

FINANCIAL REPORT OF
SOUTHERN BOONE COUNTY R-I
SCHOOL DISTRICT
ASHLAND, MISSOURI
JUNE 30, 2021



SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Southern Boone County R-I School District
Ashland, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Southern Boone County R-I School District, Ashland, Missouri, (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Southern Boone County R-I School 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Southern Boone County R-I School District, Ashland, Missouri, as of June 30, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash 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 opinions are not modified with respect to this matter.

Other Matters - Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southern Boone County R-I School District's basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Selected Statistics, which are the responsibility of management, is presented for purposes of additional analysis and is 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 Southern Boone County R-I 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 basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Other Financial Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 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 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 December 8, 2021, on our consideration of the Southern Boone County R-I 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 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 Southern Boone County R-I School District's internal control over financial reporting and compliance.

December 8, 2021

Gerding, Korte & Chitwood

Gerding, Korte and Chitwood
Certified Public Accountants

**BASIC FINANCIAL
STATEMENTS**

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF
June 30, 2021

ASSETS:

Cash and investments	\$ 4,115,589
Restricted deposits and investments:	
Held with escrow agent, crossover refunding of bonded debt	593,125
Held with fiscal agent, capital lease reserve	285,278
Held with Central Bank of Boone County, bond proceeds	9,078,758
Held with MMEBG	19,503
Total Assets	<u>14,092,253</u>

LIABILITIES:

Payroll liabilities	<u>7,324</u>
Total Liabilities	<u>7,324</u>

NET POSITION:

Restricted for:	
Retirement of debt - general obligation bonds	571,174
Retirement of debt - crossover refunding	774,642
Capital projects in progress - Capital Lease	285,278
Capital projects	9,078,758
Health insurance benefits	19,503
Unrestricted	3,355,574
Total Net Position	<u>\$ 14,084,929</u>

See Notes to Financial Statements

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED
June 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Net (Expense) Revenue and Changes in Net Position
Primary Government:				
Regular instruction	\$ 7,838,747	\$ 15,350	\$ 219,752	\$ -
Special instruction	1,856,352	49,424	1,071,203	-
Student activities	766,502	455,457	-	-
Payments to other districts	761,966	-	-	-
Student support services	1,327,863	-	-	-
Instructional support services	460,426	-	99,543	-
Administration (building level and business support services)	4,585,132	-	-	-
Pupil transportation	717,028	-	91,746	-
Food services	732,796	110,688	650,801	-
Central office support services	21,615	-	-	-
Community services	322,536	50,199	69,354	-
Facilities acquisition and construction	2,748,213	-	-	-
Debt service:				
Principal repayment	1,725,000	-	-	-
Interest and other charges	1,108,921	-	-	-
Total	<u>\$ 24,973,097</u>	<u>\$ 681,118</u>	<u>\$ 2,202,399</u>	<u>\$ -</u>

General Revenues:	
Property and other taxes	10,676,986
General State/Federal aid	8,306,560
Earnings on investments	15,121
Premium on bonds sold	1,477,469
Bond proceeds	7,700,000
Other	272,157
Increase/(decrease) in net assets	6,358,713
Net Position, June 30, 2020	7,726,216
Net Position, June 30, 2021	<u>\$ 14,084,929</u>

See Notes to Financial Statements

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
AS OF
June 30, 2021

	Governmental Fund Types				
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS:					
Cash and investments	\$ 3,125,135	\$ -	\$ 752,691	\$ 237,763	\$ 4,115,589
Restricted deposits and investments:					
Held with escrow agent, crossover refunding of bonded debt	-	-	593,125	-	593,125
Held with fiscal agent, capital lease reserve	-	-	-	285,278	285,278
Held with Central Bank of Boone County, bond proceeds	-	-	-	9,078,758	9,078,758
Held with MMEBG	19,503	-	-	-	19,503
TOTAL ASSETS	<u>\$ 3,144,638</u>	<u>\$ -</u>	<u>\$ 1,345,816</u>	<u>\$ 9,601,799</u>	<u>\$ 14,092,253</u>
LIABILITIES AND FUND BALANCES:					
Liabilities					
Payroll liabilities	\$ 7,324	\$ -	\$ -	\$ -	\$ 7,324
TOTAL LIABILITIES	<u>7,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,324</u>
Fund Balances					
Restricted for:					
Retirement of debt - general obligation bonds	-	-	571,174	-	571,174
Retirement of debt - crossover refunding	-	-	774,642	-	774,642
Bond funded capital projects	-	-	-	9,078,758	9,078,758
Capital projects in progress - Capital Lease	-	-	-	285,278	285,278
Health insurance benefits	19,503	-	-	-	19,503
Committed (none)	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	237,763	237,763
Unassigned	3,117,811	-	-	-	3,117,811
TOTAL FUND BALANCES	<u>3,137,314</u>	<u>-</u>	<u>1,345,816</u>	<u>9,601,799</u>	<u>14,084,929</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,144,638</u>	<u>\$ -</u>	<u>\$ 1,345,816</u>	<u>\$ 9,601,799</u>	<u>\$ 14,092,253</u>

See Notes to Financial Statements

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
FOR THE YEAR ENDED
June 30, 2021

	Governmental Fund Types				
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
RECEIPTS:					
Local	\$ 6,822,764	\$ 1,846,456	\$ 2,510,701	\$ 209,976	\$ 11,389,897
County	105,654	44,857	31,434	1,144	183,089
State	719,526	7,828,527	-	509,010	9,057,063
Federal	1,052,381	423,019	-	25,921	1,501,321
Other	-	15,350	-	-	15,350
Total Receipts	<u>8,700,325</u>	<u>10,158,209</u>	<u>2,542,135</u>	<u>746,051</u>	<u>22,146,720</u>
DISBURSEMENTS:					
Regular instruction	724,297	7,033,698	-	80,752	7,838,747
Special instruction	519,506	1,321,002	-	15,844	1,856,352
Student activities	570,884	188,458	-	7,160	766,502
Payments to other districts	-	761,966	-	-	761,966
Student support services	603,562	724,301	-	-	1,327,863
Instructional support services	131,580	328,846	-	-	460,426
Administration (building level and business support services)	3,070,423	1,420,178	-	94,531	4,585,132
Pupil transportation	510,748	50,883	-	155,397	717,028
Food services	728,796	-	-	4,000	732,796
Central office support services	21,615	-	-	-	21,615
Community services	3,661	318,875	-	-	322,536
Facilities acquisition and construction	-	-	-	2,748,213	2,748,213
Debt service:					
Principal repayment	-	-	1,600,000	125,000	1,725,000
Interest and other charges	-	-	741,150	367,771	1,108,921
Total Disbursements	<u>6,885,072</u>	<u>12,148,207</u>	<u>2,341,150</u>	<u>3,598,668</u>	<u>24,973,097</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	<u>1,815,253</u>	<u>(1,989,998)</u>	<u>200,985</u>	<u>(2,852,617)</u>	<u>(2,826,377)</u>
OTHER FINANCING SOURCES (USES):					
Sale of bonds	-	-	-	7,700,000	7,700,000
Premium on bonds sold	-	-	-	1,477,469	1,477,469
Net insurance recovery	-	-	-	7,506	7,506
Sale of property	115	-	-	-	115
Transfers	(1,989,998)	1,989,998	-	-	-
Total Other Financing Sources (Uses)	<u>(1,989,883)</u>	<u>1,989,998</u>	<u>-</u>	<u>9,184,975</u>	<u>9,185,090</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	<u>(174,630)</u>	<u>-</u>	<u>200,985</u>	<u>6,332,358</u>	<u>6,358,713</u>
FUND BALANCES, BEGINNING OF YEAR	<u>3,311,944</u>	<u>-</u>	<u>1,144,831</u>	<u>3,269,441</u>	<u>7,726,216</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,137,314</u>	<u>\$ -</u>	<u>\$ 1,345,816</u>	<u>\$ 9,601,799</u>	<u>\$ 14,084,929</u>

See Notes to Financial Statements

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Southern Boone County R-I School District (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 its modified cash activities. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. The significant accounting policies of the District are described below.

A. Reporting Entity

Primary Government:

The District is governed by an elected seven-member board. The Southern Boone County R-I School District’s 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 Unit:

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 and the District has no component units.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

District-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and 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.

Fund Financial Statements:

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance, revenues, and expenditures or expenses. The District's funds are organized into three fund categories: governmental, proprietary and fiduciary. The District presently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures or expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

All of the governmental funds are listed as major funds.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (if any) 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.

Teachers Fund-The Teachers Fund is required to be established by state law and may be used for the payment of salaries and benefits for certificated personnel. The fund's revenues 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.

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.

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.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus:

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and net financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

In the fund financial statements, all governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. The funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting:

The financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. Revenues are recorded when received and expenditures are recorded when paid. However, the financial statements have been modified to include the investments of the District.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. Other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event are not reported and the measurement of reported assets does not involve adjustments to fair value.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting and all government-wide financial statements would be presented in accordance with the accrual basis of accounting.

D. Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain disclosures; accordingly, actual results could differ from those estimates.

E. Cash and Investments

For the purpose of financial reporting, cash and investments include all demand and savings accounts and certificates of deposit or short-term investments. Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the District Treasurer. Investments of the pooled accounts consist primarily of certificates of deposit and money market checking accounts. Interest income earned is allocated to contributing funds based on cash and temporary investment balances. All 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.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Long-Term Obligations

Long-term obligations are reported only in the notes to the financial statements. In the fund financial statements, the proceeds from sales of bonded indebtedness are recorded as other financing sources when the payment is received. Repayments of principal and interest are recognized as expenditures when the disbursements are made.

G. Net Position

Net position represents the difference between assets and liabilities. Net position is 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.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

H. 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 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. Missouri law establishes that the Board of Education is the highest level of decision making authority.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *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.
- *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.

The District currently does not have a policy regarding the order of spending funds when an expense is incurred for the purposes for which both restricted and unrestricted funds are available. Therefore, in accordance with GASB Statement No. 54, the flow of funds uses the default assumption that prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

I. Internal and Interfund Activities

In the process of aggregating the financial information for the district-wide Statement of Net Position and Statement of Activities, amounts reported as interfund activity in the fund financial statements have been eliminated.

J. Teacher Salaries

The contractual teacher salary payment schedule of the District requires the payment of salaries for a twelve-month period beginning in September of each year. Consequently, the July and August 2021 payroll checks, written and dated in June 2021, are included in the financial statements as an expenditure in the 2020-2021 year. This practice is consistent with prior years.

K. Accrued Payroll Expenses

At June 30, 2021, the District had a cash basis liability in the amount of \$7,324. This balance represents employee withholdings related to an elective salary deferral plan.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits-At June 30, 2021, the carrying value of the District's deposits were \$(745,694) and the bank balance was \$23,635. The deficit carrying value of the District's deposits is covered each day by the overnight repurchase agreement as outstanding items clear. 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 does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit. At June 30, 2021, all of the District's deposits were adequately secured with acceptable collateral. The District's deposits with MMEBG (see note 3) are held with the consortium's fiscal agent. The fiscal agent is also a Missouri School District with the responsibility of obtaining collateralization of the consortium's 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 agreement, 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.

Interest rate risk- 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 District structures its investment portfolio so that securities mature to meet cash requirements, and the District invests operating funds primarily in shorter-term investments.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2021, 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.

Concentration of credit risk-The District's investment policy states the District will diversify its portfolio so that potential losses on individual securities will be minimized. The District primarily invests in debt securities of the U.S. government and its agencies.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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 and are contractually obligated to the District through a repurchase agreement.

The District categorizes its fair value measurements in accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The carrying value of the Missouri School District Direct Deposit investments at June 30, 2021 was \$593,125 and the fair value was \$593,125.

As of June 30, 2021, the District had the following deposits and investments:

<u>Investment Type</u>	<u>Carrying Value</u>	Maturity Less Than <u>One Year</u>
Overnight repurchase agreements	\$ 13,959,541	\$ 13,959,541
Missouri School District Deposit		
External investment pool (Level 1)	593,125	593,125
U.S. Treasury fund (Level 1)	<u>285,278</u>	<u>285,278</u>
Total Investments	14,837,944	<u>\$ 14,837,944</u>
Deposits:		
Held at MMEBG	19,503	
Held by District	<u>(765,194)</u>	
Total Investments and Deposits	<u>\$ 14,092,253</u>	
<u>Financial Statements</u>		
Governmental Funds	<u>\$ 14,092,253</u>	

NOTE 3: RESTRICTED DEPOSITS AND INVESTMENTS

The amounts reported as restricted deposits and investments comprise amounts held in an insurance consortium of \$19,503, the amount of U.S. Treasury obligations held in an escrow for the crossover refunding of bonded debt of \$593,125, the amount of unspent bond proceeds of \$9,078,758, and the amount held with a fiscal agent related to certificates of participation of \$285,278.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 3: RESTRICTED DEPOSITS AND INVESTMENTS (Continued)

Insurance Consortium:

To help control the cost of health insurance, the District is a member of the Mid-Missouri Educational Benefits Group (MMEBG). As a condition of membership, the District has deposited funds and allowed plan refunds to be held by the MMEBG's fiscal agent. The deposits held are restricted by an operating agreement for future payments of health insurance benefits. The amounts held are comprised as follows:

Initial deposit	\$ 13,700
Interest earned	<u>5,803</u>
Total deposit	<u>\$ 19,503</u>

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. 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 2020 for purposes of local taxation was \$153,979,534.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General (Incidental) Fund	\$ 3.9718	\$ 3.9718
Special Revenue (Teachers) Fund	0.0000	0.0000
Debt Service Fund	1.6800	1.6800
Capital Projects Fund	<u>0.1400</u>	<u>0.1400</u>
Total	<u>\$ 5.7918</u>	<u>\$ 5.7918</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 5: LONG-TERM DEBT

The following is a summary of general obligation bond transactions for the year ended June 30, 2021:

	General Obligation Bonds
Payable, July 1, 2020	\$ 18,455,000
Issued	7,700,000
Retired	<u>(1,600,000)</u>
Payable, June 30, 2021	<u>\$ 24,555,000</u>

Bonds payable:

\$7,700,000 general obligation bonds dated June 15, 2021 (Series 2021), due in varying annual installments through March 1, 2041; interest 4.00% to 5.00%; proceeds for constructing, improving, expanding, renovating, furnishing and equipping new and existing facilities	\$ 7,700,000
\$740,000 general obligation refunding bonds dated August 9, 2016 (Series 2016 aggregate), due in varying annual installments through March 1, 2024; interest 2.00% to 3.00%; proceeds used to refund a portion of the June 15, 2008 bond issue.	740,000
\$555,000 general obligation refunding bonds dated August 9, 2016 (Series 2016 aggregate), due in one installment on March 1, 2031; interest at 3.00%; proceeds used to refund a portion of the March 1, 2011 bond issue.	555,000
\$7,500,000 general obligation bonds dated August 9, 2016 (Series 2016 aggregate), due in varying annual installments through March 1, 2036; interest 2.00% to 4.00%; proceeds used for construction projects.	7,500,000
\$3,275,000 general obligation refunding bonds dated November 2, 2017 (Series 2017), due in varying annual installments through March 1, 2030; interest 4.00% to 5.00%; proceeds used to crossover advance refund series 2011 bond issue.	3,275,000
\$4,785,000 general obligation bonds dated July 18, 2018 (Series 2018), due in varying installments through March 1, 2038; interest 6.00% to 6.50%; proceeds used for construction projects.	<u>4,785,000</u>
Total Bonds Payable	<u>\$ 24,555,000</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 5: LONG-TERM DEBT (Continued)

Future payment on the bond issues are as follows:

Years Ending June 30,	Principal	Interest	Total
2022	\$ 2,275,000	\$ 937,489	\$ 3,212,489
2023	830,000	927,750	1,757,750
2024	875,000	903,050	1,778,050
2025	685,000	876,550	1,561,550
2026	750,000	853,100	1,603,100
2027-2031	5,625,000	3,794,500	9,419,500
2032-2036	6,035,000	2,526,200	8,561,200
2037-2041	7,480,000	1,124,400	8,604,400
Total	<u>\$ 24,555,000</u>	<u>\$ 11,943,039</u>	<u>\$ 36,498,039</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 (including state-assessed railroad and utility) of the District at June 30, 2021, was:

Constitutional debt limit	\$ 23,898,092
General obligation bonds payable	(24,555,000)
Amount in Debt Service Fund available for payment of principal	<u>1,345,816</u>
Approximate Legal Debt Margin	<u>\$ 688,908</u>

Capital Leases:

The District has entered into capital leases for the construction and renovation of facilities and others used for bus purchases. Changes in the District's obligation under capital leases are as follows:

Beginning balance at July 1, 2020	\$ 7,084,691
Current borrowing	42,243
Principal paid	<u>(281,593)</u>
Ending balance at June 30, 2021	<u>\$ 6,845,341</u>

The remaining obligation under the lease agreements is as follows:

Years Ending June 30,	Principal	Interest	Total
2022	\$ 174,633	\$ 248,056	\$ 422,690
2023	246,503	243,801	490,303
2024	269,938	236,094	506,032
2025	204,267	227,577	431,844
2026	220,000	220,570	440,570
2027-2031	1,285,000	968,350	2,253,350
2032-2036	1,440,000	701,350	2,141,350
2037-2041	1,785,000	374,650	2,159,650
2042-2044	1,220,000	76,415	1,296,415
Total	<u>\$ 6,845,341</u>	<u>\$ 3,296,863</u>	<u>\$ 10,142,204</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6: FUND BALANCES

Restricted Fund Balances: The restricted balances in the Debt Service Fund represent amounts accumulated from the collection of property taxes and bond refundings, which are legally restricted based upon bond issuance covenants.

The amount restricted for health insurance benefits relates to the amounts the District holds on deposit with the MMEBG insurance consortium (see note 3).

Restricted balances held in the Capital Projects Fund are the remaining proceeds from the previous general obligation bond issues and certificates of participation.

Unassigned Fund Balances: The unassigned fund balance represents the residual classification of amounts held in the general fund.

NOTE 7: INTERFUND TRANSFERS

The District routinely transfers amounts from the General Fund to the Teachers Fund in accordance with regulations of the State of Missouri.

The amounts transferred to the Teachers Fund are required to balance the fund's cash receipts and disbursements. The District maintains a Teachers Fund that generally has a balance of zero at the beginning and end of each fiscal year. For the year ended June 30, 2021, the District allocated receipts and transfers to the Teachers Fund to achieve a zero fund balance.

<u>Type of Transfers</u>	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Capital Projects Fund</u>
Teachers Fund	\$ (1,989,998)	\$ 1,989,998	\$ 0
Total net transfers	\$ (1,989,998)	\$ 1,989,998	\$ 0

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8: RETIREMENT PLANS

The Southern Boone County R-1 School District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public-school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Sections 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8: RETIREMENT PLANS (Continued)

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 years or more of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Cost-of-Living Adjustments (“COLA”). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8: RETIREMENT PLANS (Continued)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2021. Employers were required to match the contributions made by the employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$1,351,317 and \$159,150, respectively, for the year ended June 30, 2021.

Summary plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psrs-peers.org.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the District makes available post-retirement healthcare 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.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 10: CONTINGENCIES

Grant Program Involvement

In the normal course of operations, the District participates in various Federal or State grant or loan programs from year to year. The grant or loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would be immaterial.

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: PLEDGED REVENUES

The District has pledged future revenues, net of specified operating expenses, to repay bonds and capital leases payable that were issued for the purpose of operations, improvements and school buses. The bonds and capital leases are payable from debt service and capital projects fund net revenues and are payable through 2041. Annual principal and interest payments in 2021 on the bonds and capital leases required 92% of debt service and 100% of capital projects net revenues. The total principal and interest remaining to be paid on the bonds and capital leases is \$46,640,243. Principal and interest paid for the current year and total net revenues for the current year were \$2,339,800 and \$2,540,785, respectively for the debt service fund. Principal and interest paid for the current year and total net revenues for the current year were \$379,996 and \$(995,152), respectively for the capital projects fund.

NOTE 12: RISK MANAGEMENT – MISSOURI UNITED SCHOOL INSURANCE COUNCIL

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

Participation in Public Entity Risk Pools

The District is a member of the Missouri United School Insurance Council (MUSIC), a not-for-profit corporation consisting of school districts and junior colleges. MUSIC was incorporated in 1985 to acquire insurance for its members.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12: RISK MANAGEMENT – MISSOURI UNITED SCHOOL INSURANCE COUNCIL (continued)

MUSIC operates as a purchasing pool and is not a joint venture activity of the District. The District has no control over budgeting, financing, management selection, or the governing body. MUSIC provides both conventional and self-insurance coverage for its members including property, casualty, general liability, workers' compensation, and fleet insurance. The District participates in all of the above coverages and there were no significant reductions in coverage during the year ended June 30, 2021. In addition, over the past three fiscal years, settled claims have not exceeded insurance coverage. MUSIC manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MUSIC's investment pool consists of U.S. Treasury strips.

In the event that a deficit occurs with respect to any fiscal year of MUSIC for which the District was a participant at any time during such year; and in the event that MUSIC determines that an assessment is required in order to provide additional funds for the obligations of MUSIC for such year; and further, in the event that the District was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the District is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the District is a member of MUSIC at the time of such assessment. Management of the District is not aware of any deficit situation in MUSIC which would require any accrual of liability as of June 30, 2021.

MUSIC's financial statements are presented in its Comprehensive Annual Financial Report for the year ended December 31, 2020.

NOTE 13: OPERATING LEASE

The District has an operating leases for the transportation facility. The facility lease expires in fiscal year 2024. Total lease expense paid during the year ended June 30, 2021 was \$41,262. Future minimum lease payments are as follows:

Year Ending	Transportation
June 30,	<u>Facility</u>
2022	\$ 30,000
2023	30,000
2024	<u>30,000</u>
Total	<u>\$ 90,000</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 14: COMMITMENTS

Construction

The District is in the process of adding to its facilities. The District anticipates the additional construction costs to approximate \$13,255,709.

Other Commitments

On August 17, 2020, the Board of Education entered into a resolution approving the commitment of local match for an economic development administration grant application, which is expected to total \$1,312,226.

Compensated Absences

As a result of the District's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation and personal days, and sick leave) and any employer-related costs earned and unpaid, are not reflected in the financial statements. The amount of this liability has not been calculated and no funds or reservation of the net assets has been made for this commitment.

NOTE 15: CONSIDERATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 8, 2021 which is the date the financial statements are available to be issued. No events requiring disclosure were identified as a result of this audit.

SUPPLEMENTARY INFORMATION

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
GENERAL (INCIDENTAL) FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - UNAUDITED
FOR THE YEAR ENDED
June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
RECEIPTS:				
Local	\$ 7,470,940	\$ 6,822,764	\$ 6,822,764	\$ -
County	94,000	105,654	105,654	-
State	342,912	719,526	719,526	-
Federal	614,763	1,052,381	1,052,381	-
Total Receipts	<u>8,522,615</u>	<u>8,700,325</u>	<u>8,700,325</u>	<u>-</u>
DISBURSEMENTS:				
Regular instruction	645,050	724,297	724,297	-
Special instruction	633,932	519,506	519,506	-
Student activities	719,865	570,884	570,884	-
Student support services	474,094	603,562	603,562	-
Instructional support services	450,895	131,580	131,580	-
Administration (building level and business support services)	2,907,491	3,070,423	3,070,423	-
Pupil transportation	472,884	510,748	510,748	-
Food services	608,000	728,796	728,796	-
Central office support services	-	21,615	21,615	-
Community services	8,500	3,661	3,661	-
Total Disbursements	<u>6,920,711</u>	<u>6,885,072</u>	<u>6,885,072</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	1,601,904	1,815,253	1,815,253	-
OTHER FINANCING SOURCES (USES):				
Sale of property	-	115	115	-
Transfers	(2,712,341)	(1,989,998)	(1,989,998)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,712,341)</u>	<u>(1,989,883)</u>	<u>(1,989,883)</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	(1,110,437)	(174,630)	(174,630)	-
FUND BALANCE, BEGINNING OF YEAR	<u>3,311,944</u>	<u>3,311,944</u>	<u>3,311,944</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,201,507</u>	<u>\$ 3,137,314</u>	<u>\$ 3,137,314</u>	<u>\$ -</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SPECIAL REVENUE (TEACHERS) FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - UNAUDITED
FOR THE YEAR ENDED
June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
RECEIPTS:				
Local	\$ 1,739,810	\$ 1,846,456	\$ 1,846,456	\$ -
County	48,000	44,857	44,857	-
State	8,297,529	7,828,527	7,828,527	-
Federal	77,128	423,019	423,019	-
Other	20,000	15,350	15,350	-
Total Receipts	<u>10,182,467</u>	<u>10,158,209</u>	<u>10,158,209</u>	<u>-</u>
DISBURSEMENTS:				
Regular instruction	7,113,189	7,033,698	7,033,698	-
Special instruction	1,357,678	1,321,002	1,321,002	-
Student activities	228,853	188,458	188,458	-
Payments to other districts	424,000	761,966	761,966	-
Student support services	839,634	724,301	724,301	-
Instructional support services	329,252	328,846	328,846	-
Administration (building level and business support services)	1,403,238	1,420,178	1,420,178	-
Pupil transportation	7,550	50,883	50,883	-
Adult Education & Community services	271,414	318,875	318,875	-
Total Disbursements	<u>11,974,808</u>	<u>12,148,207</u>	<u>12,148,207</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(1,792,341)	(1,989,998)	(1,989,998)	-
OTHER FINANCING SOURCES (USES):				
Transfers	<u>1,792,341</u>	<u>1,989,998</u>	<u>1,989,998</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS 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>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - UNAUDITED
FOR THE YEAR ENDED
June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
RECEIPTS:				
Local	\$ 2,667,146	\$ 2,510,701	\$ 2,510,701	\$ -
County	30,000	31,434	31,434	-
Total Receipts	<u>2,697,146</u>	<u>2,542,135</u>	<u>2,542,135</u>	<u>-</u>
DISBURSEMENTS:				
Principal repayment	1,400,000	1,600,000	1,600,000	-
Interest and other charges	<u>539,175</u>	<u>741,150</u>	<u>741,150</u>	<u>-</u>
Total Disbursements	<u>1,939,175</u>	<u>2,341,150</u>	<u>2,341,150</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	757,971	200,985	200,985	-
FUND BALANCE, BEGINNING OF YEAR	<u>1,144,831</u>	<u>1,144,831</u>	<u>1,144,831</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,902,802</u></u>	<u><u>\$ 1,345,816</u></u>	<u><u>\$ 1,345,816</u></u>	<u><u>\$ -</u></u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
BUDGET AND ACTUAL - UNAUDITED
FOR THE YEAR ENDED
June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
RECEIPTS:				
Local	\$ 50,000	\$ 209,976	\$ 209,976	\$ -
County	-	1,144	1,144	-
State	474,515	509,010	509,010	-
Federal	-	25,921	25,921	-
Total Receipts	<u>524,515</u>	<u>746,051</u>	<u>746,051</u>	<u>-</u>
DISBURSEMENTS:				
Regular instruction	-	80,752	80,752	-
Special instruction	5,500	15,844	15,844	-
Instructional support services	30,000	-	-	-
Student activities	-	7,160	7,160	-
Administration (building level and business support services)	150,000	94,531	94,531	-
Pupil transportation	238,000	155,397	155,397	-
Food service	10,000	4,000	4,000	-
Facilities acquisition and construction	245,950	2,748,213	2,748,213	-
Debt service:				
Principal repayment	-	125,000	125,000	-
Interest and other charges	205,886	367,771	367,771	-
Total Disbursements	<u>885,336</u>	<u>3,598,668</u>	<u>3,598,668</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(360,821)	(2,852,617)	(2,852,617)	-
OTHER FINANCING SOURCES (USES):				
Net insurance recovery	-	7,506	7,506	-
Sale of bonds	-	7,700,000	7,700,000	-
Premium on bonds sold	-	1,477,469	1,477,469	-
Transfers	460,000	-	-	-
Total Other Financing Sources (Uses)	<u>460,000</u>	<u>9,184,975</u>	<u>9,184,975</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	99,179	6,332,358	6,332,358	-
FUND BALANCE, BEGINNING OF YEAR	<u>3,269,441</u>	<u>3,269,441</u>	<u>3,269,441</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,368,620</u>	<u>\$ 9,601,799</u>	<u>\$ 9,601,799</u>	<u>\$ -</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

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

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- Prior to July, the Superintendent, 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.
- 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.
- Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 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 one time during the year ended June 30, 2021. The budget amendment approved the budget to equal actual receipts and expenditures.
- Budgets for District funds are prepared and adopted on the modified cash basis of accounting (budget basis), which recognizes revenues when collected and expenditures when paid.

OTHER FINANCIAL
INFORMATION

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
FOR THE YEAR ENDED
June 30, 2021

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
LOCAL:					
Property tax	\$ 5,909,145	\$ -	\$ 2,499,500	\$ 208,242	\$ 8,616,887
Sales tax	-	1,846,456	-	-	1,846,456
Other taxes	20,954	-	8,863	739	30,556
Earnings on investments	11,788	-	2,338	995	15,121
Food service	286,736	-	-	-	286,736
Student body activities	279,409	-	-	-	279,409
Community services	50,199	-	-	-	50,199
Other local	264,533	-	-	-	264,533
Total Local	6,822,764	1,846,456	2,510,701	209,976	11,389,897
COUNTY:					
Fines, escheats, and etc.	-	35,380	-	-	35,380
State assessed utility taxes	105,654	9,477	31,434	1,144	147,709
Total County	105,654	44,857	31,434	1,144	183,089
STATE:					
Basic formula - state monies	375,846	7,275,116	-	-	7,650,962
Transportation	91,746	-	-	-	91,746
Early Childhood Special Education	-	299,339	-	-	299,339
Basic formula - classroom trust fund	234,881	-	-	497,227	732,108
Educational screening program/PAT	-	69,354	-	-	69,354
Career education	11,541	15,028	-	11,783	38,352
Food service - state	5,512	-	-	-	5,512
High Need Fund	-	169,690	-	-	169,690
Other	-	-	-	-	-
Total State	719,526	7,828,527	-	509,010	9,057,063
FEDERAL:					
Medicaid	49,424	-	-	-	49,424
CARES - ESSER Fund	-	34,249	-	-	34,249
Coronavirus Relief Fund (OA CRF)	16,000	121,273	-	-	137,273
IDEA Grants	-	7,112	-	-	7,112
IDEA Entitlement Funds, Part B IDEA	185,739	63,463	-	-	249,202
Early Childhood Special Education-Federal	-	29,983	-	-	29,983
School Lunch Program	470,806	-	-	-	470,806
School Breakfast Program	124,591	-	-	-	124,591
Title I, ESEA	-	144,356	-	-	144,356
Title II, Part A, ESEA-Teacher and Principal Quality	-	22,583	-	-	22,583
Title IV.A Student Support and Academic Enrichment	450	-	-	-	450
CARES - Food Service	49,892	-	-	-	49,892
Other	155,479	-	-	25,921	181,400
Total Federal	1,052,381	423,019	-	25,921	1,501,321
OTHER					
Sale of property	115	-	-	-	115
Net insurance recovery	-	-	-	7,506	7,506
Sale of bonds	-	-	-	7,700,000	7,700,000
Premium on bonds sold	-	-	-	1,477,469	1,477,469
Tuition	-	15,350	-	-	15,350
Total Other	115	15,350	-	9,184,975	9,200,440
TOTAL RECEIPTS	\$ 8,700,440	\$ 10,158,209	\$ 2,542,135	\$ 9,931,026	\$ 31,331,810

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
FOR THE YEAR ENDED
June 30, 2021

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
SALARIES	\$ 2,022,485	\$ 8,500,650	\$ -	\$ -	\$ 10,523,135
EMPLOYEE BENEFITS	720,223	2,713,604	-	-	3,433,827
PURCHASED SERVICES	2,376,447	933,953	-	-	3,310,400
SUPPLIES	1,765,917	-	-	-	1,765,917
CAPITAL OUTLAY	-	-	-	3,105,899	3,105,899
DEBT SERVICE	-	-	2,341,150	492,769	2,833,919
TOTAL DISBURSEMENTS	<u>\$ 6,885,072</u>	<u>\$ 12,148,207</u>	<u>\$ 2,341,150</u>	<u>\$ 3,598,668</u>	<u>\$ 24,973,097</u>

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
FOR THE YEAR ENDED
June 30, 2021

PUPIL TRANSPORTATION:		<u>District Owned</u>
Salaries		\$ 259,528
Employee benefits		53,526
Purchased services		49,406
Supplies		72,596
Capital outlay		155,397
Total		<u>\$ 590,453</u>
 HANDICAPPED TRANSPORTATION:		
Salaries		\$ 47,899
Employee benefits		5,739
Supplies		7,782
Total		<u>\$ 61,420</u>

OTHER REPORTING
REQUIREMENTS

INDEPENDENT AUDITOR'S 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
Southern Boone County R-I School District
Ashland, Missouri

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603
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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 and each major fund of Southern Boone County R-I School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Southern Boone County R-I School District's basic financial statements and have issued our report thereon dated December 8, 2021.

Internal Control Over Financial Reporting

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

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

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

- 2021-001 Segregation of Duties over Financial Reporting

PARTNERS

Fred W. Korte, Jr.
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

PARTNER EMERITUS

Robert A. Gerding

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern Boone County R-I School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Southern Boone County R-I School District's Response to Finding

Southern Boone County R-I School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 8, 2021

Gerding, Korte & Chitwood

Gerding, Korte and Chitwood
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Southern Boone County R-I School District
Ashland, Missouri

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
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Report on Compliance for Each Major Federal Program

We have audited Southern Boone County R-I School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southern Boone County R-I School District's major federal programs for the year ended June 30, 2021. The Southern Boone County R-I School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

PARTNERS

Fred W. Korte, Jr.
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson

Auditor's Responsibility

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

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

PARTNER EMERITUS

Robert A. Gerding

Opinion on Each Major Federal Program

In our opinion, the Southern Boone County R-I School District compiled, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as follows:

2021-002: Verification of Free & Reduced Price Application (NSLP)

Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

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

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

We did identify a deficiency in internal control over compliance, described in the accompanying Schedule of Findings & Questioned Costs that we consider to be a significant deficiency.

2021-002: Verification of Free & Reduced Price Application (NSLP)

Southern Boone County School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings & Questioned Costs. Southern Boone County School District's response was not subjected to the auditing procedures applied in the audit of internal control over compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 8, 2021

Gerding Korte & Chitwood
Gerding, Korte and Chitwood
Certified Public Accountants

SOUTHERN BOONE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
June 30, 2021

Federal Grantor; Pass-through Grantor;	Program Title	Federal CFDA Number	Subrecipient Identifying Number	Federal Award Identification Number	Disbursements
U. S. Department of Agriculture:					
Passed-through MO DESE:					
Child Nutrition Cluster					
National School Lunch Program (Food Distribution)		10.555	010-087	010-087	\$ 45,097
National School Lunch Program - CARES Act		10.555	010-087	2020N850343	43,001
National School Lunch Program		10.555	010-087	20210N109943	470,806
School Breakfast Program		10.553	010-087	20210N109943	124,591
School Breakfast Program - CARES Act		10.553	010-087	2020N850343	6,891
Total Child Nutrition Cluster					690,386
Total U. S. Department of Agriculture					690,386
U. S. Department of Education:					
Passed-through MO DESE:					
Special Education Cluster					
Special Education - Grants to States (IDEA, Part B)		84.027A	010-087	H027A190040/H027A200040	276,051
Special Education - High Need Fund		84.027A	010-087	H027A190040	7,112
Special Education - Preschool Grants (IDEA Preschool) - 611		84.027A	010-087	H027A200040	34,692
Special Education - Preschool Grants (IDEA Preschool) - 619		84.173A	010-087	H173A200103	4,970
Total Special Education Cluster					322,825
Title I Grants to Local Education Agencies		84.010A	010-087	S010A200025	144,356
Title II.A - Improving Teacher Quality State Grants		84.367	010-087	S367A190024/S367A200024	28,759
Title IV.A - Student Support and Academic Enrichment Program		84.424	010-087	S424A190026	40,491
Education Stabilization Fund Under the Coronavirus Aid, Relief & Economic Security Act:					
Elementary and Secondary School Emergency Relief Fund		84.425D	010-087	CARES - ESSER II	498,692
Elementary and Secondary School Emergency Relief Fund		84.425D	010-087	ESSER	34,249
Total Education Stabilization Fund Under the Coronavirus Aid, Relief & Economic Security Act:					532,941
Total U. S. Department of Education					1,069,372
General Service Administration:					
Donation of Federal Surplus Personal Property		39.003	010-087		84
Total General Service Administration					84
Department of the Treasury:					
Coronavirus Relief Fund:					
Passed-through MO DESE:					
Coronavirus Relief Fund		21.019	DESE 010-087	CARES - Student Access	16,000
Coronavirus Relief Fund		21.019	DESE 010-087	CARES K-12 Support	121,273
Passed-through Boone County:					
Coronavirus Relief Fund		21.019	County 010-087	CARES	181,400
Total Coronavirus Relief Fund					318,673
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 2,078,515

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
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 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 \$45,097 valued at the cost assigned to those commodities by the Food Service Section of the Department of Elementary and Secondary Education.

The District receives federal surplus property under the Surplus Property Program. Property distributions to the District totaled \$84, 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.

Subrecipients

The District did not provide funds to subrecipients in the current year.

NOTE 2: FEDERAL INDIRECT COST RATE

The District elected not to use the 10% de minimis indirect cost rate.

The Missouri Department of Elementary and Secondary Education has approved the following indirect cost rates for the District:

Non-restricted	16.05%
Restricted	0.23%

The indirect cost rates are calculated annually by the Missouri Department of Elementary and Secondary Education according to agreements between the Missouri Department of Elementary and Secondary Education and the U. S. Department of Education.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified, modified cash basis

- 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 auditor's reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ Yes ☐ No

Identification of major programs:

<u>CFDA</u> <u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act
	<u>Child Nutrition Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program, Food Distribution and Snack Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS

Section II: Financial Statement Findings

Finding 2021-001 Segregation of Duties over Financial Reporting

Criteria: The objectives of internal control are to provide reasonable, but not absolute, assurance that assets are safeguarded and the financial statements are reliable. When the duties of one employee involve complete control over most, or all, aspects of an accounting cycle, without the involvement of other intervening employees, conflicts with the internal control objective may arise. This kind of conflict is generally referred to as a lack of segregation of duties.

Condition: Southern Boone County R-1 School District has potential conflicts with personnel who have the ability to adjust, record, reconcile and report financial activity.

Cause: The District lacks the personnel necessary to adequately segregate accounting and financial duties.

Effect: Financial records and assets without adequate segregation of duties are at more risk for misstatement due to fraud or errors.

Recommendation: The District may consider and implement additional internal control procedures to ensure adequate segregation of duties.

Southern Boone County R-I School District's Response & Corrective Action Plan: As the District grows in size, we have employed additional personnel to Central Office and we cross train our employees in an effort to address concerns with segregation of duties. Although the concern remains, the members of the Board of Education and I continue to reassess the budget and look for ways to hire additional staff to reduce the burden of this liability and improve internal control procedures.

Official Responsible for Ensuring the Corrective Action Plan: Christopher Felmlee, Superintendent.

Planned Completion Date for the Corrective Action Plan: The District will continue to work on implementing additional internal control procedures on an ongoing basis.

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS

Section III: Federal Award Findings and Questioned Costs

2021-002: Verification of Free & Reduced Price Applications (NSLP)

Criteria: The District must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals by the required deadline. The initial deadline was November 15, 2020, but was extended to February 28, 2021.

Condition: The District did not perform verification procedures until March 2, 2021, which is after the required deadline of February 28, 2021.

Cause: The District performed the verification procedures March 2, 2021.

Effect: The District was not in compliance with the verification requirements.

Questioned Costs: Unknown

Recommendation: We recommend the District perform the verification of free & reduced price applications by the deadline, including any extensions.

Southern Boone County R-I School District's Response & Corrective Action Plan: The District will ensure future verifications of free & reduced price applications will be completed by the deadline published by DESE.

Official Responsible for Ensuring Corrective Action Plan: Christopher Felmlee, Superintendent

Planned Completion Date for the Corrective Action Plan: Fiscal Year 2022

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Financial Statement Findings

2020-001 Segregation of Duties over Financial Reporting:

Southern Boone County R-1 School District has potential conflicts with personnel who have the ability to adjust, record, reconcile and report financial activity.

Financial records and assets without adequate segregation of duties are at more risk for misstatement due to fraud or errors.

Status: Segregation of duties over financial reporting is reported as a current year finding as finding 2021-001. The District continues to look for opportunities to cross train and hire additional staff to address this issue.

Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported in the prior year.

SUPPLEMENTARY

STATE

INFORMATION

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

To the Board of Education
Southern Boone County R-I School District
Ashland, Missouri

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We have examined management's assertions that Southern Boone County R-I School District, Ashland, 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, standard day length, 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, 2021. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. 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, except for the budget and financial information noncompliance discussed in the Schedule of Findings – State Requirements, management's assertions referred to above are fairly stated in all material respects.

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.

Gerding, Korte & Chitwood

December 8, 2021

Gerding, Korte and Chitwood
Certified Public Accountants

SOUTHERN BOONE COUNTY R-1 SCHOOL DISTRICT
SCHEDULE OF FINDINGS - STATE REQUIREMENTS

SECTION I: STATE COMPLIANCE REQUIREMENTS

Budget & Financial Information

2021-003 Financial Data on District's Website

Section 166.066, RSMo requires the district to post, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media. We noted the financial data presented on the website at the time of audit fieldwork was outdated and related to the prior school year. The District was not in compliance with this requirement.

Attendance

None reported

Transportation

None reported

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

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

1. Calendar (Sections 160.041, 171.029, 171.031 and 171.033, RSMo)

Report each unique calendar the district has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	2	-	6.8000	162	1,050.23
4020	3	5	-	6.8000	162	1,050.23
3000	6	8	-	6.8000	162	1,050.23
1050	9	12	-	6.8000	162	1,050.23

2. Attendance Hours

Report the total attendance hours of PK-12 student allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Resident II Hours	Other Hours	Summer School Hours	Total Hours
4010	K-2	427,957.4000	-	-	2,100.0363	-	11,846.6001	441,904.0364
4020	3-5	456,292.1000	55.2300	-	2,295.0200	300.0000	9,469.7667	468,412.1167
3000	6-8	412,834.5200	-	-	1,031.2169	150.0000	3,017.3501	417,033.0870
	9-12	468,734.3500	7,824.1100	-	2,812.4769	306.0000	2,864.2334	482,541.1703
Grand Total		1,765,818.37	7,879.3400	-	8,238.7501	756.0000	27,197.9503	1,809,890.4104

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4010	K-2	422.00	-	-	422.00
4020	3-5	457.00	0.15	-	457.15
3000	6-8	422.00	-	-	422.00
	9-12	493.00	6.59	-	499.59
Grand Total		1,794.00	6.74	-	1,800.74

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

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

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4010	61.00	6.00	-	-	67.00
4020	74.00	15.00	-	-	89.00
3000	61.00	9.00	-	-	70.00
1050	46.36	10.00	-	-	56.36
Grand Total	242.36	40.00	-	-	282.36

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

5. Finance

Answer the following questions with an appropriate response of true, false or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools.)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board 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. (Not applicable to charter schools.)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$82,103
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	False

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

Finding #

2021-003

Management Letter Comment #

N/A

SOUTHERN BOONE COUNTY R-I SCHOOL DISTRICT
COUNTY DISTRICT NO. 010-087
SCHEDULE OF SELECTED STATISTICS
(UNAUDITED)

6. Transportation (Section 163.161, RSMo)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	534.50
	Ineligible ADT	100.00
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	150,003
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	117,763
	Ineligible Miles (Non-Route/Disapproved)	22,412
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	162