



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Lakeland R-III School District  
Deepwater, Missouri

We have audited the basic financial statements of the governmental activities and each major fund of the Lakeland R-III 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 A; 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 District'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 District'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.

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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 Lakeland R-III School District as of June 30, 2018, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note A.

### **Basis of Accounting**

We draw attention to Note A 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.

### **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 budgetary comparison information on pages 26-30, 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 subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Financial Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lakeland R-III School District's basic financial statements. The data contained under Other Financial Information, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Other Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

Board of Education  
Lakeland R-III School District  
Deepwater, Missouri

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting and compliance.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
October 8, 2018

LAKELAND R-III SCHOOL DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –  
 GOVERNMENTAL FUNDS – MODIFIED CASH BASIS  
 Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>RECEIPTS</b>					
Local	\$ 1,425,524	\$ 390,768	\$ 276,060	\$ 6,990	\$ 2,099,342
County	118,121	50,695	26,484	-	195,300
State	283,934	1,391,383	-	-	1,675,317
Federal	333,383	302,895	-	-	636,278
Other	-	14,100	-	-	14,100
<b>TOTAL RECEIPTS</b>	<b>2,160,962</b>	<b>2,149,841</b>	<b>302,544</b>	<b>6,990</b>	<b>4,620,337</b>
<b>DISBURSEMENTS</b>					
Instruction	577,513	1,822,763	-	-	2,400,276
Student services	44,934	70,601	-	-	115,535
Instructional staff support	18,997	72,330	-	-	91,327
Building administration	56,461	164,157	-	-	220,618
General administration	248,631	98,362	-	22,138	369,131
Operation of plant	368,071	-	-	20,756	388,827
Transportation	180,953	3,735	-	130,617	315,305
Food service	259,658	-	-	-	259,658
Community services	28,878	1,739	-	-	30,617
Facilities acquisition and construction	-	-	-	436,348	436,348
Debt service	-	-	401,894	-	401,894
<b>TOTAL DISBURSEMENTS</b>	<b>1,784,096</b>	<b>2,233,687</b>	<b>401,894</b>	<b>609,859</b>	<b>5,029,536</b>
<b>EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>376,866</b>	<b>(83,846)</b>	<b>(99,350)</b>	<b>(602,869)</b>	<b>(409,199)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	83,846	-	-	83,846
Operating transfers (out)	(83,846)	-	-	-	(83,846)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(83,846)</b>	<b>83,846</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER (USES)</b>	<b>293,020</b>	<b>-</b>	<b>(99,350)</b>	<b>(602,869)</b>	<b>(409,199)</b>
FUND BALANCE, July 1, 2017	619,773	-	253,225	819,528	1,692,526
FUND BALANCE, June 30, 2018	<u>\$ 912,793</u>	<u>\$ -</u>	<u>\$ 153,875</u>	<u>\$ 216,659</u>	<u>\$ 1,283,327</u>

See accompanying notes