

**FINANCIAL REPORT OF
JEFFERSON CITY PUBLIC SCHOOLS
JEFFERSON CITY, MISSOURI
JUNE 30, 2013**

JEFFERSON CITY PUBLIC SCHOOLS

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INDEPENDENT AUDITORS' REPORT

Professional Corporation
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Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson City Public Schools, Jefferson City, Missouri, (the "District") as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Jefferson City Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

PARTNERS

Robert A. Gerding
Fred W. Korte, Jr.
Joseph E. Chitwood
James R. McGinnis
Travis W. Hundley

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jefferson City Public Schools Foundation, which represent less than one percent of the assets, net position, and revenues of the Jefferson City Public Schools. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Jefferson City Public Schools Foundation, is based solely on the report of the other auditors. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis, of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson City Public Schools as of June 30, 2013, and the respective changes in financial position - modified cash basis and the respective budgetary comparison for the General and Teachers Funds for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson City Public Schools' basic financial statements. The Supplementary Information on pages 4-9, pages 35-43 and pages 52-54 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Supplementary Information on pages 35-43 is the responsibility of management and was derived from and related 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 aforementioned Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Management's Discussion and Analysis on pages 4-9 and the Schedule of Selected Statistics on pages 52-54 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2013, on our consideration of Jefferson City Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Jefferson City Public Schools' internal control over financial reporting and compliance.

December 3, 2013


Gerding, Korte and Chitwood
Certified Public Accountants



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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The discussion and analysis of the Jefferson City Public School District's financial performance provides an overview of the District's financial activity for the fiscal year ending June 30, 2013. Please read it in conjunction with the District's financial statements, notes to the financial statements, and other supplemental information, which immediately follow this section.

Financial Highlights

- The total fund balances of the District's governmental funds increased by \$6,686,289 to \$35,745,678 during the 2013 fiscal year. This fund balance and the change in total balances of each fund are described below:
 - The Debt Service fund balance increased by \$8,880,635, to \$11,710,788. The District refinanced \$9,220,000 of bonds that were issued in 2007. These bonds are not callable until 2017, so the new bond proceeds are held in an escrow account to repay the old bonds at their call date. \$9,835,947 of the total Debt Service Fund balance is restricted due to this crossover refunding.
 - The Capital Projects fund balance decreased by \$1,470,863 to \$2,759,435. The District had the opportunity to purchase a piece of property that will prepare the District to accommodate future expansion due to student population growth. The District was fortunate to have the resources to make this purchase without requiring a bond issue and more resources from our patrons. The District was also able to do a major renovation to North Elementary along with many other minor improvements throughout the District. The purchase of property and the other projects were one-time uses of funds and the remaining fund balance is sufficient to pay over 85% of the 2013-14 budgeted capital projects expenditures.
 - The Operating Fund balance decreased by \$723,483 to \$21,275,455. This is a planned spending of balances as the District finds itself with larger fund balances than desired. The deficit in the Operating Fund was slightly smaller than what was planned with the original budget. The original budget called for a \$1,231,854 deficit. The board has a goal to maintain fund balances equal to 20% of annual expenditures. At the conclusion of FY 2013, the District's funds balance is 25.8%.
- The unrestricted Debt Service fund balance decreased by \$955,312 to \$1,874,841. This fund

balance is sufficient to pay 57.3% of the District's general obligation debt service requirement for 2014.

- Revenues of the "operating funds" (General and Teachers Funds) were \$84,083,692 which is an increase of 2.9%, or \$2,439,711, compared to prior year total operating revenue. The District saw an increase in local property taxes of \$690,426 while the rest of local revenue sources were virtually flat. The District received approximately \$500,000 less revenue between County and Federal revenue sources. Most of this came from a significant reduction in County Stock Insurance revenue. The District saw a significant increase in state funding, receiving \$2,250,966 more in state revenue than FY 2012. Most of this increase (\$1.4 million) resulted from increases in the state foundation formula. While total state funding was relatively flat, shifts of funds resulted from the final phase-in of the new formula and student population growth within the District. Most of the remaining increases came from the High Need Fund revenue that reimburses districts for students with special education costs that exceed three times the average per pupil costs.
- Expenses for the operating funds increased \$2,313,059, or 2.8%, over prior year levels. The District increased salary by 1.6% and benefit costs increased by 2.1% over the prior year. Approximately 50% of the expenditure increases came from salary and benefits. The remaining \$1,171,223 in increased expenditures came from a combination of purchased services and supplies. 91% of this increase came from technology purchases, food purchases, and utilities.
- Outlays for new capital assets totaled \$6,119,032 during the year, including land, site improvements, and equipment. As noted earlier, the expenditures in the Capital Projects fund are mostly one time expenditures.

Overview of the Financial Statements

The financial section of the annual report consists of three parts:

- Management's discussion and analysis (this section),
- Financial statements (District-wide and fund financial statements), including notes to the financial statements, and
- Supplemental information.

The financial statements consist of two different types of statements that present different views of the District's financial activities.

- "District-wide financial statements" provide both short-term and long-term information about the District's overall financial status. The District-wide statements include the Statement of Net Position and Statement of Activities.
- The remaining financial statements are "fund financial statements" that focus on individual funds of the District, and report the District's operations in more detail than the District-wide financial statements. The fund financial statements present the District's funds in terms of governmental, proprietary and fiduciary activities.

The financial statements also include notes that explain accounting concepts and methodology and provide more detailed data. The basic financial statements are followed by a section of supplementary information that further explains and supports the basic financial statements.

District-wide statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two District-wide statements report the District's financial position and how it has changed. "Net assets" is the difference between the District's assets and liabilities and is one way to measure the District's financial health or position. For example, over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively. However, to assess the District's overall health, consideration must also be given to other non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are categorized as governmental activities. The governmental activities include all of the District's basic services, such as regular and special education, transportation, food service, and administration. Property taxes and state aid and grants finance most of these activities. Capital asset balances, net of depreciation and long term debt are added to the District-wide financial presentation. Additionally, the internal service fund activity, accounted for as a separate fund, is included with the governmental fund activity totals to present the account balances and activities of the District as a whole.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District maintains three types of funds:

- *Governmental funds:* All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary Funds:* The District maintains an internal service fund which is classified as a proprietary fund. This fund is used to collect premiums from the District, employees and retirees, and pay claims and administrative costs of the District's self insured medical insurance benefits plan.
- *Agency Funds:* The District maintains one agency fund the purpose of which is to account for assets held on a fiduciary basis. The Scholarship Fund is excluded from the district-wide financial statements because the funds' assets are not intended to finance the District's operations.

Financial Analysis of the District as a Whole

The financial position of the District is summarized as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Assets:		
Cash and Investments	\$ 38,393,092	\$ 40,109,005
Other assets	4,539	4,440
Restricted investments	9,835,947	0
Capital assets, net of depreciation	<u>84,135,507</u>	<u>81,069,651</u>
Total assets	132,369,085	121,183,096
Liabilities and Long-Term Debt	<u>(54,447,428)</u>	<u>(46,198,083)</u>
Net Assets	<u>\$ 77,921,657</u>	<u>\$ 74,985,013</u>

The District's total net assets were \$77,921,657, as of June 30, 2013. Of this amount, \$28,949,055 is unrestricted.

Total net assets increased by \$2,936,644 for the year ended June 30, 2013, representing an increase of 2.7% compared to the prior year. The increase in net assets differs from the increase in overall fund balances, totaling \$6,686,289, because of the different measurement focus of the two amounts. A complete reconciliation of this difference is included on page 13 of the basic financial statements.

Governmental Activities

The financial activities of the District for the year ended June 30, 2013 and 2012, are summarized as follows:

<u>June 30, 2013</u>			
	<u>Expenditures</u>	<u>Program Receipts</u>	<u>Net Expenditures</u>
Instruction	\$49,022,837	\$8,722,390	\$(40,300,447)
Support services	7,644,363	473,669	(7,170,694)
Administration	8,301,597	0	(8,301,597)
Operation of plant	10,055,401	23,653	(10,031,748)
Pupil transportation	2,923,463	655,181	(2,268,282)
Food service	4,939,894	5,073,656	133,762
Interest/Fees	1,963,315	0	(1,963,315)
Community service	<u>1,885,426</u>	<u>1,038,780</u>	<u>(846,646)</u>
Total	<u>\$86,736,296</u>	<u>\$15,987,329</u>	<u>(70,748,967)</u>
		General Revenues	<u>73,685,611</u>
		Increase in Net Assets	<u>\$ 2,936,644</u>
<u>June 30, 2012</u>			
	<u>Expenditures</u>	<u>Program Receipts</u>	<u>Net Expenditures</u>
Instruction	\$49,227,125	\$8,094,793	\$(41,132,332)
Support services	6,795,975	688,603	(6,107,372)
Administration	7,256,318	0	(7,256,318)
Operation of plant	10,392,925	71,827	(10,321,098)
Pupil transportation	2,982,752	732,586	(2,250,166)
Food service	4,909,035	4,791,700	(117,335)
Interest/Fees	1,933,145	0	(1,933,145)
Community service	<u>1,927,119</u>	<u>1,137,204</u>	<u>(789,915)</u>
Total	<u>\$85,424,394</u>	<u>\$15,516,713</u>	<u>(69,907,681)</u>
		General Revenues	<u>71,913,692</u>
		Increase in Net Assets	<u>\$ 2,006,011</u>

Jefferson City Public Schools primarily relies on local property and sales taxes and state aid and grants for funding its governmental activities. In 2013 and 2012, respectively, 63.0% and 61.9% of general revenues were derived from local sources and 23.4% and 24.3% from state aid and grants. The percentage increase in state aid resulted from a reduction in money from federal sources and redistribution of state funds for the final year of phase-in for the foundation formula. Federal revenues accounted for 8.9% in 2013 and 9.1% in 2012.

The District's changes in net assets can be directly attributed to several factors:

- The District's total revenue in all funds increased by \$2,242,535 or 2.6%. The District saw a reduction of \$774,613 in County Stock Insurance revenue, but it was offset by an increase of over \$1,500,000 in Current and Delinquent Property Taxes, Prop C, and County Fines and Forfeitures. Total revenues from local and county sources actually increased by \$655,481. With federal stimulus coming to an end, total federal revenues were down slightly, but most of this stimulus was replacing state revenues so state sources surged up. Along with this shift of federal to state dollars to fund the foundation formula, increased student enrollment and the final year of the phase-in of the foundation formula drove state revenues up significantly. The net change for all state and federal revenues combined amounted to \$1,572,185, which is an increase of 5.8%.
- The District saw an increase in total expenditures of \$1,473,160. 78% of this increase in expenditures came from increases in salary and benefits. Most of the rest of the increase came from technology purchases, utilities, and food costs. The District is in a planned spend down of reserves as it finds itself in a very good position of having higher fund balances than are desirable.
- Net capital spending, resulted in the biggest increase in net assets. The District's capital assets increased by a net of \$3,065,856.

The District's major governmental activities include: instruction, support services and administration.

- The cost of all governmental activities this year was \$86,736,296, compared to \$85,424,394 for the prior year. The net cost of all governmental activities was \$70,748,967 with \$15,987,329 of the total costs being financed by revenues generated by the governmental activities.
- For fiscal year 2013 instruction represents 57.8% of the total cost of all governmental activities of the District, compared to 59.0% in the prior year.
- For fiscal year 2013, Pupil Support Services (includes Technology, Guidance, Library, Health/Psychology/Speech services and attendance services) represents 9.0% of the total costs of all governmental activities of the District, compared to 8.1% in the prior year. The majority of this increase resulted from increased allocations in the technology area.
- For fiscal year 2013, Administration (includes Board of Education, District-wide, and Building level Administrative Services) represents 9.8% of the total costs of all governmental activities, compared to 8.7% in the prior year. The main reason for the increase in spending percentage in this category comes from movement of two Nichols Career Center administrator's salaries from an instructional code to an administrative code.
- For fiscal year 2013, the remaining categories (includes plant operation, transportation, food

service, and community services) represents 23.4% of the total costs of all governmental activities, compared to 24.2% in the prior year.

Financial Analysis of the District's Funds

The District's governmental funds reported combined fund balances of \$35,745,678, which is above last year's ending fund balances of \$29,059,389. At June 30, 2013, \$9,835,947 of the total fund balance is restricted bond proceeds, compared to \$0 at June 30, 2012.

The District made four budget amendments during the fiscal year. These amendments occurred in October, February, May and June. The District's Business Office has a goal to have the original operating budget fall within 2% of actual revenues and expenditures, while also having the final operating fund balance fall within 2% of the original budgeted balance. The District met this goal on all three fronts. On the revenue side, actual revenues came in exactly 2% above budgeted amounts. Operating expenditures came in much closer to expectations, as the final expenditures were only 0.3% lower than the original budget. The actual budget variances resulted in an operating deficit of \$723,483, while the original budget called for a deficit of revenues to expenses in the Operating Funds of \$1,231,854. This results in a difference of \$508,371, or 0.6% of annual expenditures which falls in line with the Business Office goal of budgeting.

The fund balance in the Debt Service Fund is \$11,710,788, of which \$9,835,947 is restricted. This leaves an unrestricted fund balance of \$1,874,841.

The balance of the Capital Projects Fund is \$2,759,435, of which all is assigned. These fund balances are limited to the stated use of the respective fund.

Capital Assets

As of June 30, 2013, the District had \$84,135,507, net of depreciation, in governmental activities invested in land, buildings and equipment. Over the last several years the District used bond proceeds and other District resources to improve and/or renovate virtually every building currently in use by the District. The District has a plan to renovate one of the existing elementary buildings every year.

Long-Term Debt

At year-end, the District had \$45,930,000 in general obligation bonds and \$943,693 in other long-term debt outstanding. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

The District issued \$9,335,000 of general obligation cross-over refunding bonds on December 15, 2012. The present value of the interest to be saved was estimated to be \$1,364,987. The amount of proceeds from the sale of the bonds will be held in escrow until the March 1, 2017 refunding date. Until that date the refunding issue and bonds to be refunded are both carried as an obligation of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Chief Financial Officer, 315 East Dunklin, Jefferson City, Missouri, 65101.

BASIC FINANCIAL STATEMENTS

JEFFERSON CITY PUBLIC SCHOOLS
STATEMENT OF NET POSITION ARISING FROM MODIFIED
CASH BASIS TRANSACTIONS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

	Primary Government	Component Unit
	Governmental Activities	Jefferson City Public Schools Foundation
ASSETS :		
Cash and investments	\$ 38,393,092	\$ 154,178
Prepaid expenses and other assets	4,539	59,799
Restricted investments held for cross-over refunding	9,835,947	-
Investments held for long-term purposes	-	385,209
Other long-term assets	-	24,959
Capital assets, net of accumulated depreciation	84,135,507	-
Total Assets	132,369,085	624,145
LIABILITIES:		
Current Liabilities:		
Accrued payroll expenses	7,573,735	-
Accounts payable	-	90,958
Non-Current Liabilities:		
Due Within One Year:		
Energy loans payable	114,173	-
Bonds payable	1,500,000	-
Due Beyond One Year:		
Energy loans payable	829,520	-
Bonds payable	44,430,000	-
Total Liabilities	54,447,428	90,958
NET ASSETS:		
Investment in capital assets, net of related debt	37,261,814	-
Restricted for cross-over bond refunding	9,835,947	-
Restricted for general obligation debt	1,874,841	-
Restricted for scholarships and awards	-	119,515
Unrestricted	28,949,055	413,672
Total Net Assets	\$ 77,921,657	\$ 533,187

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES ARISING FROM MODIFIED CASH BASIS TRANSACTIONS
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Program Receipts			Net Expenses and Changes in Net Assets		
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
Primary Government						
Regular instruction	\$ 31,909,605	\$ 67,324	\$ 764,445	\$ -	\$ (31,077,836)	\$ -
Special instruction	13,531,642	127,698	5,573,883	-	(7,830,061)	-
Vocational instruction	1,979,165	157,731	882,477	-	(938,957)	-
Student activities	1,417,604	1,148,832	-	-	(268,772)	-
Tuition paid to other districts	184,821	-	-	-	(184,821)	-
Student support services	2,835,107	-	-	-	(2,835,107)	-
Instructional support services	4,809,256	-	473,669	-	(4,335,587)	-
Board of Education services	829,149	-	-	-	(829,149)	-
Executive administration	3,085,474	-	-	-	(3,085,474)	-
Building level administration	4,386,974	-	-	-	(4,386,974)	-
Operation of plant	10,055,401	-	23,653	-	(10,031,748)	-
Pupil transportation	2,923,463	-	655,181	-	(2,268,282)	-
Food services	4,939,894	1,828,432	3,245,224	-	133,762	-
Adult education	1,004,500	481,580	318,018	-	(204,902)	-
Community services and other	880,926	-	239,182	-	(641,744)	-
Interest and fees	1,963,315	-	-	-	(1,963,315)	-
Total	\$ 86,736,296	\$ 3,811,597	\$ 12,175,732	\$ -		
Component Unit						
Jefferson City Public Schools Foundation	\$ 151,492	\$ -	\$ 218,208	\$ -		66,716
General Revenues:						
Property and sales taxes					56,345,136	
General State/Federal aid					16,603,700	
Earnings on investments					499,545	
Other					237,230	
Increase/(decrease) in net assets					2,936,644	66,716
Net Assets, June 30, 2012					74,985,013	466,471
Net Assets, June 30, 2013					\$ 77,921,657	\$ 533,187

JEFFERSON CITY PUBLIC SCHOOLS
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES ARISING FROM
 MODIFIED CASH TRANSACTIONS - ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 2013

	Governmental Fund Types				Total Governmental Funds June 30, 2013
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	
ASSETS:					
Cash and investments	\$ 22,267,390	\$ 6,577,261	\$ 11,710,788	\$ 2,759,435	\$ 43,314,874
Prepaid expenses	4,539	-	-	-	4,539
TOTAL ASSETS	\$ 22,271,929	\$ 6,577,261	\$ 11,710,788	\$ 2,759,435	\$ 43,319,413
LIABILITIES:					
Accrued payroll expenses	\$ 996,474	\$ 6,577,261	\$ -	\$ -	\$ 7,573,735
FUND BALANCES:					
Nonspendable	4,539	-	-	-	4,539
Restricted, Cross-over refunding bonds	-	-	9,835,947	-	9,835,947
Restricted, General Obligation debt	-	-	1,874,841	-	1,874,841
Assigned, subsequent year's budget	897,875	-	-	-	897,875
Assigned, capital projects	-	-	-	2,759,435	2,759,435
Assigned, student activity accounts	339,640	-	-	-	339,640
Unassigned	20,033,401	-	-	-	20,033,401
Total Fund Balances	21,275,455	-	11,710,788	2,759,435	35,745,678
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,271,929	\$ 6,577,261	\$ 11,710,788	\$ 2,759,435	

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.
 Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
 Internal service funds are used by management to charge the costs of providing employee benefits to individual funds.
 The net assets of the internal service fund are included in governmental activities in the statement of position.

84,135,507
(46,873,693)
<u>4,914,165</u>
<u>\$ 77,921,657</u>

Net assets of governmental activities

JEFFERSON CITY PUBLIC SCHOOLS
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2013

	Governmental Fund Types				Total June 30, 2013
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	
REVENUES COLLECTED:					
Local	\$ 46,409,307	\$ 7,205,603	\$ 2,471,731	\$ 391,697	\$ 56,478,338
County	3,123,378	664,150	295,956	-	4,083,484
State	3,937,115	14,585,132	-	2,428,025	20,950,272
Federal	7,954,793	225	-	-	7,955,018
Other	-	203,989	-	1,839	205,828
Total Revenues Collected	<u>61,424,593</u>	<u>22,659,099</u>	<u>2,767,687</u>	<u>2,821,561</u>	<u>89,672,940</u>
EXPENDITURES PAID:					
Regular instruction	1,295,447	30,962,326	-	68,759	32,326,532
Special instruction	4,033,610	9,705,795	-	14,147	13,753,552
Vocational instruction	270,123	1,798,093	-	88,128	2,156,344
Student activities	1,417,604	-	-	-	1,417,604
Tuition paid to other districts	-	184,821	-	-	184,821
Student support services	814,949	2,075,635	-	-	2,890,584
Instructional support services	3,071,028	1,505,190	-	343,993	4,920,211
Board of Education services	682,100	141,640	-	5,409	829,149
Executive administration	2,150,360	962,853	-	-	3,113,213
Building level administration	1,245,903	3,204,489	-	-	4,450,392
Operation of plant	6,972,119	-	-	139,546	7,111,665
Pupil transportation	2,978,940	-	-	-	2,978,940
Food services	4,938,483	-	-	41,014	4,979,497
Adult education	745,469	269,272	-	3,628	1,018,369
Community services and other	391,511	489,415	-	-	880,926
Non-current:					
Interest and fees	-	-	1,922,052	41,263	1,963,315
Principal retirement	-	-	1,300,000	109,950	1,409,950
Facilities acquisition/construction	-	-	-	5,936,587	5,936,587
Total Expenditures Paid	<u>31,007,646</u>	<u>51,299,529</u>	<u>3,222,052</u>	<u>6,792,424</u>	<u>92,321,651</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>30,416,947</u>	<u>(28,640,430)</u>	<u>(454,365)</u>	<u>(3,970,863)</u>	<u>(2,648,711)</u>
OTHER FINANCING SOURCES/(USES):					
Issuance of cross-over refunding bonds	-	-	9,335,000	-	9,335,000
Transfers between funds	(31,140,430)	28,640,430	-	2,500,000	-
Total Other Financing Sources/(Uses)	<u>(31,140,430)</u>	<u>28,640,430</u>	<u>9,335,000</u>	<u>2,500,000</u>	<u>9,335,000</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	<u>(723,483)</u>	<u>-</u>	<u>8,880,635</u>	<u>(1,470,863)</u>	<u>6,686,289</u>
FUND BALANCES, BEGINNING OF YEAR	<u>21,998,938</u>	<u>-</u>	<u>2,830,153</u>	<u>4,230,298</u>	
FUND BALANCES, END OF YEAR	<u>\$ 21,275,455</u>	<u>\$ -</u>	<u>\$ 11,710,788</u>	<u>\$ 2,759,435</u>	

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities capital costs are allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays exceeded depreciation.	3,065,856
Internal service funds are used by the District to charge the cost of providing employee benefits to individual funds. The net expense of the internal service fund is reported within governmental funds.	1,109,549
The issuance of long-term debt provides current financial resources but does not impact net position.	(9,335,000)
Repayment of the principal of long-term debt consumes the current financial resources but has no effect on net assets of governmental funds.	1,409,950
Changes in net assets of governmental activities	<u>\$ 2,936,644</u>

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
GENERAL (INCIDENTAL) FUND
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES COLLECTED:				
Local	\$ 45,619,000	\$ 46,409,307	\$ 46,409,307	\$ -
County	3,611,849	3,123,378	3,123,378	-
State	3,506,504	3,937,115	3,937,115	-
Federal	7,342,916	7,954,793	7,954,793	-
Total Revenues Collected	<u>60,080,269</u>	<u>61,424,593</u>	<u>61,424,593</u>	<u>-</u>
EXPENDITURES PAID:				
Regular instruction	1,402,558	1,295,447	1,295,447	-
Special instruction	4,367,146	4,033,610	4,033,610	-
Vocational instruction	258,133	270,123	270,123	-
Student activities	1,645,050	1,417,604	1,417,604	-
Student support services	811,257	814,949	814,949	-
Instructional support services	2,478,458	3,071,028	3,071,028	-
Board of Education services	651,900	682,100	682,100	-
Executive administration	1,963,229	2,150,360	2,150,360	-
Building level administration	1,176,566	1,245,903	1,245,903	-
Operation of plant	6,817,588	6,972,119	6,972,119	-
Pupil transportation	2,923,616	2,978,940	2,978,940	-
Food services	4,976,926	4,938,483	4,938,483	-
Adult education	248,130	745,469	745,469	-
Community services and other	475,567	391,511	391,511	-
Total Expenditures Paid	<u>30,196,124</u>	<u>31,007,646</u>	<u>31,007,646</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	29,884,145	30,416,947	30,416,947	-
OTHER FINANCING SOURCES/(USES):				
Transfers to other funds	<u>(31,115,999)</u>	<u>(31,140,430)</u>	<u>(31,140,430)</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	(1,231,854)	(723,483)	(723,483)	-
FUND BALANCE, BEGINNING OF YEAR	<u>21,998,938</u>	<u>21,998,938</u>	<u>21,998,938</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 20,767,084</u>	<u>\$ 21,275,455</u>	<u>\$ 21,275,455</u>	<u>\$ -</u>

JEFFERSON CITY PUBLIC SCHOOLS
SPECIAL REVENUE (TEACHERS) FUND
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES COLLECTED:				
Local	\$ 7,729,500	\$ 7,205,603	\$ 7,205,603	\$ -
County	293,000	664,150	664,150	-
State	14,100,000	14,585,132	14,585,132	-
Federal	4,100	225	225	-
Received from other districts	189,500	203,989	203,989	-
Total Revenues Collected	<u>22,316,100</u>	<u>22,659,099</u>	<u>22,659,099</u>	<u>-</u>
EXPENDITURES PAID:				
Regular instruction	31,460,619	30,962,326	30,962,326	-
Special instruction	9,500,930	9,705,795	9,705,795	-
Vocational instruction	2,200,289	1,798,093	1,798,093	-
Tuition paid to other districts	252,000	184,821	184,821	-
Student support services	2,090,000	2,075,635	2,075,635	-
Instructional support services	1,624,739	1,505,190	1,505,190	-
Board of Education services	128,500	141,640	141,640	-
Executive administration	901,031	962,853	962,853	-
Building level administration	2,697,425	3,204,489	3,204,489	-
Pupil transportation	139,000	-	-	-
Adult education	848,766	269,272	269,272	-
Community services and other	488,800	489,415	489,415	-
Total Expenditures Paid	<u>52,332,099</u>	<u>51,299,529</u>	<u>51,299,529</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(30,015,999)	(28,640,430)	(28,640,430)	-
OTHER FINANCING SOURCES/(USES):				
Transfers from general fund	30,015,999	28,640,430	28,640,430	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
 STATEMENT OF NET ASSETS
 MODIFIED CASH BASIS
 PROPRIETARY FUND TYPES
 JUNE 30, 2013

	Internal Service Fund
ASSETS:	
Cash and investments	\$ 4,914,165
TOTAL ASSETS	4,914,165
LIABILITIES:	
None	-
NET ASSETS:	
Unrestricted net assets	4,914,165
TOTAL NET ASSETS	\$ 4,914,165

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
 STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
 AND CHANGES IN NET ASSETS -
 PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 2013

	<u>Internal Service Fund</u>
OPERATING REVENUES COLLECTED:	
Cash received from premiums	\$ 8,020,761
Interest	26,648
Total Revenues Collected	<u>8,047,409</u>
OPERATING EXPENDITURES PAID:	
Medical claims paid and administrative fees	<u>6,937,860</u>
Total Expenditures Paid	<u>6,937,860</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	1,109,549
NET ASSETS, BEGINNING OF YEAR	<u>3,804,616</u>
NET ASSETS, END OF YEAR	<u>\$ 4,914,165</u>

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND TYPES
JUNE 30, 2013

	<u>Scholarship Fund</u>
ASSETS:	
Cash and investments	\$ 1,101,548
TOTAL ASSETS	<u>\$ 1,101,548</u>
LIABILITIES:	
Payable for Scholarships	\$ 1,101,548
TOTAL LIABILITIES	<u>\$ 1,101,548</u>

See Notes to Financial Statements

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jefferson City Public Schools (the "District") have been prepared in conformity with the modified cash basis of accounting. As such, these financial statements reflect the cash and investment position of the District and the receipts and disbursements arising from cash activities. Additionally, these financial statements include the capital assets, long term debt and accrued payroll expenses of the District as modifications to the cash basis of accounting. The significant accounting policies of the District are described below.

A. Reporting Entity

The District is governed by an elected seven-member board. Jefferson City Public Schools' Board of Education (the "Board") is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The accompanying financial statements present the activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (a) the District is able to significantly influence the programs or services performed or provided by the organization; or (b) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District is not a component unit of another reporting entity.

The District has one material component unit which is presented as a discretely presented component unit in the District-wide financial statements. The Jefferson City Public Schools Foundation (the "Foundation") provides annual program grants to the District from funds raised through its own fundraising efforts. Generally accepted accounting principles provide guidance to determine whether certain organizations for which the District is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. The District has determined that the Foundation meets this definition for inclusion in the District's financial statements as a component unit. The Foundation is a nonprofit organization and it follows guidance of the Financial Accounting Standards Board for its financial reporting. As such, certain revenue recognition criteria and presentation features are different from the modified cash basis revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented. The Foundation's fiscal year ends on June 30, and the accompanying financial statements include financial information for its fiscal year ended June 30, 2013. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, P. O. Box 2152, Jefferson City, MO 65102.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. District-wide and Fund Financial Statements

District-wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall District, in its entirety. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or 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 that are not classified as program revenues, including all taxes, are presented as general revenues. Fiduciary funds are excluded from the District-wide financial statements.

Fund Financial Statements:

During the year, the District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental funds is on "major funds." Each major fund is presented in a separate column. The District does not maintain any non-major funds.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund-The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Teachers Fund -The Teachers Fund is required to be established by state law and may be used for the payment of salaries and insurance benefits for certificated personnel. The fund's revenues may include property taxes, investment income, and county, state, and federal aid. The fund is also used to account for certain tuition payments made between school districts. The fund's expenditures generally exceed allocated revenues. Accordingly, transfers from the general fund cover the deficit and the fund operates with no fund balance.

Debt Service Fund -The Debt Service Fund accounts for the revenue collected from local taxation restricted for the payment of principal and interest on bonded indebtedness, including bond refunding.

Capital Projects Fund -The Capital Projects Fund accounts for expenditures from the proceeds of bond issues, investment income earned on the proceeds and other revenues designated for acquisition or construction of capital assets. The expenditures include capital outlay projects and equipment purchases for instructional and support programs.

Proprietary Funds:

Proprietary Funds focus on the determination of changes in net assets, financial position, and cash flows and are classified as either enterprise or internal service. The District has no enterprise funds.

Internal Service Fund -Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. The District's Internal Service Fund was established to account for a self-funded employee medical insurance benefits program. The premiums received by the Internal Service Fund are transferred from other funds as an expense related to employment, amounts withheld from employees and premiums received from retirees. Claims paid, direct insurance payments, and administrative costs are expenses of this fund. All revenues and expenses of the Internal Service Fund are classified as operating.

Fiduciary Funds:

Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and, therefore, are not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The District's Fiduciary Fund is an agency fund, which is used to account for financial activities of scholarship programs.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting, Measurement Focus and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district-wide financial statements are prepared using the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid. However, the district-wide financial statements have been modified from the cash basis of accounting to include investments, certain prepaid expenses and capital assets (including accumulated depreciation) as assets of the District. Additionally, the long term debt and accrued payroll expenses of the District are included as liabilities in the district-wide financial statements.

Governmental fund financial statements are also prepared using the modified cash basis of accounting. Investments, certain prepaid expenses and accrued payroll expenses are added to the assets and liabilities of the funds. Revenues are recognized when received and expenditures are recognized when paid.

E. Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 2) Prior to July, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4) Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to 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. The budget was amended at the October 1 & 9, 2012, February 1, 2013, May 13, 2013 and June 17, 2013 board meetings. The final budget amendment was to approve actual revenues and expenditures equal to the budget.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 6) Budgets for District funds are prepared and adopted on the cash basis of accounting, which recognizes revenues when collected and expenditures when paid.

F. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments. Investments of the pooled accounts consist primarily of certificates of deposit, money market checking accounts, direct U.S. government obligations and obligations of U.S. government agencies. Interest income earned is allocated to contributing funds based on cash and temporary investment balances. All governmental funds except the Debt Service Fund participate in the pooled cash and investments. State law requires the Debt Service Fund's cash to be maintained separately.

G. Capital Assets

Capital assets include land, buildings, furniture and equipment and are reported in the district-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. All land purchases are capitalized. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The District does not own any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets being constructed and in progress as of the date of the financial statements are reported as Construction in Progress (see Note 6). All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over their estimated useful lives.

H. Liabilities and Long Term Obligations

Long term obligations are reported only in the district-wide financial statements as liabilities.

In the fund financial statements, proceeds from sales of bonded indebtedness are recorded as revenue when received. Repayments are recognized as expenditures when the disbursements are made. Interest on bonded indebtedness is recorded when it is disbursed.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Depreciation is the primary estimate.

J. Fund Balance Reporting

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District has no policies regarding fund balance classification. Missouri law establishes that the Board of Education is the highest level of decision making authority. Restricted assets include cash and investments restricted as to their use. The District first utilizes restricted resources to finance qualifying activities. The classifications are as follows:

- *Nonspendable Fund Balance*-The Nonspendable Fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance*-Fund balance should be reported as restricted when constraints placed on the use of resources are either:
 - a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - b. Imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*-Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance.
- *Assigned Fund Balance*-Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance, except for stabilization arrangements. Typically, assigned fund balances are the residual balance of governmental funds, other than the general fund.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Unassigned Fund Balance*-Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their 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.

L. Vacation and Sick Leave

Vacation time, personal business days, and sick leave are considered expenditures in the year paid. Amounts that are unused and which are vested in the employee are payable upon termination, in accordance with Board of Education policies. The amount of this liability has not been calculated.

NOTE 2: RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net assets of governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$46,873,693 difference are as follows:

Energy Loan Payable	\$ 943,693
General Obligation Bonds	<u>45,930,000</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 46,873,693</u>

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 2: RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in assets of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital costs are allocated over their estimated useful lives through depreciation expense." The details of this \$3,065,856 difference are as follows:

Land acquisition	\$ 3,186,828
Construction and improvements to buildings	2,803,722
Equipment and vehicles	128,482
Less: Depreciation expense	<u>(3,053,176)</u>
Net adjustments to increase net changes in fund balances of total governmental activities	<u>\$ 3,065,856</u>

Another element of that reconciliation states that "Repayment of the principal of long-term debt consumes the current financial resources but has no effect on net assets of governmental funds." The details of this \$1,409,950 difference are as follows:

Energy loan principal	\$ 109,950
Bond principal	<u>1,300,000</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,409,950</u>

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits:

At June 30, 2013, the carrying value of the District's deposits was \$37,979,958 and the bank balance was \$39,063,048. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U. S. Treasury, U. S. agencies or instrumentalities of the state of Missouri; bonds of any city having a population of not less than two thousand, county, school district or special road district of the state of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits.

Investments:

The District may legally invest in direct obligations of and other obligations guaranteed as to principal by the U. S. Treasury and U. S. agencies and instrumentalities; obligations guaranteed by the full faith and credit of the state of Missouri; repurchase agreements; certificates of deposit; bankers acceptances; and commercial paper. The Missouri School District Direct Deposit Program also operates under state law and is restricted to the above investments.

Cash balances of the component unit are invested in accordance with the Foundation Board's investment policy, which is constrained by the prudent investor rule and focuses on the modern portfolio theory of investment. The Foundation may invest in common investment funds, mutual funds, fixed income securities, equities and cash equivalent instruments. Fixed income securities must be rated "A" or better by Standard and Poor's or by Moody's rating agencies.

Interest rate risk-The District's investment policy does not specifically address interest rate risk. However, the District manages its exposure to declines in fair values by investing in bank certificates, U. S. Treasury and Agency Securities, and managed external investment pools. The investments in the Missouri Direct Deposit Program external investment pool are presented with a maturity of less than 1 year because they are redeemable at six month intervals to coincide with the District's general obligation bond principal and interest debt service requirements.

The Foundation's investment policy does not specifically address interest rate risk.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2013, the District's overnight repurchase agreement was backed by debt securities of the U.S. government and its agencies. The District's investment in the Missouri School District Direct Deposit Program is not rated.

The Foundation's investment policy states that investments in fixed income securities must be rated "A" by either Standard and Poor's or Moody's rating agencies.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Concentration of credit risk-The District's investment policy does not specifically address credit risk. However, the District primarily invests in debt securities of the U.S. government and its agencies.

The Foundation's investment policy does not specifically address concentration of credit risk.

Custodial credit risk—investments-For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments are held by financial institutions in the name of the District.

The Foundation's investment policy states that cash invested in money market funds or certificates of deposit must not exceed federal insured amounts at any time.

As of June 30, 2013, the District (primary government) had the following deposits and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
Overnight, U.S. Agency Security collateralized repurchase agreement	\$ 630,243	0
United States Treasury note	9,835,947	3.6 years
Missouri School District deposit external investment pool	<u>884,439</u>	6 months
Total Investments	11,350,629	
Deposits	<u>37,979,958</u>	
Total Deposits and Investments	<u>\$ 49,330,587</u>	
Financial Statements:		
Governmental Funds	\$ 43,314,874	
Proprietary Funds	4,914,165	
Agency Funds	<u>1,101,548</u>	
Total	<u>\$ 49,330,587</u>	

As of June 30, 2013, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 2,428
Equity funds	271,295
Fixed income funds	<u>111,486</u>
Total Investments	<u>\$ 385,209</u>

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 4: TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and payable by December 31. The County collects the property tax and remits it to the District on a monthly basis.

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

The assessed valuation of the tangible taxable property for the calendar year 2012, for purposes of local taxation, was \$1,200,133,337.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2012, for purposes of local taxation, was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General (Incidental) Fund	\$ 3.7642	\$ 3.4714
Debt Service Fund	0.2056	0.2056
Total	\$ 3.9698	\$ 3.6770

The aggregate receipts of current and delinquent property taxes during the year ending June 30, 2012, were approximately 100% of the current property tax assessment.

NOTE 5: LONG TERM DEBT

The following is a summary of long term debt transactions for the year ended June 30, 2013:

	<u>Bonds</u>	<u>Notes</u>
Payable, July 1, 2012	\$ 37,895,000	\$ 1,053,643
Retired	(1,300,000)	(109,950)
Issued	9,335,000	0
Payable, June 30, 2013	\$ 45,930,000	\$ 943,693

Bonds payable consist of:

	<u>Remaining Balance</u>
\$41,495,000 general obligation bonds, dated June 15, 2007, due in varying annual installments through March 1, 2027; interest at 4.0% to 5.3%.	\$ 36,595,000
\$9,335,000 general obligation cross-over refunding bonds, dated December 15, 2012, due in varying annual installments through March 1, 2027; interest at 2.0%.	9,335,000
Total	\$ 45,930,000

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 5: LONG TERM DEBT (continued)

The cross-over refunding bond issue resulted in net proceeds of \$9,835,947 which will be held in escrow until March 1, 2017. At that time a portion of the 2007 bond issue will be refunded. Interest earned on the escrow account will be used to pay the interest cost of the cross-over debt until the March 1, 2017 cross-over date. The estimated interest savings from the debt refinancing is \$1,364,987. The cost of the new bond issue was \$43,000.

The annual requirements to amortize the bonds payable are:

Fiscal Year Ending		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>				
2014	\$	1,500,000	\$ 1,770,144	\$ 3,270,144
2015		1,700,000	1,706,394	3,406,394
2016		1,800,000	1,634,144	3,434,144
2017		1,900,000	1,557,644	3,457,644
2017 Cross-over refunding		9,220,000	0	9,220,000
2018		2,000,000	1,207,300	3,207,300
2019-2023		13,000,000	4,336,501	17,336,501
2024-2027		14,810,000	1,070,901	15,880,901
Total		<u>\$ 45,930,000</u>	<u>\$ 13,283,028</u>	<u>\$ 59,213,028</u>

Article VI, Section 26(b), of the Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a District to fifteen percent of the assessed valuation of the District. The approximate legal debt margin (excluding state-assessed railroad and utility) of the District at June 30, 2013, was:

Constitution debt limit	\$ 180,020,001
General obligation bonds payable	(45,930,000)
Amount in Debt Service Fund available for repayment of principal	<u>11,710,788</u>
Total	<u>\$ 145,800,789</u>

Notes payable consist of:

The District has two outstanding loans from the Missouri Department of Natural Resources (DNR) - Energy Division to finance energy saving improvements to the District's facilities. The first loan carries an interest rate of 3.55% and the second loan carries an interest rate of 4.00%.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 5: LONG TERM DEBT (continued)

The remaining debt service requirements are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	Combined <u>Interest</u>	<u>Total</u>
2014	\$ 114,172	\$ 37,041	\$ 151,213
2015	118,556	32,657	151,213
2016	123,109	28,104	151,213
2017	127,838	23,375	151,213
2018	90,519	18,700	109,219
2019-2023	<u>369,499</u>	<u>43,278</u>	<u>412,777</u>
Total	<u>\$ 943,693</u>	<u>\$ 183,155</u>	<u>\$ 1,126,848</u>

NOTE 6: CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2012:

	Balance <u>June 30, 2012</u>	<u>Additions</u>	Placed in <u>Service</u>	<u>Depreciation</u>	Balance <u>June 30, 2013</u>
Land	\$ 2,170,901	\$ 3,186,828	\$ 0	\$ 0	\$ 5,357,729
Construction in progress	160,490	283,843	(160,490)	0	283,843
Buildings and improvements	107,579,531	2,519,879	160,490	0	110,259,900
Equipment	3,907,496	128,482	0	0	4,035,978
Accumulated depreciation	<u>(32,748,767)</u>	<u>0</u>	<u>0</u>	<u>(3,053,176)</u>	<u>(35,801,943)</u>
Total	<u>\$ 81,069,651</u>	<u>\$ 6,119,032</u>	<u>\$ 0</u>	<u>\$ (3,053,176)</u>	<u>\$ 84,135,507</u>

Depreciation is primarily allocated to operation of plant. Depreciation is calculated using the straight-line method over the estimated useful life of each asset. Original building construction and major improvements are depreciated over 75 years. Equipment useful lives range from 5 to 20 years.

NOTE 7: RETIREMENT PLAN

Jefferson City Public Schools contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by the Public School Retirement System of Missouri are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010 - .141 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7: RETIREMENT PLAN (Continued)

PSRS members are required to contribute 14.50% of their annual covered salary and Jefferson City Public Schools is required to contribute a matching amount. The contribution requirements of members and Jefferson City Public Schools are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ended June 30, 2013, were \$6,224,651, equal to the required contributions. The contributions for the last three fiscal years are as follows:

Year Ended <u>June 30,</u>	Amount of Employer <u>Contribution</u>	Percentage of <u>Contribution</u>
2013	\$ 6,224,651	14.50%
2012	6,097,262	14.50%
2011	5,718,604	14.00%

Jefferson City Public Schools also contributes to the Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Positions covered by the Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600 - .715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.86% of their annual covered salary and Jefferson City Public Schools is required to contribute a matching amount. The contribution requirements of members and Jefferson City Public Schools are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ended June 30, 2013, were \$845,436, equal to the required contributions. The contributions for the last three fiscal years are as follows:

Year Ended <u>June 30,</u>	Amount of Employer <u>Contribution</u>	Percentage of <u>Contribution</u>
2013	\$ 845,436	6.86%
2012	830,088	6.86%
2011	772,986	6.63%

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 8: INDIVIDUAL FUND DISCLOSURES

Transfers-The District routinely transfers amounts from the General Fund to the Teachers Fund and the Capital Projects Fund in accordance with regulations of the State of Missouri. The amounts transferred to the Teachers Fund are required to balance the fund's revenues and expenditures. The District maintains a Teachers Fund balance of zero at the beginning and end of each fiscal year.

Transfers to the Capital Projects Fund from the General Fund are for amounts allowed by State regulation.

<u>Type of Transfers</u>	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Capital Projects Fund</u>
Teachers' Fund	\$ (28,640,430)	\$ 28,640,430	\$ 0
\$162,326 or 7% X SAT X WADA	<u>(2,500,000)</u>	<u>0</u>	<u>2,500,000</u>
Total net transfers	<u>\$ (31,140,430)</u>	<u>\$ 28,640,430</u>	<u>\$ 2,500,000</u>

Assigned Fund Balance-The assigned fund balance "Assigned, subsequent year's budget" represents the budget deficits approved by the Board of Education for the applicable funds for the 2014 fiscal year.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

NOTE 10: CONTINGENT LIABILITIES

Grants

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 a request for reimbursement or to withholding of future funding for expenditures disallowed for noncompliance with the terms of the grants and state funding. The federal and state granting agencies will determine whether or not any expenditures will be disallowed. The District is not aware of any noncompliance with federal or state provisions that might require the District to provide reimbursement.

Health Insurance

The District is covered by an excess loss contract on its medical benefits program. This contract provides specific stop-loss coverage for claims in excess of \$150,000 per individual. However, a special provision has been added to the stop-loss coverage whereby the District retains liability for up to \$100,000 of aggregated claims above the stop-loss threshold. The District retains the obligation to pay claims below these levels.

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 10: CONTINGENT LIABILITIES (Continued)

Litigation

The District may periodically be the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

NOTE 12: CONSTRUCTION COMMITMENTS

The District customarily engages in construction during the summer month for various renovations and improvements to facilities. At June 30, 2013, the District was committed to a renovation contract totaling \$1,912,120. This commitment will be paid from the District's Capital Projects fund.

SUPPLEMENTARY
INFORMATION

JEFFERSON CITY PUBLIC SCHOOLS
DEBT SERVICE FUND
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES COLLECTED:				
Local	\$ 2,660,000	\$ 2,471,731	\$ 2,471,731	\$ -
County	295,000	295,956	295,956	-
Total Revenues Collected	<u>2,955,000</u>	<u>2,767,687</u>	<u>2,767,687</u>	<u>-</u>
EXPENDITURES PAID:				
Principal retirements	1,300,000	1,300,000	1,300,000	-
Interest and fees	1,830,000	1,922,052	1,922,052	-
Total Expenditures Paid	<u>3,130,000</u>	<u>3,222,052</u>	<u>3,222,052</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(175,000)	(454,365)	(454,365)	-
OTHER FINANCING SOURCES/(USES):				
Issuance of cross-over refunding bonds	-	9,335,000	9,335,000	-
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	(175,000)	8,880,635	8,880,635	-
FUND BALANCE, BEGINNING OF YEAR	<u>2,830,153</u>	<u>2,830,153</u>	<u>2,830,153</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,655,153</u>	<u>\$ 11,710,788</u>	<u>\$ 11,710,788</u>	<u>\$ -</u>

JEFFERSON CITY PUBLIC SCHOOLS
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES COLLECTED:				
Local	\$ 359,000	\$ 391,697	\$ 391,697	\$ -
State	2,437,005	2,428,025	2,428,025	-
Other	1,000	1,839	1,839	-
Total Revenues Collected	<u>2,797,005</u>	<u>2,821,561</u>	<u>2,821,561</u>	<u>-</u>
EXPENDITURES PAID:				
Regular instruction	160,187	68,758	68,759	-
Special instruction	33,000	14,147	14,147	-
Vocational instruction	112,600	88,128	88,128	-
Instructional support services	370,000	343,993	343,993	-
Board of Education services	-	5,409	5,409	-
Operation of plant	330,000	139,546	139,546	-
Food services	40,000	41,014	41,014	-
Adult education	-	3,628	3,628	-
Principal retirement	110,000	109,950	109,950	-
Interest and fees	41,500	41,263	41,263	-
Facilities acquisition/construction	2,500,000	5,936,587	5,936,587	-
Total Expenditures Paid	<u>3,697,287</u>	<u>6,792,423</u>	<u>6,792,424</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(900,282)	(3,970,862)	(3,970,863)	-
OTHER FINANCING SOURCES/(USES):				
Transfers from general fund	<u>1,100,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	199,718	(1,470,862)	(1,470,863)	-
FUND BALANCE, BEGINNING OF YEAR	<u>4,230,298</u>	<u>4,230,298</u>	<u>4,230,298</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,430,016</u>	<u>\$ 2,759,436</u>	<u>\$ 2,759,435</u>	<u>\$ -</u>

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF REVENUES COLLECTED BY SOURCE
YEAR ENDED JUNE 30, 2013

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total June 30, 2013
LOCAL:					
Current taxes	\$ 40,239,719	\$ -	\$ 2,383,490	\$ -	\$ 42,623,209
Delinquent taxes	984,829	-	49,807	-	1,034,636
Sales taxes	-	7,188,729	-	-	7,188,729
Financial institution taxes	147,343	-	-	56,130	203,473
M & M and in lieu of taxes	899,762	-	-	311,843	1,211,605
Tuition	502,646	-	-	-	502,646
Earnings on investments	434,102	16,874	38,434	10,136	499,546
Food service	1,828,432	-	-	-	1,828,432
Student body activities	1,148,832	-	-	-	1,148,832
Other local	223,642	-	-	13,588	237,230
Total Local	<u>46,409,307</u>	<u>7,205,603</u>	<u>2,471,731</u>	<u>391,697</u>	<u>56,478,338</u>
COUNTY:					
Fines, escheats, and etc.	-	664,150	-	-	664,150
State assessed utility taxes	1,418,898	-	194,996	-	1,613,894
County stock insurance fund	1,704,480	-	100,960	-	1,805,440
Total County	<u>3,123,378</u>	<u>664,150</u>	<u>295,956</u>	<u>-</u>	<u>4,083,484</u>
STATE:					
Basic formula - state monies	-	13,643,225	-	-	13,643,225
Transportation	655,181	-	-	-	655,181
Early childhood special education	1,496,913	-	-	206,000	1,702,913
Basic formula - Classroom Trust Fund	-	941,907	-	2,155,000	3,096,907
Vocational/at risk	30,000	-	-	-	30,000
Educational screening program/PAT	239,182	-	-	-	239,182
Vocational/technical aid	555,181	-	-	-	555,181
Food service - state	40,666	-	-	-	40,666
Adult Education and Literacy (AEL)	160,178	-	-	-	160,178
Voc/Tech Ed Enhancement Grant	37,700	-	-	67,025	104,725
A+ schools grant	90,651	-	-	-	90,651
State Emergency Management Agency (SEMA) Funds	12,355	-	-	-	12,355
High need fund	594,718	-	-	-	594,718
Other state	24,390	-	-	-	24,390
Total State	<u>3,937,115</u>	<u>14,585,132</u>	<u>-</u>	<u>2,428,025</u>	<u>20,950,272</u>
FEDERAL:					
Medicaid	127,698	-	-	-	127,698
Perkins Basic Grant, career education	192,572	-	-	-	192,572
Workforce investment act (WIA)	18,231	-	-	-	18,231
Adult Education and Literacy (AEL)	139,608	-	-	-	139,608
IDEA Grants	36,512	-	-	-	36,512
IDEA Entitlement Funds, Part B IDEA	2,029,938	-	-	-	2,029,938
Early childhood special education	272,116	-	-	-	272,116
School lunch program	2,135,061	-	-	-	2,135,061
School breakfast program	763,462	-	-	-	763,462
Fresh fruits and vegetable program	47,814	-	-	-	47,814
Title I, ESEA	1,532,405	-	-	-	1,532,405
Title IV, Drug Free Schools	-	-	-	-	-
Title III, ESEA - english language acquisition	41,911	-	-	-	41,911
Title II, Part A, ESEA - teacher & principal quality	337,237	-	-	-	337,237
Federal emergency Management Agency (FEMA) funds	21,813	-	-	-	21,813
Department of Health food service program	258,221	-	-	-	258,221
Other federal	194	225	-	-	419
Total Federal	<u>7,954,793</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>7,955,018</u>
OTHER:					
Tuition received	-	203,989	-	-	203,989
Sale of property	-	-	-	1,839	1,839
Total Other	<u>-</u>	<u>203,989</u>	<u>-</u>	<u>1,839</u>	<u>205,828</u>
TOTAL REVENUES COLLECTED	<u>\$ 61,424,593</u>	<u>\$ 22,659,099</u>	<u>\$ 2,767,687</u>	<u>\$ 2,821,561</u>	<u>\$ 89,672,940</u>

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES PAID BY OBJECT
YEAR ENDED JUNE 30, 2013

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total June 30, 2013
SALARIES:	\$ 11,656,407	\$ 40,137,955	\$ -	\$ -	\$ 51,794,362
EMPLOYEE BENEFITS:					
Teacher retirement	105,463	6,119,188	-	-	6,224,651
Non-teacher retirement	823,235	22,201	-	-	845,436
Social security/Medicare	828,747	649,643	-	-	1,478,390
Employee insurance	2,223,746	4,147,601	-	-	6,371,347
PURCHASED SERVICES:					
Tuition	-	222,941	-	-	222,941
Professional services	510,451	-	-	-	510,451
Audit	22,855	-	-	-	22,855
Legal services	105,837	-	-	-	105,837
Technical services	128,347	-	-	-	128,347
Property services	660,033	-	-	-	660,033
Contracted transportation	2,490,669	-	-	-	2,490,669
Travel	334,005	-	-	-	334,005
Property/Liab. insurance	212,192	-	-	-	212,192
Fidelity premiums	385	-	-	-	385
Other purchased services	709,195	-	-	-	709,195
SUPPLIES:					
General supplies	4,996,798	-	-	-	4,996,798
Regular textbook	70,297	-	-	-	70,297
Library books	187,397	-	-	-	187,397
Periodicals	473,889	-	-	-	473,889
Food supplies	2,231,188	-	-	-	2,231,188
Energy supplies/service	1,940,566	-	-	-	1,940,566
Other supplies	295,944	-	-	-	295,944
CAPITAL OUTLAY:					
Land, building and improvements	-	-	-	5,936,587	5,936,587
Equipment - general	-	-	-	81,047	81,047
Equipment - instructional apparatus	-	-	-	623,577	623,577
Principal retirement	-	-	1,300,000	109,950	1,409,950
Interest and fees	-	-	1,922,052	41,263	1,963,315
TOTAL EXPENDITURES	<u>\$ 31,007,646</u>	<u>\$ 51,299,529</u>	<u>\$ 3,222,052</u>	<u>\$ 6,792,424</u>	<u>\$ 92,321,651</u>

JEFFERSON CITY PUBLIC SCHOOLS
 SCHEDULE OF STUDENT ACTIVITY REVENUES RECEIVED, EXPENDITURES PAID
 AND CHANGES IN ACTIVITY FUND BALANCES BY BUILDING
 YEAR ENDED JUNE 30, 2013

	<u>Balance June 30, 2012</u>	<u>Revenues Received</u>	<u>Expenditures Paid</u>	<u>Balance June 30, 2013</u>
High School	\$ 169,362	\$ 824,776	\$ (877,626)	\$ 116,512
Thomas Jefferson	30,429	37,964	(41,344)	27,049
Lewis and Clark	27,254	47,181	(42,664)	31,771
Elementary	129,362	198,170	(168,569)	158,963
Other	<u>32,853</u>	<u>40,741</u>	<u>(68,249)</u>	<u>5,345</u>
Total	<u>\$ 389,260</u>	<u>\$ 1,148,832</u>	<u>\$ (1,198,452)</u>	<u>\$ 339,640</u>

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF SCHOLARSHIP REVENUES RECEIVED, EXPENDITURES PAID
AND CHANGES IN PAYABLE FOR SCHOLARSHIPS
YEAR ENDED JUNE 30, 2013

Balance, June 30, 2012	\$ 1,058,882
Revenues received	353,690
Interest earned	9,592
Awards paid	<u>(320,616)</u>
Balance, June 30, 2013	<u>\$ 1,101,548</u>

JEFFERSON CITY PUBLIC SCHOOLS
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 YEAR ENDED JUNE 30, 2013

	Eligible			Ineligible
	District Owned	Contracted		ECSE
		Regular	Handicapped	
Salaries	\$ -	\$ 19,622	\$ -	\$ -
Purchased services	-	2,002,332	301,410	186,927
Supplies	1,045	381,943	53,904	31,757
Capital outlay	-	-	-	-
Total	<u>\$ 1,045</u>	<u>\$ 2,403,897</u>	<u>\$ 355,314</u>	<u>\$ 218,684</u>

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

Federal Grantor; Pass-through Grantor;	Program Title	Federal CFDA Number	Subrecipient Identifying Number	Disbursements
U. S. Department of Education:				
Direct Federal Assistance:				
	Federal Pell Grant Program	84.063	026-006	\$ 169,981
	Federal Family Education Loans	84.032	026-006	356,902
Passed-through MO DESE:				
	Title I Grants to Local Educational Agencies	84.010	026-006	1,581,297
	Title I Grants to Local Educational Agencies (School Improvement)	84.010	026-006	1,849
	Adult Education - Basic Grants to States (AEL)	84.002	026-006	90,868
	Adult Education - Basic Grants to States (Career Ed EL Civics Grant)	84.002	026-006	32,915
	Special Education - Grants to States (IDEA, Part B)	84.027	026-006	2,055,673
	Special Education - Grants to States (High Need Fund)	84.027	026-006	35,118
	Special Education - Grants to States (SWIS)	84.027	026-006	250
	Special Education - Grants to States (SET Training)	84.027	026-006	50
	Special Education - Grants to States (ED Drop Out Prev)	84.027	026-006	1,094
	Special Education - Preschool Grants (IDEA, Preschool)	84.173	026-006	282,261
	Improving Teacher Quality State Grants (Title II, Part A)	84.367	026-006	336,723
	State Assessments and Related Activities	84.369	026-006	225
	Career & Technical Education - Basic Grants to States (Perkins IV)	84.048	026-006	184,848
	English Language Acquisition Grants (Title III, Part A) (Immigrant)	84.365	026-006	10,848
	English Language Acquisition Grants (Title III, Part A) (LEP)	84.365	026-006	39,427
	Total U. S. Department of Education			<u>5,180,329</u>
U. S. Department of Agriculture:				
Passed-through MO DESE:				
	National School Lunch Program	10.555	026-006	2,135,061
	School Breakfast Program	10.553	026-006	763,463
	Food Distribution	10.555	026-006	381,792
	Fresh Fruit & Vegetables Program	10.582	026-006	47,814
Passed-through MO Department of Health and Senior Services:				
	Child & Adult Food Care Program	10.558	ERS46112373	95,541
	Summer School Food Service Program for Children	10.559	ERS0462373S	163,463
	Total U. S. Department of Agriculture			<u>3,587,134</u>
U. S. General Services Administration:				
Passed-through the State Agency for Surplus Property:				
	Donation of Federal Surplus Personal Property	39.003	026-006	7,444
U. S. Department of Labor:				
Passed-through MO DESE:				
	Incentive Grants - WIA	17.267	026-006	18,232
	TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 8,793,139</u></u>

JEFFERSON CITY PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The accounts of the District are maintained, and the accompanying financial statements have been prepared, on the modified cash basis of accounting. Therefore, revenues and expenditures are recognized only when collected or paid, and receivables and accrued liabilities are not reflected in the financial statements.

Nonmonetary Assistance

The District receives federal surplus property under the Surplus Property Program. Property distributions to the District totaled \$7,444, valued at 23.3% of the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value at the time of distribution as determined by the General Services Administration.

The District receives commodities under the Food Distribution Program. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards represent donated commodities used, which totaled \$381,792, valued at the cost assigned to those commodities by the U. S. Department of Agriculture.

INTERNAL CONTROL
AND
COMPLIANCE



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Certified Public Accountants

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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
Jefferson City Public Schools
Jefferson City, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson City Public Schools, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Jefferson City Public Schools' financial statements and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson City Public Schools' 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 Jefferson City Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Jefferson City Public Schools' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson City Public Schools' 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.

December 3, 2013


Gerding, Korte and Chitwood
Certified Public Accountants



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Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education
Jefferson City Public Schools
Jefferson City, Missouri

Report on Compliance for Each Major Federal Program

We have audited Jefferson City Public Schools' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Jefferson City Public Schools' major federal programs for the year ended June 30, 2013. Jefferson City Public Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Jefferson City Public Schools' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Jefferson City Public Schools' 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 Jefferson City Public Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Jefferson City Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Jefferson City Public Schools 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 Jefferson City Public Schools' 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 OMB Circular A-133, 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 Jefferson City Public Schools' internal control over compliance.

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

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

December 3, 2013


Gerding, Korte and Chitwood
Certified Public Accountants

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS - FEDERAL REQUIREMENTS

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: modified report for financial statements prepared on a comprehensive basis of accounting other than generally accepted accounting principles.

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes None reported

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS - FEDERAL REQUIREMENTS

Section I: Summary of Auditors' Results (Continued)

Identification of major programs:

Child Nutrition Cluster

10.555	National School Lunch Program
10.553	School Breakfast Program
10.559	Summer Food Service Program for Children
10.555	Food Distribution

Title I, Part A Cluster

84.010	Title I Grants to Local Educational Agencies
84.010	Title I Grants to Local Education Agencies (School Improvement)

Dollar threshold used to distinguish between type A and type B programs:
\$ 300,000

Auditee qualified as low-risk auditee? Yes No

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

None

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding: 2012-01: Title I Reporting

Condition: The amount reported on the Final Expenditures Report for Title I salaries exceeded the underlying accounting records.

Status: The District repaid the Missouri Department of Elementary and Secondary Education the amount over-reported on the final expenditure report.

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

To the Board of Education
Jefferson City Public Schools
Jefferson City, Missouri

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We have examined management's assertions that Jefferson City Public Schools, Jefferson City, Missouri, complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by 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 the allowable costs for pupil transportation during the year ended June 30, 2013. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

In our opinion, Jefferson City Public Schools, Jefferson City, Missouri, complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2013.

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.

December 3, 2013


Gerding, Korte and Chitwood
Certified Public Accountants

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

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

1. Calendar

A. 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:

	Hours
Kindergarten to Grade 5	1,141.60
Grades 6 to 8	1,086.74
Grade 9	1,082.46
Grades 10 to 12	1,082.46

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

	Days
Kindergarten to Grade 5	174
Grades 6 to 8	174
Grade 9	173
Grades 10 to 12	173

2. Average Daily Attendance (ADA)

	Full Time/ Part Time	Remedial	Total
Regular Term:			
Kindergarten to Grade 5	4,056.34	0	4,056.34
Grades 6 to 8	1,756.26	0	1,756.26
Grade 9	606.77	0	606.77
Grades 10 to 12	<u>1,641.47</u>	<u>0</u>	<u>1,641.47</u>
Subtotal Regular Term	8,060.84	0	8,060.84
Extended School Year (ESY)	5.73	0	5.73
Summer School	<u>191.09</u>	<u>0</u>	<u>191.09</u>
Total Regular Term Plus ESY and Summer School ADA	<u>8,257.66</u>	<u>0</u>	<u>8,257.66</u>

3. September Membership

September Membership FTE Count	<u>8,796.77</u>
--------------------------------	-----------------

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

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

	<u>Full Time/ Part Time</u>
State FTE Total	
Free	3,787
Reduced	<u>668</u>
Total	<u>4,455</u>

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 total amount of: | \$ 100,000 |
| 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% SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. | N/A |
| F. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. | True |
| G. All above "false" answers <u>must</u> be supported by a finding or management letter comment. | |
| Finding # | N/A |
| Management Letter Comment # | N/A |

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

6. Transportation (Section 163.161, RSMo)

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

A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
B.	The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
C.	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	• Eligible ADT	4,240
	• Ineligible ADT	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
E.	Actual odometer records show the total district-operated and contracted mileage for the year was:	870,068
	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	682,531
	• Ineligible miles (non-route/disapproved)	131,028
F.	Number of days the District operated the school transportation system during the regular school year:	174
G.	All above "False" answers <u>must</u> be supported by a finding or management letter comment.	
	Finding #	N/A
	Management Letter Comment #	N/A

JEFFERSON CITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS - STATE REQUIREMENTS

Budget

None

Transportation

None

Attendance

None