School District's Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors with a general overview of the School District's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Dwight Lindhorst, Chief Financial Officer, at 2420 Woodson Road, St. Louis, Missouri 63114-5423.

BASIC FINANCIAL STATEMENTS

Ritenour School District
Statement of Net Position - Modified Cash Basis
As of June 30, 2019

	Governmental Activities
Assets	
Assets:	
Cash and Cash Equivalents	\$ 25,758,037
Restricted Cash and Cash Equivalents	2,057,781
Total Assets	\$ 27,815,818
 Liabilities	
Payroll Liabilities	2,499,456
 Net Position	
Restricted for:	
Retirement of Long-Term Debt	3,877,772
Student Food and Nutrition Program	191,572
Unrestricted	21,247,018
Total Net Position	25,316,362
Total Net Position and Liabilities	\$ 27,815,818

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

Ritenour School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
Instruction	\$ 37,396,991	\$ 697,038	\$ 2,368,419	\$ -	\$ (34,331,534)
Attendance	608,483	-	-	-	(608,483)
Guidance	1,887,082	-	-	-	(1,887,082)
Health, Psych Speech and Audio	602,139	-	-	-	(602,139)
Improvement of Instruction	816,582	-	3,613	-	(812,969)
Professional Development	233,680	-	-	-	(233,680)
Media Services (Library)	1,380,379	-	-	-	(1,380,379)
Board of Education Services	451,762	-	-	-	(451,762)
Executive Administration	2,183,806	-	-	-	(2,183,806)
Building Level Administration	4,791,027	-	-	-	(4,791,027)
Operation of Plant	6,854,735	9,737	-	-	(6,844,998)
Security Services	207,596	-	-	-	(207,596)
Pupil Transportation	2,629,288	256,051	319,228	-	(2,054,009)
Food Services	3,208,927	10,706	2,976,570	-	(221,651)
Business and Central Services	1,552,269	-	-	-	(1,552,269)
Other Supporting Services	-	-	-	-	-
Adult Education	251,400	-	141,596	-	(109,804)
Community Services	1,428,817	699,989	171,673	-	(557,155)
Capital Outlay	190,000	-	-	-	(190,000)
Debt Service:					
Principal Retirement	2,869,892	-	-	-	(2,869,892)
Interest	1,783,806	-	-	-	(1,783,806)
Other Charges	2,222	-	-	-	(2,222)
Total Governmental Activities	<u>\$ 71,330,882</u>	<u>\$ 1,673,521</u>	<u>\$ 5,981,099</u>	<u>\$ -</u>	<u>\$ (63,676,264)</u>
General Revenues:					
Property Taxes					35,496,441
Sales Taxes					6,798,798
State Aid					26,147,591
Sale of Bonds					-
Investment Earnings					505,532
Sale of Property					580
Miscellaneous					106,855
Subtotal, General Revenues					<u>69,055,796</u>
Change in Net Position					5,379,533
Net Position, July 1, 2018					<u>19,936,829</u>
Net Position, June 30, 2019					<u>\$ 25,316,362</u>

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

Ritenour School District
Balance Sheet - Modified Cash Basis
All Governmental Funds
As of June 30, 2019

	<u>Major Funds</u>			<u>Non-major Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>	
	<u>General Fund</u>	<u>Special Revenue</u> <u>Fund</u>	<u>Debt Service</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>		<u>Educational</u> <u>Facilities</u> <u>Authority</u>
ASSETS						
Cash and Investments (Note II)	\$ 23,938,046	\$ -	\$ 1,819,991	\$ -	\$ -	\$ 25,758,037
Restricted Cash and Investments	-	-	1,856,762	-	201,019	2,057,781
Total Assets	\$ 23,938,046	\$ -	\$ 3,676,753	\$ -	\$ 201,019	\$ 27,815,818
LIABILITIES AND FUND BALANCES						
Liabilities:						
Payroll Liabilities	2,499,456	-	-	-	-	2,499,456
Total Liabilities:	2,499,456	-	-	-	-	2,499,456
Fund Balances:						
Restricted for:						
Retirement of Long-Term Debt	-	-	3,676,753	-	201,019	3,877,772
Student Food and Nutrition Program	191,572	-	-	-	-	191,572
Assigned to:						
Student Activity Programs	551,874	-	-	-	-	551,874
Student Scholarships	44,913	-	-	-	-	44,913
Next Year's Budget	-	-	-	-	-	-
Unassigned	20,650,231	-	-	-	-	20,650,231
Total Fund Balances	21,438,590	-	3,676,753	-	201,019	25,316,362
Total Liabilities and Fund Balances	\$ 23,938,046	\$ -	\$ 3,676,753	\$ -	\$ 201,019	\$ 27,815,818

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

Ritenour School District
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
All Governmental Funds
For the Year Ended June 30, 2019

	Major Funds				Non-major Fund	Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Educational Facilities Authority	
Revenues						
Local Sources	\$ 31,281,097	\$ 6,806,137	\$ 5,170,796	\$ -	\$ 1,839	\$ 43,259,869
County Sources	833,811	49,747	109,604	-	-	993,162
State Sources	348,467	26,351,273	-	-	-	26,699,740
Federal Sources	2,947,331	2,405,798	-	75,820	-	5,428,949
TOTAL REVENUES	35,410,706	35,612,955	5,280,400	75,820	1,839	76,381,720
Expenditures						
Current						
Instruction	2,974,569	34,404,114	-	18,308	-	37,396,991
Attendance	435,410	173,073	-	-	-	608,483
Guidance	131,411	1,755,671	-	-	-	1,887,082
Health, Psych Speech & Audio	579,172	95	-	22,873	-	602,139
Improvement of Instruction	116,613	699,968	-	-	-	816,582
Professional Development	178,867	54,813	-	-	-	233,680
Media Services	384,254	996,125	-	-	-	1,380,379
Board of Education Services	451,762	-	-	-	-	451,762
Executive Administration	1,906,632	265,239	-	11,935	-	2,183,806
Building Level Administration	1,634,410	3,156,617	-	-	-	4,791,027
Operation of Plant	6,809,142	-	-	45,593	-	6,854,735
Security Services	207,596	-	-	-	-	207,596
Pupil Transportation	2,276,224	-	-	353,064	-	2,629,288
Food Service	3,199,894	-	-	9,033	-	3,208,927
Business and Central Services	1,252,948	299,321	-	-	-	1,552,269
Adult/Continuing Education	107,414	143,986	-	-	-	251,400
Community Services	651,099	777,718	-	-	-	1,428,817
Capital Outlay	-	-	-	190,000	-	190,000
Debt Service:						
Principal	-	-	2,869,892	-	-	2,869,892
Interest and Charges	-	-	1,681,870	104,159	-	1,786,029
Total Expenditures	23,297,415	42,726,742	4,551,761	754,965	-	71,330,883
Excess (deficiency) of revenues over expenditures	12,113,291	(7,113,786)	728,639	(679,145)	1,839	5,050,837
Other Financing Sources (Uses):						
Transfers	(7,720,287)	7,041,721	-	678,565	-	-
Sale of Bonds	-	-	-	-	-	-
Net Insurance Recovery	-	-	-	-	-	-
Sale of School Buses	-	-	-	580	-	580
Proceeds from Sale of Property	-	-	-	-	-	-
Refunding Bonds	-	-	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-	-	-
Tuition from other Districts	-	-	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-	-	-
Contracted Educational Services	256,051	72,065	-	-	-	328,116
Trans from other LEAS Non-Handi	-	-	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(7,464,235)	7,113,786	-	679,145	-	328,696
NET CHANGE IN FUND BALANCES	4,649,055	-	728,639	-	1,839	5,379,533
Fund Balances, July 1, 2018	16,789,535	-	2,948,114	-	199,180	19,936,829
Fund Balances, June 30, 2019	\$ 21,438,590	\$ -	\$ 3,676,753	\$ -	\$ 201,019	\$ 25,316,362

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

Ritenour School District
Reconciliation of the Governmental Funds Balance Sheet
with the Government-Wide Statement of Net Position - Modified Cash Basis
June 30, 2019

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

Total Fund Balance - Governmental Funds	\$ 25,316,362
There are no items of reconciliation.	<u>-</u>
Total Net Position - Governmental Activities	<u><u>\$ 25,316,362</u></u>

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

Ritenour School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds	\$ 5,379,533
There are no items of reconciliation.	<u>-</u>
Change in net position of governmental activities	<u><u>\$ 5,379,533</u></u>

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

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ritenour School District (“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.

As discussed further in Note I, 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 all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Principles Determining the Scope of Reporting Entity

The financial statements of the District consist of the District (the primary government) and its component unit, the Ritenour School District Educational Facilities Authority (the Authority). As defined by GASB, component units are legally separate entities that are included in the District’s reporting entity because of the significance of their operating or financial relationships with the District. The sole purpose for the Authority is to provide for the acquisition, construction, improvement, extension, repair, remodeling, renovation, and financing of capital improvement projects on behalf of the District. Although legally separate, the financial information of the Authority is blended into the accompanying financial statements and presented as a non-major fund. Separate financial statements for the Authority are not issued.

Excluded from the reporting entity:

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

B. Fund Accounting

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

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (concluded)

1. Governmental Fund

Governmental Funds are those through which most of the District's functions are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is determined upon changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund.

General Fund

This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, 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

A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The special revenue fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects Fund

This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

C. Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Government-wide Financial Statements (concluded)

Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. 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.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact. The District did not have any non-spendable resources as of June 30, 2019.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District held bonds and are restricted through debt covenants.
- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority, which is the Board of Education. Formal action must be taken prior to the end of the fiscal year, such as a vote from the Board of Education. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority, which is the Board of Education, or a body or official, like the Superintendent or Chief Financial Officer, that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (concluded)

Fund Financial Statements (concluded)

- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

As of June 30, 2019, fund balance components other than unassigned fund balances consist of the following:

	<u>Non-spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General (Incidental) Fund	\$ -	\$ 191,572	\$ -	\$ 596,787
Special Revenue				
(Teachers) Fund	-	-	-	-
Debt Service Fund	-	3,676,753	-	-
Capital Projects Fund	-	-	-	-
Educational Facilities Authorities Fund	-	201,019	-	-
	<u>-</u>	<u>4,069,344</u>	<u>-</u>	<u>596,787</u>
Total	\$ -	\$ 4,069,344	\$ -	\$ 596,787

D. Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments and short-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (concluded)

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

E. Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which are managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained. Cash and cash equivalents have a maturity date of less than three months or are highly liquid. Investments have terms longer than three months and are not able to be liquefied easily.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumental obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

The District may invest the funds in bonds or any instrument permitted by law for the investment of state money's in accordance with section 165.051 of the Missouri Revised Statutes. The District participates in the Missouri School District 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 school 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 on the bonds. The direct deposits occur monthly 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 \$1,810,757 in this program, which has been included in investments.

The District also participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which a District's monies are pooled with other Districts' monies to purchase investments that are permitted by state statutes. The District's monies purchase a pro-rata share of the pool. A board of directors comprised of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net asset value of \$1 per share.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested. In addition, see Note II, Cash and Investments.

F. Restricted Cash

Restricted cash represents amounts whose use is limited by legal requirements, and consists of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note II and Note IV.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Fund Balance Reserves

The District reserves those portions of fund balance legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods.

H. Net Position

Net position represents the difference between assets and liabilities. 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 or laws or regulations of other governments. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. 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.

J. 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.

K. Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

L. Compensated Absences

Vacation time, personal sick days and sick leave are considered expenditures in the year paid. Amounts that are unpaid and which are vested in the employee are paid at termination. Total vested and unpaid vacation and sick pay at June 30, 2019, amounted to approximately \$18,354,983. This estimate has not been subjected to auditing procedures.

M. Teachers' Salaries

The salary payment schedule of the District for the 2018-19 school year requires the payment of salaries over a twenty-four pay period cycle. Consequently, the July and August 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.

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

II. CASH AND INVESTMENTS

The District maintains a cash and temporary 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 Funds be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the combined balance sheet arising from cash transactions as "Cash and Investments" under each fund's caption.

Deposits and Investments - 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 and investments was \$27,815,818, and the bank balance was \$28,713,556. Of the bank balance, \$250,000 was covered by collateral held at the Federal Reserve Bank of St. Louis, and the District's safekeeping bank agent, in the District's name, \$1,810,757 was secured through the MOHEFA program, \$22,420,641 through the MOSIP program, and \$4,232,158 was secured by pledged securities.

The deposits and investments held at June 30, 2019, and reported at fair market value are as follows:

TYPE	MATURITIES	FAIR MARKET VALUE
DEPOSITS:		
Demand Deposits	N/A	\$ 3,376,651
Cash on Hand	N/A	6,750
Total Deposits		3,383,401
INVESTMENTS:		
Mutual Funds	N/A	201,019
Missouri Direct Deposit Program	N/A	1,810,757
Missouri Security Investment Program	N/A	22,420,641
Total Investments		24,432,417
TOTAL CASH AND INVESTMENTS		\$ 27,815,818

A. 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's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk for the year ended June 30, 2019.

Custodial Credit Risk – Investments

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 relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type not exposed to custodial credit risk.

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

II. CASH AND INVESTMENTS (concluded)

B. Summary of Carrying Values

The carrying values of deposits shown above are included in the financial statements at June 30, 2019, as follows:

Included in the following fund financial statement captions.

BALANCE SHEET – CASH, CASH EQUIVALENTS, AND INVESTMENT BALANCES

General Fund	\$	23,938,046
Special Revenue Fund		-
Debt Service Fund		3,676,753
Capital Projects Fund		-
Non-major Fund		<u>201,019</u>
TOTAL CASH AND INVESTMENTS	\$	<u><u>27,815,818</u></u>

III. 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 daily attendance. Districts are required to reduce the property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year, unless the District receives a Proposition C waiver. During November 1995, the patrons of the Ritenour School District voted full waiver of the Proposition C Rollback.

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

Real Estate:		
Residential	\$	233,791,210
Agricultural		-
Commercial		178,407,900
Personal Property:		<u>135,686,020</u>
TOTAL	\$	<u><u>547,885,130</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2018-19, for purposes of local taxation, was:

	<u>UNADJUSTED</u>	<u>ADJUSTED</u>
General Fund	\$ 4.9502	\$ 4.9502
Special Revenue Fund	0.0000	0.0000
Debt Service Fund	0.9100	0.9100
Capital Projects Fund	<u>0.0000</u>	<u>0.0000</u>
TOTAL	<u><u>\$ 5.8602</u></u>	<u><u>\$ 5.8602</u></u>

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

III. TAXES (concluded)

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2019, aggregated approximately 95.42% of the current assessment computed on the basis of the levy as shown above.

IV. CHANGES IN LONG-TERM DEBT

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

	GENERAL OBLIGATION BONDS	LEASEHOLD REVENUE BONDS
Long-Term Debt July 1, 2018	\$ 50,209,892	\$ 870,000
Add-Issued	-	-
Less-Payments	(2,869,892)	(155,000)
Long-Term Debt - June 30, 2019	\$ 47,340,000	\$ 715,000

Bonds payable at June 30, 2019, consist of:

\$9,185,000 Original Principal of Ritenour School District General Obligation Qualified School Construction Bond Series 2009A- due in varying annual principal installments ranging from \$985,000 to \$4,600,000 through March 1, 2025, interest rate is 1.25%. Debt was for the purpose of providing funds to improve schools by adding and upgrading technology; construction and furnishing an Early Childhood Center, additional classrooms, a high school auditorium and two elementary libraries; and renovating existing school facilities.	\$ 9,185,000
\$10,000,000 Original Principal of Ritenour School District General Obligation Bonds Series 2011- due in varying annual principal installments ranging from \$500,000 to \$1,970,000 through March 1, 2031. Debt was for the purpose of providing funds to improve schools by adding and upgrading technology, constructing and furnishing additional classrooms, a high school auditorium and two elementary libraries, and renovating existing school facilities.	1,705,000
\$13,939,891.70 Original Principal of Ritenour School District General Obligation Refunding and Improvement Bonds Series 2012- due in varying annual principal installments ranging from \$165,000 to \$2,405,000 through March 1, 2031. Debt was for the purpose of providing funds to improve schools by adding and upgrading technology, constructing and furnishing additional classrooms, a high school auditorium and two elementary libraries, and renovating existing school facilities.	11,850,000

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. CHANGES IN LONG-TERM DEBT (continued)

\$19,255,000 Original Principal of Ritenour School District General Obligation Refunding Bonds Series 2016- due in varying annual principal installments ranging from \$185,000 to \$2,510,000 through March 1, 2029. The purpose of the bond was to provide funds to refund a portion of the District's outstanding general obligation bonds. 17,640,000

\$6,960,000 Original Principal of Ritenour School District General Obligation Refunding Bonds Series 2017- due in varying annual principal installments ranging from \$500,000 to \$1,900,000 through March 1, 2031. The purpose of the bond was to provide funds to refund a portion of the District's outstanding general obligation bonds. 6,960,000

TOTAL GENERAL OBLIGATION BONDS..... \$ 47,340,000

Lease Revenue Bonds payable at June 30, 2019, consist of:

\$1,975,000 Original Principal of Ritenour School District Educational Facilities Authority Leasehold Refunding Revenue Bonds Series 2010- due in varying annual installments ranging from \$125,000 to \$395,000 through March 1, 2022. \$ 715,000

TOTAL..... \$ 715,000

The bond payments are made from the Debt Service fund. The leasehold revenue bond payments are made out of the Ritenour School District Educational Facilities Authority Fund.

In prior years, the District defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from investments are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the debt is considered defeased and, therefore, it has been removed as a liability of the District.

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2019, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2020	\$ 3,260,000	\$ 1,381,689	\$ 4,641,689
2021	3,340,000	1,304,939	4,644,939
2022	3,715,000	1,219,232	4,934,232
2023	4,575,000	1,106,833	5,681,833
2024	4,785,000	995,333	5,780,333
2025-2029	19,200,000	3,584,575	22,784,575
2030-2031	<u>8,465,000</u>	<u>449,440</u>	<u>8,914,440</u>
TOTALS	<u>\$ 47,340,000</u>	<u>\$ 10,042,041</u>	<u>\$ 57,382,041</u>

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. CHANGES IN LONG-TERM DEBT (concluded)

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 District did not exceed the legal debt margin at June 30, 2019.

The annual requirements to amortize leasehold revenue bond debt outstanding as of June 30, 2019, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2020	\$ 155,000	\$ 28,368	\$ 183,368
2021	165,000	22,400	187,400
2022	395,000	15,800	410,800
TOTALS	<u>\$ 715,000</u>	<u>\$ 66,568</u>	<u>\$ 781,568</u>

V. LEASES

CAPITAL LEASES

In July 2016, the District entered into a lease purchase agreement with Providence Capital Network for Chromebooks for the High School. The lease calls for four annual principal and interest payments of \$129,614 with an interest rate of 3.307%.

In July 2017, the District entered into a lease purchase agreement with Central States Bus Sales, Inc. for the purchase of fifteen buses with an original principal balance of \$1,229,080. The lease calls for seven annual principal and interest payments totaling \$197,104 with an interest rate of 3.97%.

In July 2017, the District entered into a lease purchase agreement with Central States Bus Sales, Inc. for the purchase of thirteen buses with an original principal balance of \$1,059,188. The lease calls for five annual principal and interest payments totaling \$227,945 with an interest rate of 3.71%.

The following is a summary of changes in capital leases for the year ended June 30, 2019:

	CAPITAL LEASES
Capital Lease, July 1, 2018	\$ 2,114,041
Add-Issued	-
Less-Payments	<u>(474,393)</u>
Capital Lease, June 30, 2019	<u>\$ 1,639,648</u>

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

V. LEASES (concluded)

The following is a summary of capital lease future payments for the year ended June 30, 2019:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2020	\$ 491,975	\$ 62,687	\$ 554,662
2021	380,598	44,451	425,049
2022	395,161	29,888	425,049
2023	182,337	14,767	197,104
2024	189,577	7,527	197,104
TOTALS	<u>\$ 1,639,648</u>	<u>\$ 159,320</u>	<u>\$ 1,798,968</u>

OPERATING LEASES

The District entered into an operating lease with City of St. John on September 1, 2017, for a classroom and office. The lease payment on the space is for \$11,748 per year, payable at the rate of \$979 per month, for a term of 3 years ending on August 31, 2020.

On July 9, 2014, the District entered into an operating lease agreement with Hewlett-Packard Financial Services Company for the use of copiers. The payments are \$4,486 paid monthly for a term of 60 months.

The District entered into various operating lease agreements with Brightergy Leasing for the leasing of solar panels for the different schools within the District.

The following is a summary of operating lease future payments for the year ended June 30, 2019:

FISCAL YEAR ENDING JUNE 30,	PAYMENT
2020	\$ 37,834
2021	23,558
2022	21,600
2023	21,600
2024	21,600
2024-2026	<u>28,800</u>
TOTALS	<u>\$ 154,992</u>

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN

Summary of Significant Accounting Policies

Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statements No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, by GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, and by GASB Statement No. 82, *Pension Issues*.

The fiduciary net position, as well as additions to and deductions from fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

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

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 was used to calculate benefits for members who had 31 or more years of service at retirement. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (continued)

A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-s-peers.org.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy as follows: If the June to June change in the 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 which the 2% cost-of-living increase is granted. If the June to June change in the 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 fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2017, 2018 and 2019. 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 \$5,088,427 for the year ended June 30, 2019.

General Information about the Pension Plan - PEERS

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

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (continued)

Cost-of-Living Adjustments ("COLA"). The PEERS Board has established a policy as follows: If the June to June change in the CPI-U is less than 2% for consecutive on-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 which the 2% cost-of-living increase is granted. If the June to June change in the 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. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, 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 years 2017, 2018 and 2019. 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 \$586,996 for the year ended June 30, 2019.

Pension Liabilities and Pension Expense - PSRS

At June 30, 2019, the District has a liability of \$53,637,784 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2018, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$5,025,074 paid to PSRS for the year ended June 30, 2018, relative to the actual contributions of \$697,214,371 from all participating employers. At June 30, 2018, the District's proportionate share was 0.7207%.

Pension Liabilities and Pension Expense - PEERS

At June 30, 2019, the District has a liability of \$4,083,012 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2018, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$603,174 paid to PEERS for the year ended June 30, 2018, relative to the actual contributions of \$114,141,743 from all participating employers. At June 30, 2018, the District's proportionate share was 0.5284%.

Actuarial Assumptions – PSRS and PEERS

Actuarial valuations of the Systems involves estimates of the reported amount and assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (continued)

Actuarial Assumptions – PSRS and PEERS (continued)

- If the June to June change in the 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 which the 2% cost-of-living increase is granted.

- Cost-of-Living Increases – Both

- If the June to June change in the 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.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

- Mortality Assumption

Actives - PSRS:

RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

Actives - PEERS:

RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

Non-Disabled Retirees,
Beneficiaries and Survivors - PSRS:

RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Non-Disabled Retirees,
Beneficiaries and Survivors - PEERS:

RP 2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (continued)

Actuarial Assumptions – PSRS and PEERS (concluded)

Disabled Retirees - Both: RP 2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

The investment return assumptions were updated by the Board at the October 29, 2018 meeting:

PSRS & PEERS:

The investment return assumption was lowered from 7.60% to 7.50% per year.

Fiduciary Net Position

The systems issue a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2018, is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.0%	5.16%	1.39%
Public Credit	7.0%	2.17%	0.15%
Hedged Assets	6.0%	4.42%	0.27%
Non-U.S. Public Equity	15.0%	6.01%	0.90%
U.S. Treasuries	16.0%	0.96%	0.15%
U.S. TIPS	4.0%	0.80%	0.03%
Private Credit	4.0%	5.60%	0.22%
Private Equity	12.0%	9.86%	1.18%
Private Real Estate	9.0%	3.56%	0.32%
Total	<u>100.0%</u>		<u>4.61%</u>
Inflation			<u>2.25%</u>
Long-term arithmetical nominal			<u>6.86%</u>
Effect of coverage matrix			<u>0.64%</u>
Long-term expected geometric return			<u>7.50%</u>

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (continued)

Expected Rate of Return (concluded)

- Discount Rate

The discount rate used to measure the total pension liability was 7.50% as of June, 30, 2018, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with June 30, 2016, valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017, valuation, and to 7.5% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 7.50% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

Discount Rate	<u>1% Decrease (6.50%)</u>	<u>Current Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
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PSRS Proportionate share of the Net Pension

Liability / (Asset)	\$96,149,737	\$53,637,784	\$18,305,917
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PEERS Proportionate share of the Net Pension

Liability / (Asset)	\$7,688,775	\$4,083,012	\$1,058,873
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Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	0.7273%	\$ 29,838,031	\$32,366,399	92.19%	89.34%
6/30/15	0.7284%	42,049,513	33,079,061	127.12%	85.78%
6/30/16	0.7292%	54,257,211	33,815,069	160.45%	82.18%
6/30/17	0.7287%	52,623,254	32,649,064	161.18%	83.77%
6/30/18	0.7207%	53,637,784	34,787,028	154.19%	84.06%

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VI. RETIREMENT PLAN (concluded)

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	0.4832%	\$ 1,764,482	\$7,045,877	25.04%	91.33%
6/30/15	0.4955%	2,620,730	7,430,512	35.27%	88.28%
6/30/16	0.4956%	3,976,374	7,652,987	51.96%	83.32%
6/30/17	0.5025%	3,833,828	7,439,969	51.53%	85.35%
6/30/18	0.5284%	4,083,012	8,792,616	46.44%	86.06%

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
6/30/13	\$ 4,592,246	\$ 4,615,246	\$ -	\$31,889,069	14.47%
6/30/14	4,683,298	4,683,298	-	32,366,399	14.47%
6/30/15	4,782,429	4,782,429	-	33,079,061	14.46%
6/30/16	4,884,904	4,884,904	-	33,815,069	14.45%
6/30/17	4,985,238	4,985,238	-	32,649,064	15.27%
6/30/18	5,025,074	5,025,074	-	34,787,028	14.45%

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
6/30/13	\$465,838	\$465,838	\$ -	\$6,790,656	6.86%
6/30/14	483,346	483,346	-	7,045,877	6.86%
6/30/15	509,732	509,732	-	7,430,512	6.86%
6/30/16	524,995	524,995	-	7,652,987	6.86%
6/30/17	553,977	553,977	-	7,439,969	7.45%
6/30/18	603,174	603,174	-	8,792,616	6.86%

VII. CONTINGENCIES

The District is involved in pending lawsuits at June 30, 2019. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. District management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the District.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

VII. CONTINGENCIES (concluded)

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 reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the 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.

The District, along with various other local school districts, participates in the MUSIC program, an insurance association for workers' compensation, general liability and property and casualty insurance. The District, along with various other local school districts, also participates in the CSD Insurance Trust, an insurance association for employee medical, dental, life, vision, long-term care, and short and long-term disability insurance. The purpose of these associations is to distribute the cost of self-insurance over similar entities. These associations require an annual premium payment to cover estimated claims payable and reserves for claims for each entity. The members of these associations have no legal interest in the assets, liabilities or fund balances of the insurance association. However, the District retains a contingent liability to fund its pro rata share of any deficit incurred by these associations should they cease operations at some future date.

The District does not pay premiums to purchase insurance policies, but pays an assessment to be a member of MUSIC, 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 \$808,116.

VIII. OTHER POST-EMPLOYMENT BENEFITS

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program. For the year ended June 30, 2019, the District had 11 participants in this program with contributions totaling \$17,969.

In addition to the pension benefits described in Note VI, 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 difference between the amount the retiree is required to pay and the actual cost to the District is considered a post-employment benefit. 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 standalone financial report is not available for the plan. During the year, approximately 307 retirees participated in the District's insurance plans and paid premiums totaling \$822,295.

RITENOUR SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

IX. INTERFUND TRANSFERS

During 2019, transfers were made to the Special Revenue Fund and the Capital Projects Fund from the General Fund. Transfers are made to the Special Revenue Fund in order to allocate more funds to the purpose of the Teachers' Fund. Transfers are made to the Capital Projects Fund to allocate more funds to capital projects.

	TRANSFERS TO:	
TRANSFERS FROM:	SPECIAL REVENUE (TEACHER'S FUND)	CAPITAL PROJECTS FUND
General (Incidental) Fund	\$ 7,041,721	\$ 678,565
	\$ 7,041,721	\$ 678,565

X. EMPLOYEE BENEFITS PLANS

The District offers its employees tax-sheltered annuity programs created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, available to all District employees, permit them to defer a portion of their salary for investment purposes. The District also offers a Section 125 Cafeteria Plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance plan benefits and for reimbursement of qualified dependent care costs and medical expenses.

XI. SELF-INSURANCE PLAN

The District has a self-insurance plan which covers participating employees' vision coverage. Both the members and the District contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The District utilizes separate accounts in the general fund to account for the activity of the plans. The District limits the number of covered visits and reimbursement amounts to reduce its exposure to catastrophic claims.

XII. SUBSEQUENT EVENTS

On July 11, 2019, the District purchased a property at 9303 Midland Blvd for \$425,000.

XIII. TAX ABATEMENT

The District is impacted, through St. Louis County, in a tax abatement agreement with local businesses under the Urban Redevelopment Corporations under Ch. 353 of the RSMos. Under this program, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purpose of providing Urban Redevelopment Corporations real property tax abatements.

RITENOUR SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

XIII. TAX ABATEMENT (concluded)

For the year ended June 30, 2019, property taxes totaling \$537,406 were abated under this program, including the following tax abatements that made up for the entire abatement amount.

- A 50 percent property tax abatement to Southgate for opening the business under the program described above issued by the City of Overland. The abatement amounted to \$73,726.
- A locked in appraisal value to Pear Tree Lane/St. Louis Airport Marriot for opening the business under the program described above issued by the City of Edmundson. The abatement amounted to \$463,680.

The District is involved, through the state of Missouri, in property tax surcharge receipts. The property tax surcharge was established in 1985 under the Missouri Constitution Article X, Section 6. This is a replacement for revenues lost when tangible personal property merchants' and manufacturers' inventory was exempted from property assessment. These receipts are put into a "Surcharge Pool" and are allocated to each taxing entity within a County. When certain entities enter into tax abatement agreements, these surcharge amounts become abated as well.

For the year ended June 30, 2019, District had abated surcharge taxes totaling \$56,523 under this program, under several surcharge abatements throughout St. Louis County.

SUPPLEMENTARY INFORMATION

Ritenour School District
Budgetary Comparison Schedule - Modified Cash Basis
General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Local Sources	\$ 28,646,703	\$ 29,519,084	\$ 31,281,097	\$ 1,762,013
County Sources	761,482	761,482	833,811	72,329
State Sources	378,000	348,000	348,467	467
Federal Sources	2,936,600	3,089,831	2,947,331	(142,500)
TOTAL REVENUES	32,722,785	33,718,397	35,410,706	1,692,309
Expenditures				
Instruction	3,663,653	3,575,489	2,974,569	(600,920)
Attendance	454,976	456,313	435,410	(20,903)
Guidance	184,743	183,404	131,411	(51,993)
Health, Psych Speech & Audio	587,404	596,700	579,172	(17,528)
Improvement of Instruction	167,363	147,786	116,613	(31,173)
Professional Development	150,315	205,096	178,867	(26,229)
Media Services	407,361	413,983	384,254	(29,729)
Board of Education Services	517,700	507,226	451,762	(55,464)
Executive Administration	2,039,135	2,180,653	1,906,632	(274,021)
Building Level Administration	1,737,184	1,739,762	1,634,410	(105,352)
Operation of Plant	7,660,975	7,462,090	6,809,142	(652,948)
Security Services	217,153	248,064	207,596	(40,468)
Pupil Transportation	2,042,151	2,148,170	2,276,224	128,054
Food Service	3,371,963	3,439,004	3,199,894	(239,110)
Business and Central Services	1,348,379	1,348,901	1,252,948	(95,953)
Other Supporting Services	-	-	-	-
Adult/Continuing Education	112,998	113,619	107,414	(6,205)
Community Services	669,575	726,871	651,099	(75,772)
Capital Outlay	-	-	-	-
Contingency	15,000	150	-	(150)
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	25,348,028	25,493,281	23,297,415	(2,195,866)
Revenues Collected Over (Under)				
Expenditures Paid	7,374,757	8,225,116	12,113,291	3,888,175
Other Financing Sources (Uses):				
Transfers	(9,554,848)	(9,132,828)	(7,720,287)	1,412,541
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	205,000	205,000	-	(205,000)
Trans from other LEAS Non-Handi	-	-	256,051	256,051
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
Total Other Financing Sources (Uses)	(9,349,848)	(8,927,828)	(7,464,235)	1,463,593
NET CHANGE IN FUND BALANCES	(1,975,091)	(702,712)	4,649,055	5,351,767
Fund Balance, July 1, 2018	16,789,535	16,789,535	16,789,535	-
Fund Balance, June 30, 2019	\$ 14,814,444	\$ 16,086,823	\$ 21,438,590	\$ 5,351,767

Ritenour School District
Budgetary Comparison Schedule - Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local Sources	\$ 6,437,000	\$ 6,504,000	\$ 6,806,137	\$ 302,137
County Sources	60,000	60,000	49,747	(10,253)
State Sources	25,924,453	26,333,093	26,351,273	18,180
Federal Sources	2,483,000	2,364,876	2,405,798	40,922
TOTAL REVENUES	34,904,453	35,261,969	35,612,955	350,986
Expenditures				
Instruction	34,897,178	34,820,472	34,404,114	(416,358)
Attendance	173,112	173,112	173,073	(39)
Guidance	1,781,010	1,873,652	1,755,671	(117,981)
Health, Psych Speech & Audio	-	12,582	95	(12,487)
Improvement of Instruction	732,380	814,490	699,968	(114,522)
Professional Development	129,839	92,328	54,813	(37,515)
Media Services	997,417	997,417	996,125	(1,292)
Board of Education Services	-	-	-	-
Executive Administration	257,913	257,913	265,239	7,326
Building Level Administration	3,123,944	3,123,944	3,156,617	32,673
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Business and Central Services	315,136	315,136	299,321	(15,815)
Other Supporting Services	-	-	-	-
Adult/Continuing Education	278,663	185,681	143,986	(41,695)
Community Services	815,907	757,920	777,718	19,798
Capital Outlay	-	-	-	-
Contingency	260,000	260,000	-	(260,000)
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	43,762,499	43,684,647	42,726,742	(957,905)
Revenues Collected Over (Under)				
Expenditures Paid	(8,858,046)	(8,422,678)	(7,113,786)	1,308,891
Other Financing Sources (Uses):				
Transfers	8,828,046	8,350,678	7,041,721	(1,308,957)
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	30,000	72,000	72,065	65
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
Total Other Financing Sources (Uses)	8,858,046	8,422,678	7,113,786	(1,308,892)
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-
Fund Balance, June 30, 2019	\$ -	\$ -	\$ -	\$ -

Ritenour School District
Budgetary Comparison Schedule - Modified Cash Basis
Debt Service Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local Sources	\$ 4,894,122	\$ 4,886,394	\$ 5,170,796	\$ 284,402
County Sources	138,518	138,518	109,604	(28,914)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUES	5,032,640	5,024,912	5,280,400	255,488
Expenditures				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Business and Central Services	-	-	-	-
Other Supporting Services	-	-	-	-
Adult/Continuing Education	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Contingency	-	-	-	-
Debt Service:				
Principal	2,869,892	2,869,892	2,869,892	-
Interest and Charges	1,682,948	1,682,948	1,681,870	(1,078)
TOTAL EXPENDITURES	4,552,840	4,552,840	4,551,761	(1,078)
Revenues Collected Over (Under)				
Expenditures Paid	479,800	472,072	728,639	256,567
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	479,800	472,072	728,639	256,567
Fund Balance, July 1, 2018	2,948,114	2,948,114	2,948,114	-
Fund Balance, June 30, 2019	\$ 3,427,914	\$ 3,420,186	\$ 3,676,753	\$ 256,567

Ritenour School District
Budgetary Comparison Schedule - Modified Cash Basis
Capital Projects Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Local Sources	\$ -	\$ -	\$ -	\$ -
County Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	111,000	111,000	75,820	(35,180)
TOTAL REVENUES	111,000	111,000	75,820	(35,180)
Expenditures				
Instruction	10,000	14,408	18,308	3,900
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	22,003	22,873	870
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	37,500	37,500	11,935	(25,565)
Building Level Administration	-	-	-	-
Operation of Plant	54,500	78,091	45,593	(32,498)
Security Services	353,064	778,064	-	(778,064)
Pupil Transportation	120,800	126,146	353,064	226,918
Food Service	-	-	9,033	9,033
Business and Central Services	-	-	-	-
Other Supporting Services	-	-	-	-
Adult/Continuing Education	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	155,000	155,000	190,000	35,000
Contingency	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	106,938	106,938	104,159	(2,779)
TOTAL EXPENDITURES	837,802	1,318,150	754,965	(563,185)
Revenues Collected Over (Under)				
Expenditures Paid	(726,802)	(1,207,150)	(679,145)	528,005
Other Financing Sources (Uses):				
Transfers	726,802	782,150	678,565	(103,585)
Sale of Bonds	-	425,000	-	(425,000)
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	580	580
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
Total Other Financing Sources (Uses)	726,802	1,207,150	679,145	(528,005)
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-
Fund Balance, June 30, 2019	\$ -	\$ -	\$ -	\$ -

Ritenour School District
Budgetary Comparison Schedule - Modified Cash Basis
All Major Governmental Funds
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Over (Under)
	Original	Final		Final Budget
Revenues				
Local Sources	\$ 39,977,825	\$ 40,909,478	\$ 43,258,030	\$ 2,348,552
County Sources	960,000	960,000	993,162	33,162
State Sources	26,302,453	26,681,093	26,699,740	18,647
Federal Sources	5,530,600	5,565,707	5,428,949	(136,758)
TOTAL REVENUES	72,770,878	74,116,278	76,379,882	2,263,604
Expenditures				
Instruction	38,570,831	38,410,369	37,396,991	(1,013,378)
Attendance	628,088	629,425	608,483	(20,942)
Guidance	1,965,753	2,057,056	1,887,082	(169,974)
Health, Psych Speech & Audio	587,404	631,285	602,139	(29,146)
Improvement of Instruction	899,743	962,276	816,582	(145,694)
Professional Development	280,154	297,424	233,680	(63,744)
Media Services	1,404,778	1,411,400	1,380,379	(31,021)
Board of Education Services	517,700	507,226	451,762	(55,464)
Executive Administration	2,334,548	2,476,066	2,183,806	(292,260)
Building Level Administration	4,861,128	4,863,706	4,791,027	(72,679)
Operation of Plant	7,715,475	7,540,181	6,854,735	(685,446)
Security Services	570,217	1,026,128	207,596	(818,532)
Pupil Transportation	2,162,951	2,274,316	2,629,288	354,972
Food Service	3,371,963	3,439,004	3,208,927	(230,077)
Business and Central Services	1,663,515	1,664,037	1,552,269	(111,768)
Other Supporting Services	-	-	-	-
Adult/Continuing Education	391,661	299,300	251,400	(47,900)
Community Services	1,485,482	1,484,791	1,428,817	(55,974)
Capital Outlay	155,000	155,000	190,000	35,000
Contingency	275,000	260,150	-	(260,150)
Debt Service:				
Principal	2,869,892	2,869,892	2,869,892	-
Interest and Charges	1,789,886	1,789,886	1,786,029	(3,857)
TOTAL EXPENDITURES	74,501,169	75,048,918	71,330,883	(3,718,035)
Revenues Collected Over (Under)				
Expenditures Paid	(1,730,291)	(932,640)	5,048,999	5,981,638
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds	-	425,000	-	(425,000)
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	580	(580)
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	235,000	277,000	72,065	(204,935)
Miscellaneous	-	-	-	-
Trans from other LEAS Non-Handi	-	-	256,051	(256,051)
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
Total Other Financing Sources (Uses)	235,000	702,000	328,696	(886,566)
NET CHANGE IN FUND BALANCES	(1,495,291)	(230,640)	5,377,694	5,095,072
Fund Balance, July 1, 2018	19,737,649	19,737,649	19,737,649	-
Fund Balance, June 30, 2019	\$ 18,242,358	\$ 19,507,009	\$ 25,115,344	\$ 5,095,072

RITENOUR SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2019

I. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
- B. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- C. 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.
- D. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- E. 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 on June 14, 2018, and as finally amended by the Board of Education on June 13, 2019.

- F. Budgets are adopted on the cash basis of accounting for all Governmental Funds.

RITENOUR SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2019

OTHER POST-EMPLOYMENT BENEFITS

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program. For the year ended June 30, 2019, the District had 11 participants in this program with contributions totaling \$17,969.

In addition to the pension benefits described in Note VI, 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 difference between the amount the retiree is required to pay and the actual cost to the District is considered a post-employment benefit. 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, approximately 307 retirees participated in the District's insurance plans and paid premiums totaling \$822,295.

STATE COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the
Board of Education
Ritenour School District

Report on Compliance with State Requirements

We have examined management's assertions that the Ritenour School District ("District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for the District's compliance with the aforementioned requirements.

Auditor's Responsibility

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

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the Ritenour School District complied with the aforementioned requirements for the year ended June 30, 2019, are fairly stated, in all material respects.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

November 22, 2019

RITENOUR SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 096-110
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2019

I. CALENDAR (Sections 160.041 and 171.031, RSMo)

Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
K	5	-	6.25	177	1,094.2500
6	8	-	6.25	177	1,094.2500
9	12	-	6.25	177	1,059.4147

II. AVERAGE DAILY ATTENDANCE (ADA)

Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
K	429.8373	0.2812	-	1.8266	-	431.9451
1	442.0664	5.2286	-	1.8108	2.1521	451.2579
2	427.2083	2.3270	-	-	2.4641	431.9994
3	508.0995	0.2376	-	0.3495	4.0687	512.7553
4	505.7168	0.1289	-	-	4.0632	509.9089
5	479.9021	0.6870	-	-	3.9418	484.5309
6	493.5189	5.5790	-	-	2.3467	501.4446
7	463.5392	4.1640	-	-	2.6116	470.3148
8	395.6617	2.0484	-	-	2.3166	400.0267
9	399.4824	8.5946	0.0673	0.9680	1.5043	410.6166
10	400.1652	15.4028	-	-	8.9411	424.5091
11	315.6346	28.9463	-	-	8.1437	352.7246
12	305.8857	9.4228	-	0.4674	7.5948	323.3707
Grand Total	5,566.7181	83.0482	0.0673	5.4223	50.1487	5,705.4046

RITENOUR SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 096-110
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2019

III. SEPTEMBER MEMBERSHIP

Grade Level	Full-Time	Part-Time	Other	Total
K	463.00	-	-	463.00
1	478.00	2.77	-	480.77
2	454.00	1.60	-	455.60
3	544.00	-	-	544.00
4	530.00	0.64	-	530.64
5	512.00	-	-	512.00
6	525.00	6.63	-	531.63
7	492.00	10.36	-	502.36
8	416.00	4.70	-	420.70
9	442.00	6.62	-	448.62
10	458.00	12.58	-	470.58
11	381.00	26.21	-	407.21
12	403.00	11.68	-	414.68
Grand Total	6,098.00	83.79	-	6,181.79

IV. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
N/A	5.00	-	-	-	5.00
1050	1665.69	-	-	-	1,665.69
3000	758.10	-	-	-	758.10
3050	711.58	-	-	-	711.58
4020	431.98	-	-	-	431.98
4100	499.05	-	-	-	499.05
4120	532.60	-	-	-	532.60
4140	483.00	-	-	-	483.00
4160	536.41	-	-	-	536.41
4220	497.00	-	-	-	497.00
Grand Total	6,120.41	-	-	-	6,120.41

RITENOUR SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 096-110
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2019

V. FINANCE

5.1	The district 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 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	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	True
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The district 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 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 treasurer in the total amount of:	\$50,000
5.6	The district'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)	True

RITENOUR SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 096-110
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2019

5.10	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
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:	\$233,680

VI. TRANSPORTATION (SECTION 163.161, RSMo)

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 pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	2,948.50
	Ineligible ADT	344.00
6.4	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
6.5	Actual odometer records show the total district-operated and contracted mileage for the year was:	441,814
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	381,526
	Ineligible Miles (Non-Route/Disapproved)	60,288
6.7	Number of days the district operated the school transportation system during the regular school year:	177

RITENOUR SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2019

I. CHAPTER 67 RSMO (BUDGET STATUTE)

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopts an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no state findings for the fiscal year ended June 30, 2019.

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Ritenour 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 remaining fund information of Ritenour School District ("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, and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

November 22, 2019



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Ritenour School District

Report on Compliance for Each Major Federal Program

We have audited Ritenour School District's ("District") 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 District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

November 22, 2019

**RITENOUR SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PROVIDED TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<i>Cash Federal Expenditures</i>				
U.S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Elementary and Secondary Education				
Adult Education - Basic Grants to States	84.002	096-110	\$ -	\$ 176,652
Perkins Basic Grant	84.048	096-110	-	111,019
Title I Grants to Local Education Agencies	84.010	096-110	-	1,628,341
Title III, English Language Acquisition Grants	84.365	096-110	-	145,633
Title IV, Student Support and Academic Enrichment	84.424	096-110	-	86,452
Title II, Part A - ESEA	84.367	096-110	-	242,190
<i>Total U.S. Department of Education</i>			-	2,390,287
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Lunch Program	10.555	096-110	-	2,188,092
National School Breakfast Program	10.553	096-110	-	647,686
Donated Foods - Non-Cash Federal Expenditures	10.555	096-110	-	257,188
<i>Total Child Nutrition Cluster</i>			-	3,092,966
Food & Nutrition Fruits and Vegetables	10.582	096-110	-	66,040
Passed Through State Department Health and Senior Services				
Child and Adult Care Food Program	10.558	ERS461018401	-	45,512
<i>Total U.S. Department of Agriculture</i>			-	3,204,518
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State Department of Elementary and Secondary Education				
Improving Student Health and Academic Achievement	93.981	096-110	-	12,735
<i>Total U.S. Department of Health and Human Services</i>			-	12,735
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 5,607,540

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

RITENOUR SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Ritenour School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting.

NOTE 5 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

<u>Federal Sources</u>	
General Fund	\$ 2,947,331
Special Revenue Fund	2,405,798
Debt Service Fund	-
Capital Projects Fund	75,820
	<u>\$ 5,428,949</u>

NOTE 6 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting.

RITENOUR SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 8 – NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 9 – SUBRECIPIENTS

The District provided no federal awards to subrecipients during the year ended June 30, 2019.

RITENOUR SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
3. Noncompliance material to financial statements noted? Yes No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster:
10.555, 10.553	Child Nutrition Cluster

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee? Yes No

RITENOUR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2019.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

RITENOUR SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2018.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.