

**Avenue City R-IX School District**  
**Summary Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balances**  
**School District Funds**  
**Year Ended June 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Revenues Collected	\$ 1,194,412	\$ 1,212,064	\$ 350,775	\$ 925	\$ 2,758,176
Expenditures Paid	<u>704,744</u>	<u>1,291,037</u>	<u>292,292</u>	<u>45,977</u>	<u>2,334,050</u>
Excess of Revenues Collected Over(Under) Expenditures Paid	489,668	(78,973)	58,483	(45,052)	424,126
Other Sources(Uses) Transfers	<u>(239,025)</u>	<u>78,973</u>	-	<u>160,052</u>	-
Excess of Revenues Collected and Other Sources Over(Under) Expenditures Paid and Other Uses	250,643	-	58,483	115,000	424,126
Fund Balance July 1, 2017	<u>2,206,403</u>	-	<u>2,295,214</u>	<u>117,646</u>	<u>4,619,263</u>
Fund Balance June 30, 2018	<u>\$ 2,457,046</u>	<u>\$ -</u>	<u>\$ 2,353,697</u>	<u>\$ 232,646</u>	<u>\$ 5,043,389</u>

MARTIN & HANWAY CPA's, P.C.  
INDEPENDENT AUDITORS' REPORT

To the Board of Education of  
Avenue City R-IX School District

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Avenue City R-IX School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District, as of June 30, 2018, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis of Accounting**

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

### **Other Matters**

#### **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, budgetary comparison information and pension information on pages 4-13, 44-49 and 50-53, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of revenues collected by source – school district funds, schedule of expenditures paid by object – school district funds, summary schedule of revenues collected, expenditures paid, and changes in fund balances – school district funds and the schedule of selected statistics are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues collected by source – school district funds, schedule of expenditures paid by object – school district funds, summary schedule of revenues collected, expenditures paid, and changes in fund balances – school district funds and schedule of selected statistics are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2018, on our consideration of Avenue City R-IX School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Avenue City R-IX School District's internal control over financial reporting and compliance.

Martin & Hanway CPA's, P.C.

Saint Joseph, Missouri

September 12, 2018

**NOTE:** A copy of the audit is located on the school's webpage under Board of Education, Reports from the Board.

A copy of the full audit conducted by Martin & Hanway CPA's is also available in the Superintendent of Schools office at 18069 Hwy 169, Cosby, Missouri. Requests should be made to Janice Pankau, Custodian of Records.