

SOUTH HOLT R-I SCHOOL DISTRICT
OREGON, MISSOURI

BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Clevenger & Associates, CPA, PC
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October 28, 2021

To the Board of Education
South Holt R-I School District

We have audited the modified cash basis financial statements of the governmental activities and each major fund of South Holt R-I School District for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by South Holt R-I School District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper accounting period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

During the prior audits and this year's audit, we discussed with management of South Holt R-I School District that their cash balances in their General Ledger report should match their fund balances on the Annual Secretary of the Board Report. We recommend that the District takes action and corrects the balances going forward.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We did not audit the other information and do not express an opinion or provide any assurance on the other information. With respect to the other information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash-basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical sections, which accompany the 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.

Restriction on Use

This information is intended solely for the use of the administration and the Board of Education of South Holt R-I School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri

SOUTH HOLT R-1 SCHOOL DISTRICT

201 South Barbour Avenue
Oregon, Missouri 64473

BOARD OF EDUCATION

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Junior and Senior High Principal
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Elementary Principal
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MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the South Holt R-1 School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the basic financial statements, notes to the financial statements and other supplemental information to enhance their understanding of the District's financial performance.

Financial Highlights

- The total fund balances for the District (General and Capital Projects Funds) were \$3,217,013 June 30, 2021. This is an increase of \$511,637 in comparison to the prior fiscal year.
- The total revenues of the governmental funds for the fiscal year were \$4,231,194. This is an increase of \$524,940 compared to prior year due mainly to an increase in state assessed utilities and general revenues.
- Expenditures for the year were \$3,719,558. This is an increase of \$209,795 over the prior year.
- Outlays for new capital assets were \$73,170 during the year, including repairs to the facility.

Overview of the Financial Statements

This annual report consists of two distinct series of financial statements: the government-wide financial statements and the fund financial statements, notes to the financial statements, supplementary information, other financial information, other reporting requirements, and supplementary state information.

- **Fund Financial Statements:** Focus on individual funds of the District, reporting activities in more detail. These statements show how services were financed in the short-term as well as what remains for future spending.
- **Other Information:** Reports information where limited procedures are applied to budgetary and historical comparisons which are presented to provide perspective for the user of the financial statements.

Reporting on the District as a Whole

The Statement of Net Position and the Statement of Activities

The District's financial transactions as a whole for the year are summarized on the Statement of Net Position and the Statement of Activities. The statements include all assets and liabilities using the modified cash basis of accounting.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The financial statements are presented on the modified cash basis of accounting, under which revenues are recorded when received rather than when susceptible to accrual, and expenditures are recorded when paid rather than when the fund liability is incurred, except for teachers' salaries as explained in Note A to the financial statements.

These two statements report the District's change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental Activities are the activities where most of the District's programs and services are reported including, instruction, support services, operation and maintenance of plant, pupil transport, food service, and student activities.

Reporting the District's Most Significant Funds

Fund financial reports provide detailed information about the District's major funds. District resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The following types of funds are used by the District:

General Fund – Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund – Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary and comparison of the District’s net position for 2021 and 2020:

TABLE 1	Governmental Activities	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,093,105	\$ 1,599,376
Investments	1,123,908	1,106,000
Total Assets	<u>3,217,013</u>	<u>2,705,376</u>
NET POSITION		
Restricted		
Special revenue	-	595,294
Unrestricted	<u>3,217,013</u>	<u>2,110,082</u>
Total Net Position	<u>\$ 3,217,013</u>	<u>\$ 2,705,376</u>

Total assets at June 30, 2021 were \$3,217,013.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was \$3,217,013 and restricted net position was \$-0-.

Governmental Activities

Revenues – General revenues and special items totaled \$3,427,170. The three largest sources of general revenue for the District are generated through property taxes \$1,197,406, the Basic Foundation Formula \$852,206, and state assessed utilities \$785,009. Program specific revenues in the form of operating grants totaled \$437,594. The largest portion of this revenue was from the Small Schools Grant. State and Federal reimbursement for food service and transportation were \$116,299 and \$27,577, respectively.

Expenditures – Expenditures for governmental activities totaled \$3,719,558 offset by program specific charges for services, grants, or contributions of \$804,024. General revenues, primarily property taxes, the basic formula, and to a lesser extent state assessed utilities, fines and earnings on investments were adequate to provide for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 2 (below) shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenues and unrestricted State entitlements.

TABLE 2	2021		2020	
	Cost of Services	Net Cost of Service	Cost of Services	Net Cost of Service
EXPENDITURES:				
Instruction	\$ 2,150,308	\$ 1,551,467	\$ 2,094,917	\$ 1,676,011
Student support services	136,809	136,809	136,554	136,554
Instructional staff support	32,302	32,302	33,566	33,566
General administration	443,977	443,977	368,016	368,016
Building level administration	389,216	389,216	248,124	248,124
Operation of plant	358,308	358,308	292,363	292,363
Transportation	192,239	164,662	182,675	150,638
Food service	146,514	17,368	141,692	67,743
Early childhood programs	12,159	<36,302>	11,855	<16,811>
Total	\$ 3,719,558	\$ 2,915,534	\$ 3,509,763	\$ 2,956,205

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student support services includes health, psychology and speech instruction.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching pupils.

General administration includes the expenses associated with administrative and financial supervision of the district and office support staff. It also includes expenses related to planning, research, development, and evaluation of instructional and support services, as well as reporting this information internally and to the public.

Building level administration includes the cost of salaries and benefits for building level principals and office support staff.

Operation of plant activities involves keeping school grounds, buildings, and equipment in an effective working condition.

Transportation involves the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of meals to students and school staff in connection with school activities.

Early childhood programs include resources that can be useful to parent, child care providers, teachers and administrators about learning and development of our Pre-K learners.

The District's Funds

The District's funds are accounted for using the modified cash basis of accounting. All governmental funds had total revenues of \$4,231,194 and total expenditures of \$3,719,558. The net change in fund balance for the year was \$511,636.

The General fund had a balance of \$2,742,105 at the end of the year.

The Special Revenue Fund had a balance of \$-0- at the end of the year. The District transferred \$17,457 from the General fund to avoid deficit spending.

The Capital Projects fund balance was \$ 474,908 at the end of the year. Allowable transfers from the General Fund were \$162,326 to cover upcoming capital expenditures.

General Fund Budgetary Highlights

During the course of the year, the District amended the annual operating budget as the Board approved changes. The primary reason for the amendments were minimal fluctuations in actual expenditures made and due to uncertainty of revenues from the State of Missouri Department of Elementary and Secondary Education.

Economic Factors and Next Year's Budget

The budget for the year ended June 30, 2022 has been prepared and approved by the Board of Education. This budget includes the assumption of several economic conditions that will play a significant role in the financial health of the District:

The District's property tax levy increased slightly from \$3.3094 to \$3.4057. The increase will have minimal effect on the budget. Local tax effort still accounts for nearly half the District's revenues. South Holt's Hold Harmless determination keeps the state revenues consistent and the 100% funding of the formula is beneficial. The Small Schools' Grant and the Classroom Trust Fund money helps the district revenues as well. For the 2021-2022 budget, South Holt will spend \$202,733 of CARES ESSER 2 relief fund money on certified salaries. The money will be received and expended within the same school year. South Holt also received an anonymous donation of \$200,000 from a district patron during the 2020-2021 school year. The money will be spent during the 2021-2022 school year. This will be one-time money.

The district's expenditures total \$3,944,479. If budget matches actual expenses, the district will deficit spend \$60,000. These expenditures include some building projects to include football field lights, replacement of seven roof top units and new scoreboards for the various sports venues. The district did need to hire eight new staff members this year so there was some movement of individuals on salaries. South Holt is fully staffed and continues to offer a competitive base salary of \$34,170.

Contacting the District's Financial Management

This financial report is designed to provide our taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information contact the office of the Superintendent at; 201 Barbour Avenue, Oregon, MO 64473.

**SOUTH HOLT R-I SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
South Holt R-I School District
Oregon, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the South Holt 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 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 described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the South Holt R-I School District as of June 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

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

Other Matters*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages I–VI and 19–22, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of the South Holt 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 solely 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 effectiveness of the South Holt R-I School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri

October 28, 2021

GOVERNMENT - WIDE FINANCIAL STATEMENTS

SOUTH HOLT R-I SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2021

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 2,093,105.27
Investments	1,123,907.87
TOTAL ASSETS	3,217,013.14
 NET POSITION:	
Restricted for:	
Special revenue	-
Unrestricted	3,217,013.14
TOTAL NET POSITION	\$ 3,217,013.14

See accompanying notes to the basic financial statements

SOUTH HOLT R-I SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2021

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Regular instruction	\$ (1,407,522.70)	\$ -	\$ 223,424.03	\$ -	\$ (1,184,098.67)
Special instruction	(327,357.12)	-	58,645.00	-	(268,712.12)
Vocational instruction	(140,255.94)	-	8,109.00	-	(132,146.94)
Student activities	(275,172.32)	308,663.10	-	-	33,490.78
Student support services	(136,808.61)	-	-	-	(136,808.61)
Instructional support service:	(32,301.67)	-	-	-	(32,301.67)
Board of Education services	(54,761.10)	-	-	-	(54,761.10)
Executive administration	(389,215.67)	-	-	-	(389,215.67)
Building level administration	(246,943.84)	-	-	-	(246,943.84)
Food services	(146,513.53)	12,846.85	116,298.60	-	(17,368.08)
Operation of plant	(358,307.98)	-	-	-	(358,307.98)
Transportation	(192,238.60)	-	27,577.00	-	(164,661.60)
Early childhood programs	(12,158.50)	44,920.50	3,540.00	-	36,302.00
NET PROGRAM					
(DISBURSEMENTS) RECEIPTS	\$ (3,719,557.58)	\$ 366,430.45	\$ 437,593.63	\$ -	(2,915,533.50)

General Receipts:

Basic formula	852,206.30
Property taxes	1,197,406.11
Other taxes	357,676.11
Earnings on investments	35,527.84
Fines and escheats	71,209.01
State assessed utilities	785,009.21
Other revenue	128,135.66
TOTAL GENERAL RECEIPTS	<u>3,427,170.24</u>
INCREASE / (DECREASE) IN NET POSITION	511,636.74
NET POSITION - Beginning of year	<u>2,705,376.40</u>
NET POSITION - End of year	<u>\$ 3,217,013.14</u>

See accompanying notes to the basic financial statements

Fund
Financial Statements

SOUTH HOLT R-I SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 1,618,197.61	\$ -	\$ 474,907.66	\$ 2,093,105.27
Investments	1,123,907.87	-	-	1,123,907.87
TOTAL ASSETS	2,742,105.48	-	474,907.66	3,217,013.14
 FUND BALANCES				
Assigned for capital outlay	-	-	474,907.66	474,907.66
Unassigned	2,742,105.48	-	-	2,742,105.48
TOTAL FUND BALANCES	\$ 2,742,105.48	\$ -	\$ 474,907.66	\$ 3,217,013.14

See accompanying notes to the financial statements

SOUTH HOLT R-I SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Year Ended June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
RECEIPTS				
Local	\$ 1,602,467.95	\$ 357,676.11	\$ 5,684.45	\$ 1,965,828.51
County	785,009.21	71,209.01	-	856,218.22
State	32,129.54	963,928.30	-	996,057.84
Federal	256,843.50	156,246.25	-	413,089.75
TOTAL RECEIPTS	2,676,450.20	1,549,059.67	5,684.45	4,231,194.32
DISBURSEMENTS				
Instruction	429,187.66	1,721,120.42	-	2,150,308.08
Student support services	49,521.33	87,287.28	-	136,808.61
Instructional staff support	4,869.09	27,432.58	-	32,301.67
General administration	302,619.58	141,357.19	-	443,976.77
Building level administration	62,331.02	184,612.82	-	246,943.84
Operation of plant	285,137.98	-	73,170.00	358,307.98
Transportation	192,238.60	-	-	192,238.60
Food service	146,513.53	-	-	146,513.53
Early childhood program	12,158.50	-	-	12,158.50
TOTAL DISBURSEMENTS	1,484,577.29	2,161,810.29	73,170.00	3,719,557.58
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	1,191,872.91	(612,750.62)	(67,485.55)	511,636.74
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(179,783.03)	17,457.03	162,326.00	-
TOTAL OTHER FINANCING SOURCES (USES)	(179,783.03)	17,457.03	162,326.00	-
NET CHANGE IN FUND BALANCE	1,012,089.88	(595,293.59)	94,840.45	511,636.74
FUND BALANCE, BEGINNING	1,730,015.60	595,293.59	380,067.21	2,705,376.40
FUND BALANCE, ENDING	\$ 2,742,105.48	\$ -	\$ 474,907.66	\$ 3,217,013.14

See accompanying notes to the financial statements

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting which is a characteristic of local governmental units of this type.

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government, which is governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental unit.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity 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 constitute its assets, fund balance, receipts and disbursements. The District has only governmental funds. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying basic financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for non-certified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund: Accounts for disbursements for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund balance, receipts, and disbursements when they result from cash transactions. Also, salaries for teachers are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the invoice for the capital item is paid.

Compensated Absences

Vacation time, personal days, and sick leave are considered as disbursements in the year paid. Sick leave amounts unused and which are vested in the employee are payable upon termination.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Teachers' Salaries

The salary payment schedule of the District for the 2020-2021 school year requires the payment of salaries for a twelve-month period. Consequently, the July, 2021, payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

The District maintains a cash and temporary investment pool that is available for use by all funds. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. Government securities, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted net position -- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisional or enabling legislation.

Unrestricted net position -- All other net position that does not meet the definition of "restricted."

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance -- This 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 -- This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance -- These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education -- the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance -- This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted or committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance -- This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

SOUTH HOLT R-I SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE B - TERMINATION BENEFITS

The District does not offer formal early retirement benefits. The Board of Directors from time to time will grant termination benefits to exiting employees of the District on a case by case basis. No such benefits were paid during the year.

NOTE C - CASH AND CASH EQUIVALENTS

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit are entirely insured or collateralized with securities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

NOTE D - INVESTMENTS

Investments of the District as of June 30, 2021, are as follows:

Investment Type	Maturity	Amount
Certificates of deposit	9/27/2021-2/1/2025	\$ 1,123,908
		<u>\$ 1,123,908</u>

Certificate of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all certificates of deposit are entirely insured or collateralized with securities.

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks.

NOTE F - TAXES

Property taxes attach as an enforceable lien on property on 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 assessed valuation of the tangible taxable property for the calendar year 2020 for the purposes of local taxation was:

Real Estate:		
Residential	\$	9,986,760
Agricultural		6,647,450
Commercial		4,470,426
Personal Property		13,820,815
Total	<u>\$</u>	<u>34,925,451</u>

SOUTH HOLT R-I SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE F - TAXES (continued)

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	3.3965	3.3965
Special Revenue Fund	0.0000	0.0000
Capital Projects Fund	0.0000	0.0000
	3.3965	3.3965

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 100.94 percent of the current assessment computed on the basis of the levy as shown above.

NOTE G - RETIREMENT PLAN

The District participates in the Public School Retirement System and Public Education Employee Retirement System (PSRS and PEERS). 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.

General Information about the Pension Plan - The Public School Retirement System of Missouri (PSRS)

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 required to contribute to Social Security comes under the requirement of Section 169.070(9) RSMo, known as the "two-thirds 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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - RETIREMENT PLAN (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 5 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. 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

PSRS Contributions - PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020, and 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.

General Information about the Pension Plan - The Public Education Employment Retirement System of Missouri (PEERS)

Plan Description - PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district 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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - RETIREMENT PLAN (Continued)

Benefits Provided - PEERS is a defined benefit plan providing 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 5 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. Members 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 benefits are available for members 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 partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life Benefit Amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

PEERS Contributions - PEERS members were required to contribute 6.86% of their annual covered salary during the 2019, 2020, and 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 0.5% of pay.

The District's contributions to PSRS and PEERS were \$ 258,376 and \$ 22,980, respectively, for the year ended June 30, 2021.

NOTE H - INTERFUND TRANSFERS

During the year the District made transfers in the amount of \$162,326 from the General Fund to the Capital Projects fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

Also, as allowed by DESE, the District transferred \$17,457 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE I - LITIGATION

As of June 30, 2021 the District was not aware of any unsettled claims that would be material to the financial statements. As such, no provisions for legal claims have been included in the financial statements.

NOTE J - SUBSEQUENT EVENTS

Subsequent events have been evaluated as of October 28, 2021 and no reportable events are known to have occurred.

SOUTH HOLT R-I SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE K - CLAIMS AND ADJUSTMENTS

The District participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. The District is not aware of any significant contingent liabilities related to its compliance with rules and regulations relating to the respective grants, therefore, no provisions have been recorded in the accompanying financial statements for potential refunds of grant funds.

NOTE L - LONG-TERM DEBT

Article VI, Section 26(b) Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to 15% of the assessed valuation of the District. The legal margin on debt for the District on June 30 was:

Constitutional Debt Limit	\$ 5,238,818
General Obligation Bonds Payable	-
Amount Available	\$ 5,238,818

NOTE M - CAPITAL LEASE OBLIGATIONS

The District has implemented GASB No. 87, *Leases*. In accordance with the modified-cash basis of accounting, the District is reporting the following future lease payments. On June 25, 2017, the District entered into a lease agreement with SumnerOne for the purpose of providing copiers to the District. The lease includes payments of \$ 667 per month for 60 months.

The balance due at year end on the copier lease is:

Lease payable, July 1, 2020	\$ 16,008
Net lease additions	-
Net lease retirements	(8,004)
Lease payable, June 30, 2021	\$ 8,004

The future minimum lease payments are as follows:

Year	Total
2022	\$ 8,004
Total	\$ 8,004

SOUTH HOLT R-I SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE N - FUND BALANCES - GOVERNMENTAL FUNDS

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or format necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue and Capital Projects Funds in the original, adopted, and later revised budget. It is the policy of the board to first apply restricted resources when an expense is incurred for a purpose for which both restricted and unrestricted net assets are available.

As of June 30, 2021, fund balances are composed of the following:

	General Fund	Special Revenue	Capital Projects
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	474,908
Unassigned	2,742,105	-	-
Total	<u>\$ 2,742,105</u>	<u>\$ -</u>	<u>\$ 474,908</u>

OTHER FINANCIAL
INFORMATION

SOUTH HOLT R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 June 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ 1,391,600.00	\$ 1,602,467.95	\$ 1,602,467.95	\$ -
County	640,000.00	785,009.21	785,009.21	-
State	33,500.00	32,129.54	32,129.54	-
Federal	56,000.00	256,843.50	256,843.50	-
TOTAL RECEIPTS	2,121,100.00	2,676,450.20	2,676,450.20	-
DISBURSEMENTS				
Instruction	463,765.00	429,187.66	429,187.66	-
Student support services	26,940.00	49,521.33	49,521.33	-
Instructional staff support	25,000.00	4,869.09	4,869.09	-
General administration	235,081.00	302,619.58	302,619.58	-
Building level administration	62,862.00	62,331.02	62,331.02	-
Operation of plant	283,500.00	285,137.98	285,137.98	-
Transportation	191,506.00	192,238.60	192,238.60	-
Food service	144,700.00	146,513.53	146,513.53	-
Early childhood programs	12,766.00	12,158.50	12,158.50	-
TOTAL DISBURSEMENTS	1,446,120.00	1,484,577.29	1,484,577.29	-
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	674,980.00	1,191,872.91	1,191,872.91	-
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(171,735.41)	(179,783.03)	(179,783.03)	-
TOTAL OTHER FINANCING SOURCES (USES)	(171,735.41)	(179,783.03)	(179,783.03)	-
NET CHANGE IN FUND BALANCE	503,244.59	1,012,089.88	1,012,089.88	-
FUND BALANCE, BEGINNING	1,730,015.60	1,730,015.60	1,730,015.60	-
FUND BALANCE, ENDING	\$ 2,233,260.19	\$ 2,742,105.48	\$ 2,742,105.48	\$ -

SOUTH HOLT R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 SPECIAL REVENUE FUND
 June 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ 331,000.00	\$ 357,676.11	\$ 357,676.11	\$ -
County	70,000.00	71,209.01	71,209.01	-
State	946,000.00	963,928.30	963,928.30	-
Federal	145,481.00	156,246.25	156,246.25	-
TOTAL RECEIPTS	1,492,481.00	1,549,059.67	1,549,059.67	-
DISBURSEMENTS				
Instruction	1,656,272.00	1,721,120.42	1,721,120.42	-
Student support services	79,237.00	87,287.28	87,287.28	-
Instructional staff support	33,586.00	27,432.58	27,432.58	-
General administration	139,882.00	141,357.19	141,357.19	-
Building level administration	188,207.00	184,612.82	184,612.82	-
TOTAL DISBURSEMENTS	2,097,184.00	2,161,810.29	2,161,810.29	-
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	(604,703.00)	(612,750.62)	(612,750.62)	-
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	9,409.41	17,457.03	17,457.03	-
TOTAL OTHER FINANCING SOURCES (USES)	9,409.41	17,457.03	17,457.03	-
NET CHANGE IN FUND BALANCE	(595,293.59)	(595,293.59)	(595,293.59)	-
FUND BALANCE, BEGINNING	595,293.59	595,293.59	595,293.59	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

SOUTH HOLT R-I SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 CAPITAL PROJECTS FUND
 June 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ -	\$ 5,684.45	\$ 5,684.45	\$ -
Federal	26,196.00	-	-	-
TOTAL RECEIPTS	26,196.00	5,684.45	5,684.45	-
DISBURSEMENTS				
Instruction	27,196.00	-	-	-
Operation of plant	42,500.00	73,170.00	73,170.00	-
Food service	1,000.00	-	-	-
TOTAL DISBURSEMENTS	70,696.00	73,170.00	73,170.00	-
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	(44,500.00)	(67,485.55)	(67,485.55)	-
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	162,326.00	162,326.00	162,326.00	-
TOTAL OTHER FINANCING SOURCES (USES)	162,326.00	162,326.00	162,326.00	-
NET CHANGE IN FUND BALANCE	117,826.00	94,840.45	94,840.45	-
FUND BALANCE, BEGINNING	380,067.21	380,067.21	380,067.21	-
FUND BALANCE, ENDING	\$ 497,893.21	\$ 474,907.66	\$ 474,907.66	\$ -

SOUTH HOLT R-I SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021

Budgets and Budgetary Accounting

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

- 1 In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 2 Prior to July, the Superintendent submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3 A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4 Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5 Subsequent to its 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 final budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
- 6 Budgets for District funds are prepared and adopted on the modified cash basis (budget basis).

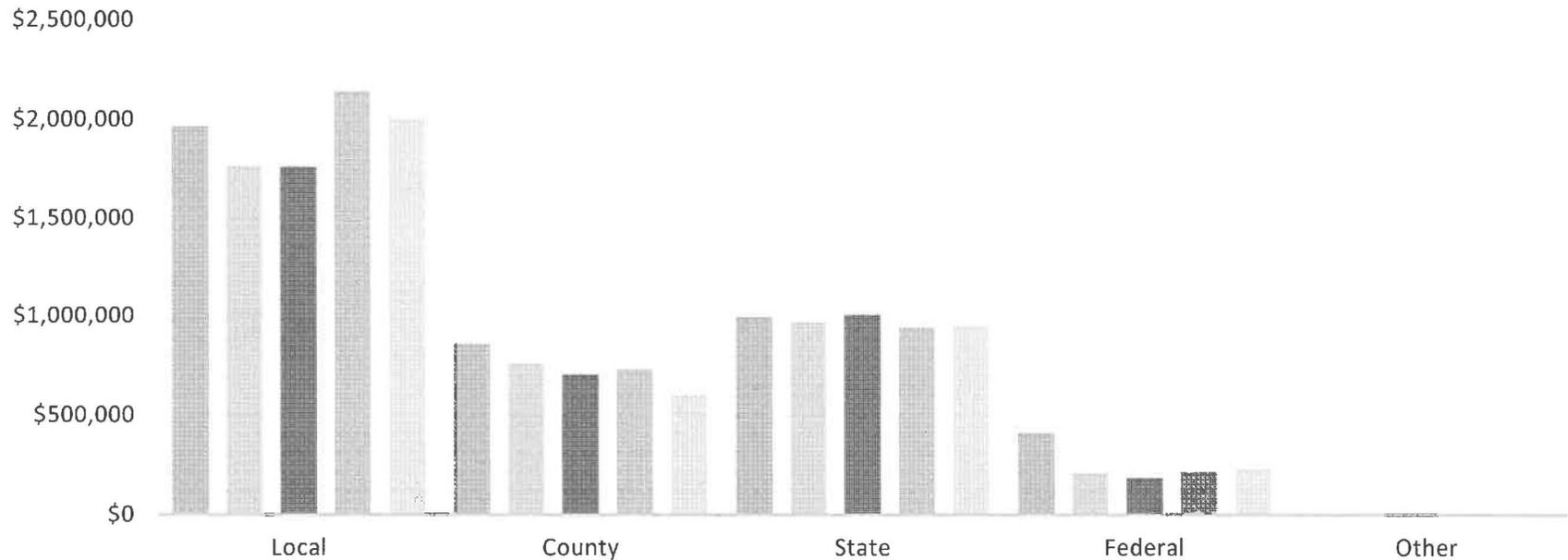
SOUTH HOLT R-I SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL				
Property tax	\$ 1,197,406.11	\$ -	\$ -	\$ 1,197,406.11
Sales tax	-	265,067.45	-	265,067.45
M&M surtax	-	86,223.09	-	86,223.09
In lieu of tax	-	5,845.68	-	5,845.68
Earnings on investments	29,843.39	-	5,684.45	35,527.84
Food service	12,846.85	-	-	12,846.85
Student activities	353,583.60	-	-	353,583.60
Other local revenue	8,788.00	-	-	8,788.00
TOTAL LOCAL	1,602,467.95	357,676.11	5,684.45	1,965,828.51
COUNTY				
Fines and escheats	-	71,209.01	-	71,209.01
State assessed utilities	785,009.21	-	-	785,009.21
TOTAL COUNTY	785,009.21	71,209.01	-	856,218.22
STATE				
Basic formula	-	747,116.14	-	747,116.14
Transportation	27,577.00	-	-	27,577.00
Basic formula - Classroom trust fund	-	105,090.16	-	105,090.16
Small schools grant	-	103,613.00	-	103,613.00
Food service	1,012.54	-	-	1,012.54
Educational screening	3,540.00	-	-	3,540.00
Career education	-	8,109.00	-	8,109.00
TOTAL STATE	32,129.54	963,928.30	-	996,057.84
FEDERAL				
Medicaid	-	5,827.78	-	5,827.78
CARES - ESSER Fund	-	11,449.25	-	11,449.25
CARES - Gov Emerg Ed Relief Fund	3,906.78	-	-	3,906.78
Coronavirus Relief Fund (OA CRF)	18,303.00	-	-	18,303.00
IDEA grants	-	58,645.00	-	58,645.00
Child nutrition	103,431.54	-	-	103,431.54
Title I	-	66,411.22	-	66,411.22
Title IV student support	-	11,699.25	-	11,699.25
Title II, A&B	-	2,213.75	-	2,213.75
CARES-School Lunch and Breakfast Program	11,854.52	-	-	11,854.52
Other federal revenues	119,347.66	-	-	119,347.66
TOTAL FEDERAL	256,843.50	156,246.25	-	413,089.75
TOTAL RECEIPTS	<u>\$ 2,676,450.20</u>	<u>\$ 1,549,059.67</u>	<u>\$ 5,684.45</u>	<u>\$ 4,231,194.32</u>

The above presentation is in accordance with the Annual Secretary of the Board Report.

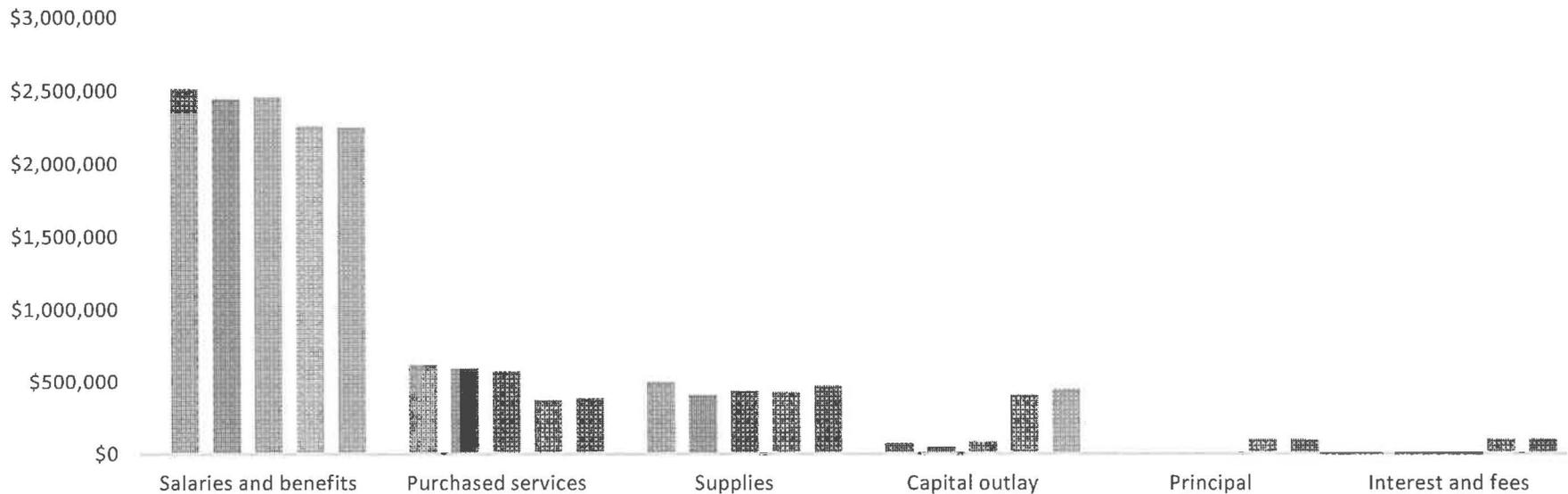
**SOUTH HOLT R-I SCHOOL DISTRICT
COMPARISON OF RECEIPTS BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2021 THROUGH 2017**

	2021	2020	2019	2018	2017
Local	\$ 1,965,829	\$ 1,768,600	\$ 1,763,446	\$ 2,145,566	\$ 2,004,328
County	856,218	754,969	702,964	728,904	603,089
State	996,058	968,991	1,007,200	941,099	950,036
Federal	413,090	208,275	187,309	215,480	232,211
Other	-	5,419	-	4,100	1,349
	<u>\$ 4,231,194</u>	<u>\$ 3,706,254</u>	<u>\$ 3,660,919</u>	<u>\$ 4,035,149</u>	<u>\$ 3,791,013</u>



**SOUTH HOLT R-I SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
FOR THE YEARS ENDED JUNE 30, 2021 THROUGH 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	2021 Totals	2020 Totals	2019 Totals	2018 Totals	2017 Totals
Salaries and benefits	\$ 354,828	\$ 2,161,810	\$ -	\$ 2,516,639	\$ 2,450,000	\$ 2,462,950	\$ 2,265,529	\$ 2,257,264
Purchased services	622,275	-	-	622,275	598,532	576,255	375,736	389,041
Supplies	507,474	-	-	507,474	412,192	441,846	431,645	479,124
Capital outlay	-	-	73,170	73,170	49,040	86,087	410,242	452,470
Principal	-	-	-	-	-	-	100,000	100,000
Interest and fees	-	-	-	-	-	-	101,880	102,912
	<u>\$ 1,484,577</u>	<u>\$ 2,161,810</u>	<u>\$ 73,170</u>	<u>\$ 3,719,558</u>	<u>\$ 3,509,764</u>	<u>\$ 3,567,138</u>	<u>\$ 3,685,032</u>	<u>\$ 3,780,811</u>

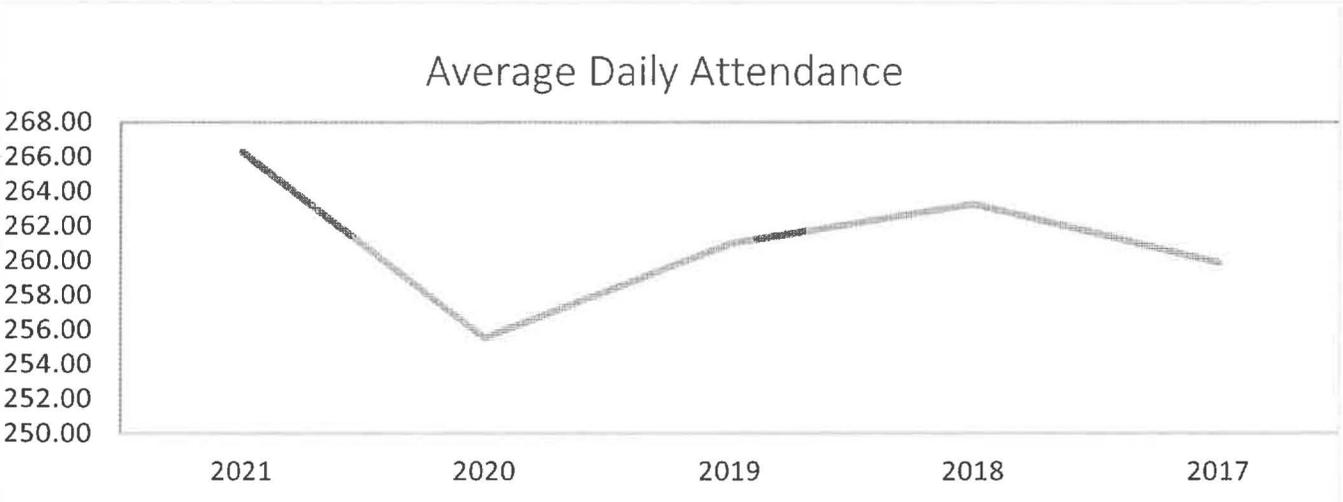
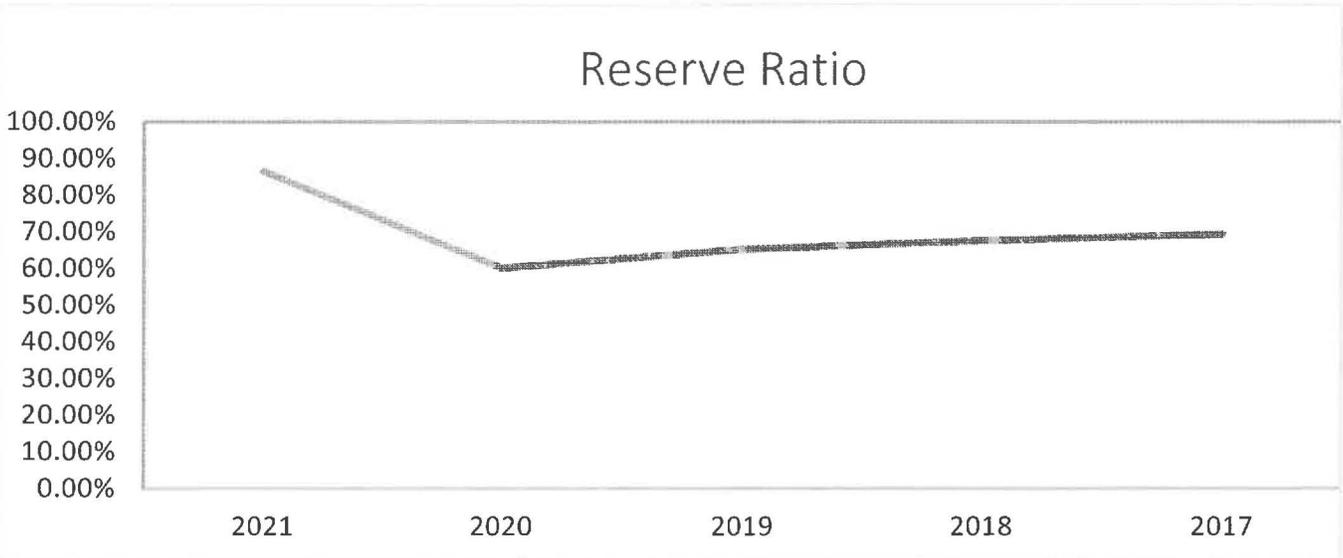


SOUTH HOLT R-I SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 YEAR ENDED JUNE 30, 2021

	Disabled District Operated	Contracted	Total
Certificated salaries	\$ -	\$ -	\$ -
Non-certificated salaries	-	-	-
Employee benefits	-	-	-
Purchases services	-	192,078	192,078
Supplies	-	-	-
Capital outlay	-	-	-
	<u>\$ -</u>	<u>\$ 192,078</u>	<u>\$ 192,078</u>

**SOUTH HOLT R-I SCHOOL DISTRICT
SELECTED TRENDS
FOR THE YEARS ENDED JUNE 30, 2021 THROUGH 2017**

	2021	2020	2019	2018	2017
Unrestricted Fund Bal.	\$ 3,217,013	\$ 2,110,083	\$ 2,325,309	\$ 2,415,105	\$ 2,285,075
Revenues	4,231,194	3,706,254	3,660,919	3,703,494	3,542,524
Expenditures	3,719,558	3,509,763	3,567,138	3,573,464	3,294,664
Reserve Ratio	86.49%	60.12%	65.19%	67.58%	69.36%
Average Daily Attendance	266.27	255.54	260.97	263.25	259.89



OTHER REPORTING
REQUIREMENTS

Clevenger & Associates, CPA, PC

2881 Grand Drive
Chillicothe, MO 64601
(660) 646-4872

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

To the Board of Education
South Holt R-I School District
Oregon, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying modified cash basis financial statements of the governmental activities and each major fund of South Holt R-I School District as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued a report thereon dated October 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, identified as finding 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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*.

Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Clevenger & Associates, CPA, PC

Chillicothe, Missouri
October 28, 2021

SOUTH HOLT R-I SCHOOL DISTRICT
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Section I -- Financial Statement Findings

SIGNIFICANT DEFICIENCY

2021-001 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee of the District has access to both physical assets and the related accounting records, or to all phases of a transaction. The District currently has one full time bookkeeper to handle the accounting needs of the District. There are some mitigating controls in place but it is not possible to have segregation in all areas.

Criteria: Duties should be segregated so that no one employee has access to physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Management Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

SOUTH HOLT R-I SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Financial Statement Finding

2020-001 Segregation of duties

Auditor's Recommendation:

We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring the lack of segregation of duties to your attention in this report.

Status:

Uncorrected

SUPPLEMENTARY STATE
INFORMATION

Clevenger & Associates, CPA, PC

2881 Grand Drive
Chillicothe, MO 64601
(660) 646-4872

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

To the Board of Education
South Holt R-I School District
Oregon, Missouri

We have examined management of South Holt R-I School District's assertions that South Holt R-I School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of the average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements included in the accompanying Schedule of Selected Statistics during the year ended June 30, 2021. South Holt R-I School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions about South Holt R-I School District's compliance with the above specified requirements 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 about compliance with the specified requirements are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, 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.

In our opinion, management's assertions that South Holt R-I School District complied with the requirements included in the Schedule of Selected Statistics are fairly stated, in all material respects, except for the following:

The District did not post, at least quarterly, a searchable expenditure and revenue document showing actual income, expenditures, and disbursements for the calendar or fiscal year on the District's website or other form of social media per State requirement. The District has since posted the missing documents and will be doing so going forward.

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.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri

October 28, 2021

SOUTH HOLT R-I SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 FOR YEAR ENDED JUNE 30, 2021

Calendar (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

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

School Code	Beginning Grade	End Grade	Half Day Indicator	Standard		Hours in Session
				Day Length	Days	
4020	K	6		6.4660	166	1057.88
1050	7	12		6.4660	166	1057.88

Notes:	

Attendance Hours

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer	
						School hours	Total Hours
4020	K	12,562.5500	-	-	-	-	12,562.5500
4020	1	19,320.3000	-	-	-	-	19,320.3000
4020	2	22,312.0500	-	-	-	-	22,312.0500
4020	3	23,216.3100	-	-	-	-	23,216.3100
4020	4	18,360.6100	-	-	-	-	18,360.6100
4020	5	26,191.9800	-	-	-	-	26,191.9800
4020	6	20,446.5800	-	-	-	-	20,446.5800
1050	7	24,762.8300	-	-	-	-	24,762.8300
1050	8	20,995.4000	-	-	-	-	20,995.4000
1050	9	23,857.1100	-	-	-	-	23,857.1100
1050	10	23,685.9100	-	-	-	-	23,685.9100
1050	11	26,364.6600	-	-	-	-	26,364.6600
1050	12	19,519.0300	-	-	-	-	19,519.0300

Grand Total 281,595.3200 - - - - 281,595.3200

Notes:	

SOUTH HOLT R-I SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 FOR YEAR ENDED JUNE 30, 2021

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
4020	K	12.00	-	-	12.00
4020	1	19.00	-	-	19.00
4020	2	22.00	-	-	22.00
4020	3	23.00	-	-	23.00
4020	4	18.00	-	-	18.00
4020	5	25.00	-	-	25.00
4020	6	20.00	-	-	20.00
1050	7	25.00	-	-	25.00
1050	8	21.00	-	-	21.00
1050	9	23.00	-	-	23.00
1050	10	23.00	-	-	23.00
1050	11	26.00	-	-	26.00
1050	12	20.00	-	-	20.00
Grand Total		277.00	-	-	277.00

Notes:	

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
4020	45.00	2.00	-	-	47.00
1050	23.00	1.00	-	-	24.00
Grand Total	68.00	3.00	-	-	71.00

Notes:	

SOUTH HOLT R-I SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR YEAR ENDED JUNE 30, 2021

Finance

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

Section	Question	Answer (T/F)
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.	T
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:	T
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	T
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	T
	Homebound instruction	N/A
	Missouri Options	N/A
	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)	T
	Virtual instruction (MOCAP or other option)	T
	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.	T
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.	T
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:	\$ 50,000.00
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	T
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)	N/A
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.	T
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.	T

SOUTH HOLT R-I SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 FOR YEAR ENDED JUNE 30, 2021

Finance (continued)

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

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.	T
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.	T
5.12	The amount spent for approved professional development committee plan activities was:	\$ 3,332.20
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.	F

Notes:	

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

Finding:	District did not post their revenues and expenditures document for the current fiscal year.
Management Letter Comment:	District will be uploading the three quarters not posted already to their website and will be putting the quarterly reports online after each quarter going forward.

SOUTH HOLT R-I SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 FOR YEAR ENDED JUNE 30, 2021

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.	T
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.	T
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	125.5
	Ineligible ADT	0
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.	T
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	48,196
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 (including food/instructional delivery miles 2020-21)	40,211
	Ineligible Miles(Non-route/Disapproved)	7,985
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	166

Notes:	

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

Finding:	No reportable findings.
Management Letter Comment:	No management comments.