4. TAXES:

The county in which the District is located collect property tax and remit it to the District. Property taxes attach as an enforceable lien on January 1. Property taxes are levied on November 1, and become delinquent after December 31. The District also receives sales tax collected by the state which is remitted based on weighted average daily attendance.

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

	Bates County
Real Estate:	
Residential	$ 4,459,660
Agricultural	2,344,780
Commercial	444,740
Personal Property	3,209,241
	$ 10,458,421

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

Fund	Unadjusted	Adjusted
General	$ 4.1124	$ 4.1124
Debt service	0.7500	0.7500
	$ 4.8624	$ 4.8624

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2017, aggregated approximately 99% of the current assessment computed on the basis of the levy as shown above for the calendar year 2016.

5. CAPITAL ASSETS:

The capital assets activity of the District during the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets not depreciated				
Land	$ 2,600	$ -	$ -	$ 2,600
Capital assets being depreciated				
Buildings	1,513,716	-	-	1,513,716
Equipment	23,565	-	(6,076)	17,489
	1,539,881	-	(6,076)	1,533,805
Less: Accumulated depreciation	527,793	28,680	(6,076)	550,397
Net capital assets	$ 1,012,088	$ (28,680)	$ -	$ 983,408

Depreciation expense was charged to functions of the governmental funds as follows:

Instructional services	$ 28,680

6. BONDS PAYABLE:

The following is a summary of bond transactions for the year ended June 30, 2017:

Bonds payable July 1, 2016	$ 485,000
Less - Bonds retired	(60,000)
Bonds payable June 30, 2017	$ 425,000

Bonds payable at June 30, 2017, consisted of $425,000 Series 2012 outstanding general obligation bonds due in varying annual installments through March 1, 2023, with variable annual interest rates of 1.25% to 2.125%. These refunding general obligation bonds were issued on July 1, 2012, to refund the Series 2003 outstanding general obligation bonds. It is estimated by the bonding agency that the District will save approximately $99,999 in future interest payments with this refunding.

The District has elected to participate in the program created by Senate Bill 301 administered by the Missouri Health and Educational Facilities Authority (MOHEFA) which allows the District an enhanced bond rating as well as having certain costs of issuance reimbursed. As a result of participating in this program, the District has executed a direct deposit agreement whereby a portion of state aid payments will be made to the direct deposit trustee who will then make the principal and interest payments on the bonds. At June 30, 2017, the District had $25,458 in the escrow account.

During the year ended June 30, 2016, the district entered into an Escrow Deposit Agreement and a First Amendment to the Direct Deposit Agreement. As a result of these agreements, the District has opened a new Series 2012 Partial Defeasance Escrow to make some of the future principal and interest payments on the bonds. At June 30, 2017, the District had $31,188 in this escrow account.

6. BONDS PAYABLE (continued):

Principal and interest on general obligation bonds are liquidated through the Debt Service Fund. Debt service requirements for the outstanding bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 65,000	$ 8,463	$ 73,463
2019	70,000	7,650	77,650
2020	75,000	6,163	81,163
2021	75,000	4,569	79,569
2022	80,000	2,975	82,975
2023	60,000	1,275	61,275
	$ 425,000	$ 31,095	$ 456,095

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

Constitutional debt limit	$ 1,568,763
Amount in Debt Service Fund available for payment of principal	117,044
General obligation bonds payable	(425,000)
Legal debt margin	$ 1,260,807

7. COMMITMENTS AND CONTINGENCIES:

The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2017.

The District offers post-retirement healthcare benefits to all employees who retire from the District. Retirees and their dependents may obtain coverage by paying required premium rates directly to the insurance company. The District does not pay a portion of the required premium rates for retirees; however, the premiums paid by the District for active employees are based on combined active and retiree experience, so an implicit subsidy exists. Under the District's modified cash basis of accounting, no liability for this subsidy is included in the financial statements.

8. OPERATING LEASE:

The District leases a dishwasher under an operating lease. The lease was entered into on August 14, 2004, and is automatically renewed from year to year unless either party gives written notice of its intention to terminate at least 60 days prior to the expiration date of the current term. Lease payments are $159 per month with an excess tray usage charge of $0.04 for all trays over 1,500 per month. Total lease payments for the year ended June 30, 2017, under this lease, were $1,669.50.

8. OPERATING LEASE (continued):

There is no future required minimum rental payments under this operating lease beyond the next fiscal year, which will be the same as the current year expense, as this lease is automatically renewed from year to year unless either party gives written notice of its intention to terminate at least 60 days prior to the expiration date of the current term.

9. INTERFUND TRANSFERS:

Interfund transfers, the flow of assets from one fund to another where repayment is not expected are reported as transfers in and out. The District is required to make a transfer from the General Fund to the Teachers' Fund to cover the excess of disbursements over receipts each year. The District is also allowed to make transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law. During the year ended June 30, 2017, the District made the following interfund transfers:

	TRANSFERS TO
	Teachers'
TRANSFERS FROM	Fund
General Fund	$ 152,317

10. RISK MANAGEMENT:

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

11. RELATED PARTY TRANSACTIONS:

A current board member is related to a staff member. It appears the member is in compliance with voting on hiring.

12. DATE OF MANAGEMENT'S REVIEW:

Subsequent events were evaluated through October 17, 2017, which is the date the financial statements were available to be issued.

D·S·W·A
Certified Public Accountants
A Professional Corporation

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

To the Board of Education
Ballard R-II School District of Bates County, Missouri
Butler, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of the Ballard R-II School District of Bates County, Missouri, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Ballard R-II School District of Bates County, Missouri's basic financial statements, and have issued our report thereon dated October 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ballard R-II School District of Bates County, Missouri'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 Ballard R-II School District of Bates County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ballard R-II School District of Bates County, Missouri's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Responses to the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Current Year as item 2017-001.

210 W. Ohio
Butler, MO 64730
Phone: 660.679.6571
Toll free: 888.287.1132
Fax: 660.679.6575

1626 Hedges Plaza
Nevada, MO 64772
Phone: 417.667.6375
Toll free: 888.320.5106
Fax: 417.667.6420

1118 Remington Plaza, Suite A
Raymore, MO 64083
Phone: 816.331.4242
Toll free: 888.210.3560
Fax: 816.322.4626

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ballard R-II School District of Bates County, Missouri'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations - Current Year as item 2017-002.

Ballard R-II School District of Bates County, Missouri's Responses to Findings

The Ballard R-II School District of Bates County, Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses to the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Current Year and the Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations - Current Year. Ballard R-II School District of Bates County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DSWA Certified Public Accountants, P.C.

Butler, Missouri
October 17, 2017

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* – CURRENT YEAR

FOR THE YEAR ENDED JUNE 30, 2017

INTERNAL CONTROL OVER FINANCIAL REPORTING

2017-001 Segregation of Duties

Statement of Condition: The District is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors and irregularities may result from this lack of segregation of employee duties and responsibilities.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no employee has access to both physical assets and the related accounting records or to all phases of a transaction.

Recommendation: Efficient segregation of duties in a small governmental environment is often difficult; however, we feel that the governing body and District management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: The District is aware of the lack of segregation, and much effort is put into providing as much oversight as possible.

COMPLIANCE

See 2017-002 on the Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations – Current Year.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES TO THE INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* – PRIOR YEAR

FOR THE YEAR ENDED JUNE 30, 2016

INTERNAL CONTROL OVER FINANCIAL REPORTING

2016-001 Segregation of Duties

Statement of Condition: The District is not able to segregate the duties of employees to all phases of an accounting transaction.

Criteria: Adequate segregation of non-compatible duties is important for a sound and efficient internal control system.

Effect: Errors and irregularities may result from this lack of segregation of employee duties and responsibilities.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no employee has access to both physical assets and the related accounting records or to all phases of a transaction.

Recommendation: Efficient segregation of duties in a small governmental environment is often difficult; however, we feel that the governing body and District management should be aware of the risk associated with this lack of duty segregation and attempt to exercise as much oversight control in these areas as possible and feasible.

District's Response: The District is aware of the lack of segregation, and much effort is put into providing as much oversight as possible.

June 30, 2017 follow-up: This is still a finding for the 2016-17 audit.

COMPLIANCE

See 2016-002 on the Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations – Prior Year.

D·S·W·A
Certified Public Accountants
A Professional Corporation

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

Board of Education
Ballard R-II School District of Bates County, Missouri
Butler, Missouri

Report on Management's Assertions

We have examined management's assertions that the Ballard R-II School District of Bates County, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September; pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid; and other statutory requirements as listed in the Schedule of Selected Statistics of the Ballard R-II School District of Bates County, Missouri as of and for the year ended June 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions based on our examination.

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

Opinions

In our opinion, management's assertions referred to above are fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2017 except as described in the accompanying Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations–Current Year as finding 2017-002.

Ballard R-II School District of Bates County, Missouri's Response to Finding

The Ballard R-II School District of Bates County, Missouri's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses to the Independent Accountants' Report on Management's Assertions About Compliance with Specified Requirements of Missouri Laws and Regulations – Current Year. The Ballard R-II School District of Bates County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

DSWA Certified Public Accountants, P.C.
Butler, Missouri
October 17, 2017

210 W. Ohio
Butler, MO 64730
Phone: 660.679.6571
Toll free: 888.287.1132
Fax: 660.679.6575

1626 Hedges Plaza
Nevada, MO 64772
Phone: 417.667.6375
Toll free: 888.320.5106
Fax: 417.667.6420

1118 Remington Plaza, Suite A
Raymore, MO 64083
Phone: 816.331.4242
Toll free: 888.210.3560
Fax: 816.322.4626

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES TO THE INDEPENDENT ACCOUNTANTS' REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS – CURRENT YEAR

FOR THE YEAR ENDED JUNE 30, 2017

Budget

None

Attendance

None

Transportation

None

Other Compliance

2017-002 Publication of Financial Statement Summary

Statement of Condition: The District did not publish the financial report for the year ended June 30, 2016 within thirty days of the receipt of the audit report.

Criteria: RSMo. 165.121 outlines all of the required elements that are to be included in the publication of the financial summary as well as the timeframe in which it is to be published.

Effect: The District is out of compliance with RSMo. 165.121.

Cause: The District did not ensure the required financial statement summary was published as required by RSMo. 165.121.

Recommendation: We recommend the District work to ensure all publication requirements are met in the future.

Response: *In the future, we will ensure the publication of the financial statement summary is published within thirty days of receipt, as required by state statutes.*

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI

SCHEDULE OF FINDINGS AND RESPONSES TO THE INDEPENDENT ACCOUNTANTS' REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS – PRIOR YEAR

FOR THE YEAR ENDED JUNE 30, 2016

Budget

None

Attendance

None

Transportation

None

Other Compliance

2016-002 Tax Levy Public Notice

Statement of Condition: The District did not publish a notice of the tax levy hearing at least seven days before the tax levy hearing occurred.

Criteria: RSMo. 67.110.2 requires that the District publish a notice of the tax levy hearing at least seven days in advance of holding the hearing.

Effect: Failure to publish this notice is a violation of state statutes.

Cause: Management did not publish the notice within seven days of the hearing date.

Recommendation: We recommend the district ensure that the tax levy notice be published at least seven days prior to the tax levy hearing to ensure compliance with Missouri Revised Statutes.

Response: *In the future, we will ensure the tax levy hearing is published at least seven days prior to public hearing as required by state statutes.*

June 30, 2017 Follow-up: It appears the district published its tax levy hearing notice in compliance with RSMo. 67.110.2 for the 2016-2017 fiscal year.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local	$ 482,061	$ 547,375	$ 547,375	$ -
County	40,278	62,929	62,929	-
State	130,758	127,449	127,449	-
Federal	38,000	55,956	55,956	-
Other	250	-	-	-
Total revenues	691,347	793,709	793,709	-
Expenditures				
Instructional services				
Regular	29,915	22,345	22,345	-
Special	42,444	38,332	38,332	-
Vocational	2,500	165	165	-
Student activities	84,378	86,533	86,533	-
Supporting services				
Students	8,785	8,261	8,261	-
Instructional staff	26,377	27,660	27,660	-
Building administration	29,796	27,828	27,828	-
General administration	66,289	59,818	59,818	-
Operation and maintenance of facilities	147,603	149,935	149,935	-
Transportation	146,100	139,081	139,081	-
Food service	86,128	82,325	82,325	-
Other services				
Community services	-	5,013	5,013	-
Total expenditures	670,315	647,296	647,296	-
Excess of revenues over expenditures	21,032	146,413	146,413	-
Other financing sources (uses)				
Transfer out	(208,832)	(152,317)	(152,317)	-
Total other financing sources (uses)	(208,832)	(152,317)	(152,317)	-
Net change in fund balances	(187,800)	(5,904)	(5,904)	-
Fund balances - beginning	952,952	894,308	894,308	-
Fund balances - ending	$ 765,152	$ 888,404	$ 888,404	$ -

See independent auditors' report and accompanying notes to the financial statements.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - BUDGET AND ACTUAL -
SPECIAL REVENUE (TEACHERS') FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local	$ 121,390	$ 130,613	$ 130,613	$ -
County	11,330	12,029	12,029	-
State	646,150	690,607	690,607	-
Federal	58,492	59,057	59,057	-
Other	100	-	-	-
Total revenues	837,462	892,306	892,306	-
Expenditures				
Instructional services				
Regular	645,944	638,827	638,827	-
Special	112,396	108,559	108,559	-
Vocational	51,414	51,351	51,351	-
Payments to other districts	5,850	15,306	15,306	-
Supporting services				
Students	41,384	42,249	42,249	-
Instructional staff	35,362	34,280	34,280	-
Building administration	63,884	63,815	63,815	-
General administration	90,060	90,236	90,236	-
Total expenditures	1,046,294	1,044,623	1,044,623	-
Excess of revenues (under) expenditures	(208,832)	(152,317)	(152,317)	-
Other financing sources (uses)				
Transfer in	208,832	152,317	152,317	-
Total other financing sources (uses)	208,832	152,317	152,317	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

See independent auditors' report and accompanying notes to the financial statements.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local	$ 71,636	$ 78,262	$ 78,262	$ -
County	5,405	9,886	9,886	-
Total revenues	77,041	88,148	88,148	-
Expenditures				
Other services				
Principal	60,000	60,000	60,000	-
Interest	8,463	9,213	9,213	-
Other	265	265	265	-
Total expenditures	68,728	69,478	69,478	-
Excess of revenues (under) expenditures	8,313	18,670	18,670	-
Net change in fund balances	8,313	18,670	18,670	-
Fund balances - beginning	99,117	98,374	98,374	-
Fund balances - ending	$ 107,430	$ 117,044	$ 117,044	$ -

See independent auditors' report and accompanying notes to the financial statements.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
State	$ 10,000	$ 10,000	$ 10,000	$ -
Federal	18,000	16,725	16,725	-
Total revenues	28,000	26,725	26,725	-
Expenditures				
Instructional services				
Regular	18,000	16,724	16,724	-
Special	1,500	-	-	-
Vocational	2,000	-	-	-
Student activities	-	4,344	4,344	-
Supporting services				
Students	400	-	-	-
Instructional staff	150	-	-	-
Building administration	500	-	-	-
Operation and maintenance of facilities	5,000	8,075	8,075	-
Food service	2,000	1,670	1,670	-
Other services				
Facilities acquisition and construction	25,000	-	-	-
Total expenditures	54,550	30,813	30,813	-
Excess of revenues (under) expenditures	(26,550)	(4,088)	(4,088)	-
Net change in fund balances	(26,550)	(4,088)	(4,088)	-
Fund balances - beginning	32,783	22,545	22,545	-
Fund balances - ending	$ 6,233	$ 18,457	$ 18,457	$ -

See independent auditors' report and accompanying notes to the financial statements.

BALLARD R-II SCHOOL DISTRICT OF BATES COUNTY, MISSOURI
COMBINED SCHEDULE OF REVENUES COLLECTED BY SOURCE
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Total (Memorandum Only)
LOCAL					
Current taxes	$ 366,051	$ -	$ 66,736	$ -	$ 432,787
Delinquent taxes	59,389	-	10,827	-	70,216
School district trust fund (Prop C)	-	130,485	-	-	130,485
M & M surtax	1,497	-	-	-	1,497
In lieu of tax	6,349	-	-	-	6,349
Earnings on investments	3,802	-	699	-	4,501
Food service program	26,994	-	-	-	26,994
Food service non-program	1,375	-	-	-	1,375
Student activities	81,303	-	-	-	81,303
Rentals	615	-	-	-	615
Miscellaneous Local Revenue	-	128	-	-	128
	547,375	130,613	78,262	-	756,250
COUNTY					
Fines, escheats, etc.	-	12,029	-	-	12,029
State assessed utilities	62,929	-	9,886	-	72,815
	62,929	12,029	9,886	-	84,844
STATE					
Basic formula	-	690,607	-	-	690,607
Transportation	22,283	-	-	-	22,283
Basic formula - Classroom trust	40,820	-	-	10,000	50,820
Educational screening program/PAT	4,635	-	-	-	4,635
Small schools grant	58,226	-	-	-	58,226
Career education	824	-	-	-	824
Food service - State	661	-	-	-	661
	127,449	690,607	-	10,000	828,056
FEDERAL					
Ind with Disability Act (IDEA)	-	27,050	-	-	27,050
School lunch program	32,308	-	-	-	32,308
School breakfast program	13,580	-	-	-	13,580
Title I, ESEA	-	28,787	-	-	28,787
Title II, ESEA - Teacher & principal quality	-	3,010	-	-	3,010
Title VI, Rural education initiative	10,068	-	-	16,725	26,793
Other federal	-	210	-	-	210
	55,956	59,057	-	16,725	131,738
	$ 793,709	$ 892,306	$ 88,148	$ 26,725	$ 1,800,888

See independent auditors' report and accompanying notes to the financial statements.

Ballard R-II School District of Bates County, Missouri – 007-122
Schedule of Selected Statistics
Year Ended June 30, 2017

1. **Calendar** (Sections 160.041 and 171.031, RSMo)

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

Kindergarten-12	6.7500

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

Kindergarten-12	1,133.70

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

Grades: Kindergarten-12	170

Notes:_____

_____

2. **Average Daily Attendance (ADA)**

Regular Term	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands	Total	Deseg Out
Grades K-12	121.3081	-	-	-	121.3081	-
Subtotal Regular Term	**121.3081**	**-**	**-**	**-**	**121.3081**	**-**

		Resident	Deseg In	Federal Lands	Total	
Summer School	**-**	**-**	**-**	**-**	**-**	**-**
Total Regular Term Plus Summer School ADA					**121.3081**	**-**

Notes:_____

_____

3. September Membership

	Full-Time & Part-Time	Deseg In	Federal Lands	Total	Deseg Out
September Membership FTE Count	126.06	-	-	126.06	-

Notes: _____

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

State FTE Total	Full-Time & Part-Time	Deseg In	Total
Free	56.30	-	56.30
Reduced	9.00	-	9.00
Total	65.30	-	65.30

Note: _____

5. Finance

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

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

5. Finance (continued)

F. The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. FALSE

G. The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. TRUE

H. The amount spent for approved professional development committee plan activities was: $6,907

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

Finding #: 2017-002

Management Letter Comment #: _____

Notes: _____

6. Transportation (Section 163.161, RSMo)

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

A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. TRUE

B. The district's school transportation ridership records are maintained in a manner as to accurately disclose in all material respects the average number of regular riders transported. TRUE

C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

- **Eligible ADT** 95.5
- **Ineligible ADT** 6.0

D. The district's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. TRUE

6. Transportation (continued)

E. Actual odometer records show the total district-operated and contracted mileage for the year was: 47,923

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** 41,957
- **Ineligible Miles (Non-Route/Disapproved)** 5,966

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

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

Finding #: _____

Management Letter Comment #: _____

Notes: _____

_____