

**MID-BUCHANAN R-V SCHOOL DISTRICT  
FAUCETT, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

**MID-BUCHANAN R-V SCHOOL DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Mid-Buchanan R-V School District

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Mid-Buchanan R-V School District as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Mid-Buchanan R-V School District as of June 30, 2022 and the respective changes in modified cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note A.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-Buchanan R-V School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note A of the financial statements that 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.

#### Responsibilities of Management for the Financial Statements

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

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Member, American Institute of Certified Public Accountants; Missouri Society of Certified Public Accountants

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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 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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 5, 2022

**MID-BUCHANAN R-V SCHOOL DISTRICT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 5,047,032</u>
<b>NET POSITION</b>	
Restricted for:	
Professional development	\$ 3,142
Scholarships	1,675
Capital outlay	549,280
Debt service	476,237
Unrestricted	<u>4,016,698</u>
Total net position	<u>\$ 5,047,032</u>

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	PROGRAM REVENUES				Net (Expenditures) Revenues and Change in Net Position Governmental
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 3,904,649	\$ -	\$ 943,065	\$ -	\$ (2,961,584)
Student activities	579,664	263,913	-	27,559	(288,192)
Student services	416,107	-	-	-	(416,107)
Instructional staff support	784,042	-	28,802	73,894	(681,346)
General administration and central services	464,623	-	-	-	(464,623)
Building administration	507,221	-	-	-	(507,221)
Operation of plant	691,617	-	-	-	(691,617)
Transportation	499,942	-	104,280	-	(395,662)
Food service	422,992	23,228	436,916	-	37,152
Community services	196,493	304,595	3,231	-	111,333
Facility acquisition and construction	659,710	-	-	58,646	(601,064)
Debt service:					
Principal retirement	926,650	-	-	-	(926,650)
Interest and fees	85,484	-	-	-	(85,484)
<b>Total Governmental Activities</b>	<b>\$ 10,139,194</b>	<b>\$ 591,736</b>	<b>\$ 1,516,294</b>	<b>\$ 160,099</b>	<b>(7,871,065)</b>

General Revenues:	
Basic formula	2,851,390
Property taxes	4,119,815
Sales tax	869,794
State assessed utilities	333,389
Fines and escheats	7,669
Financial institution tax	237
Earnings on investments	39,924
M&M surtax	48,352
Other revenue	17,255
<b>Total General Revenues</b>	<b>8,287,825</b>
Change in net position	416,760
Net Position Beginning of Year	4,630,272
Net Position End of Year	<b>\$ 5,047,032</b>

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

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	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,543,344	\$ 478,171	\$ 476,237	\$ 549,280	\$ 5,047,032
<b>FUND BALANCES</b>					
Restricted	\$ 4,817	\$ -	\$ 476,237	\$ -	\$ 481,054
Committed	111,078	-	-	516,585	627,663
Assigned	218,261	-	-	32,695	250,956
Unassigned	3,209,188	478,171	-	-	3,687,359
Total fund balances	\$ 3,543,344	\$ 478,171	\$ 476,237	\$ 549,280	\$ 5,047,032

See accompanying notes to the basic financial statements.



**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS, GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local	\$ 3,933,980	\$ 945,613	\$ 678,616	\$ 156,463	\$ 5,714,672
County	235,617	7,669	58,122	39,650	341,058
State	109,043	3,107,252	-	238,306	3,454,601
Federal	463,390	449,693	-	132,540	1,045,623
Total Revenues	<u>4,742,030</u>	<u>4,510,227</u>	<u>736,738</u>	<u>566,959</u>	<u>10,555,954</u>
<b>EXPENDITURES:</b>					
Instruction	421,381	3,480,569	-	2,699	3,904,649
Student activities	362,954	216,710	-	-	579,664
Student services	172,020	244,087	-	-	416,107
Instructional staff support	473,144	195,125	-	115,773	784,042
General administration and central services	230,681	233,942	-	-	464,623
Building administration	127,914	379,307	-	-	507,221
Operation of plant	683,999	-	-	7,618	691,617
Transportation	478,768	21,174	-	-	499,942
Food service	413,026	-	-	9,966	422,992
Community services	122,888	73,605	-	-	196,493
Facility acquisition and construction	-	-	-	659,710	659,710
Debt service:					
Principal retirement	-	-	840,000	86,650	926,650
Interest and fees	-	-	63,779	21,705	85,484
Total Expenditures	<u>3,486,775</u>	<u>4,844,519</u>	<u>903,779</u>	<u>904,121</u>	<u>10,139,194</u>
Revenues Over (Under) Expenditures	1,255,255	(334,292)	(167,041)	(337,162)	416,760
Other Financing Sources (Uses):					
Transfers	(719,498)	400,000	-	319,498	-
Net change in fund balances	535,757	65,708	(167,041)	(17,664)	416,760
Fund balance, beginning	<u>3,007,587</u>	<u>412,463</u>	<u>643,278</u>	<u>566,944</u>	<u>4,630,272</u>
Fund balance, ending	<u>\$ 3,543,344</u>	<u>\$ 478,171</u>	<u>\$ 476,237</u>	<u>\$ 549,280</u>	<u>\$ 5,047,032</u>

See accompanying notes to the basic financial statements.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and therefore, no other agency has been included as component unit in the District's financial statements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the District.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Major Governmental Funds:

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.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

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.

Measurement Focus

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic measurement focus. All assets and liabilities arising from cash basis transactions are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Salaries and benefits 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 benefits are not paid until July and August 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.

Pooled Cash: Cash resources of the individual funds are combined to form a pool of cash, which is managed by the District's Treasurer. Interest income received is allocated to contributing funds based on cash balances. The investment pool is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District).

Vacation and Sick Leave: Vacation, personal days, and sick leave are considered as expenditures in the year paid. Unlimited sick leave accumulation is allowed in the District. Upon leaving the District, specified employees are eligible to be reimbursed for unused sick leave days at \$25 per day up to sixty days, if the individual has 10 or more year's experience.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

OPEB Liabilities: As the District uses the modified cash basis of accounting, OPEB liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

Teachers' Salaries: Payroll checks written and held in June 2022, for July and August 2022 payrolls related to 2021-2022 contracts in the amount of \$586,184 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in the previous year.

**NOTE B - DEPOSITS AND INVESTMENTS**

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2022, the bank balances of the District's deposits totaled \$534,511. Of this amount \$250,000 was covered by FDIC insurance and \$284,511 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

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 operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the current debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. At June 30, 2022, the District had \$162,763 invested with MOHEFA.

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nations' largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAA by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District had \$5,529,347 invested with MOSIP at June 30, 2022.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy places no limit on the amounts the District may invest in any one issuer.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE C - 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. Buchanan County collects the property tax and remit it to the District.

The District also receives sales tax collected by the state and remitted based on weighted average daily attendance. 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 District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2021.

The assessed valuation of the tangible taxable property for the calendar year 2021 for purposes of local taxation was:

Real Estate:		
Residential	\$	42,044,050
Agriculture		3,382,140
Commercial		5,131,268
Personal Property		<u>24,382,478</u>
	\$	<u><u>74,939,936</u></u>

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 Fund	\$ 4.4845	\$ 4.4845
Special Revenue Fund	-	-
Debt Service Fund	0.9000	0.9000
Capital Projects Fund	<u>0.1000</u>	<u>0.1000</u>
	<u><u>\$ 5.4845</u></u>	<u><u>\$ 5.4845</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

**NOTE D - INSURANCE**

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 has joined with other schools to form the Missouri United School Insurance Council (MUSIC), a public entity risk pool currently operating as a common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,000,000, property claims to various amounts and worker's compensation claims to statutory limits. The District also has \$2,000,000 excess liability coverage in place for claims exceeding the liability limit.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE E - RETIREMENT PLAN**

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 Section 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. An Annual Comprehensive Financial Report ("ACFR") can be obtained at [www.psr-peers.org](http://www.psr-peers.org).

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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-peers.org](http://www.psr-peers.org). Since the prior valuation date the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2022. 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 for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2022 was \$563,287.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE E - RETIREMENT PLAN (continued)**

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. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .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 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-s-peers.org](http://www.psr-s-peers.org).

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2022. 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 PEERS for the year ended June 30, 2022 was \$62,594.

**NOTE F - LONG-TERM DEBT**

Changes in long-term debt during the fiscal year were as follows:

	Balance			Balance	Amount
	July 1, 2021	Additions	Retirements	June 30, 2022	Due Within One Year
Bonds Payable	\$ 3,145,000	\$ -	\$ 840,000	\$ 2,305,000	\$ 360,000
Direct Borrowings	41,672	-	11,649	30,023	12,446
Lease Certificates of Participation	750,000	-	75,000	675,000	75,000
Total	<u>\$ 3,936,672</u>	<u>\$ -</u>	<u>\$ 926,649</u>	<u>\$ 3,010,023</u>	<u>\$ 447,446</u>

**NOTE G - GENERAL OBLIGATION BONDS**

Bonds payable at June 30, 2022 consist of:

Series 2015 general obligation bonds due in varying annual installments through March 1, 2027, interest at 2.20 to 2.45%	\$ 450,000
Series 2017 general obligation refunding bonds due in varying annual installments through March 1, 2028, interest at 1.70 to 2.30%	<u>1,855,000</u>
Total	<u>\$ 2,305,000</u>

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE G - GENERAL OBLIGATION BONDS (continued)**

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2023	\$ 360,000	\$ 46,843	\$ 406,843
2024	300,000	40,722	340,722
2025	510,000	35,322	545,322
2026	320,000	25,033	345,033
2027	575,000	18,632	593,632
2028	<u>240,000</u>	<u>5,520</u>	<u>245,520</u>
Total	<u>\$ 2,305,000</u>	<u>\$ 172,072</u>	<u>\$ 2,477,072</u>

**NOTE H - DIRECT BORROWINGS**

On September 8, 2019, the District entered into a lease agreement for copier equipment. The lease is for five years requiring monthly payments of \$1,168 through September 1, 2024; interest at 6.64%.

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2023	\$ 12,446	\$ 1,566	\$ 14,012
2024	13,298	714	14,012
2025	<u>4,279</u>	<u>29</u>	<u>4,308</u>
	<u>\$ 30,023</u>	<u>\$ 2,309</u>	<u>\$ 32,332</u>

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayment of outstanding amounts to become immediately due if the District is unable to make payments.

**NOTE I - LEASE CERTIFICATES OF PARTICIPATION**

On May 5, 2020, the District issued \$750,000 Series 2020 Lease Certificates of Participation for the purposes of improving District buildings and facilities. The lease is for ten years requiring varying annual installments through March 1, 2030; interest at 2.00 to 2.75%.



**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE I - LEASE CERTIFICATES OF PARTICIPATION (continued)**

Debt service requirements to maturity are:

Year ending			
June 30,	Principal	Interest	Total
2023	\$ 75,000	\$ 16,775	\$ 91,775
2024	80,000	15,275	95,275
2025	80,000	13,675	93,675
2026	85,000	11,675	96,675
2027	85,000	9,550	94,550
2028	90,000	7,425	97,425
2029	90,000	4,950	94,950
2030	90,000	2,475	92,475
Total	<u>\$ 675,000</u>	<u>\$ 81,800</u>	<u>\$ 756,800</u>

**NOTE J - INTERFUND TRANSFERS**

During the year, the District transferred \$400,000 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund. The District also made a \$319,498 transfer 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).

**NOTE K - FUND BALANCES - GOVERNMENTAL FUNDS**

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Fund. Assigned funds cannot cause a deficit in unassigned fund balance.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE K - FUND BALANCES - GOVERNMENTAL FUNDS (continued)**

Unassigned fund balance - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt Service	\$ -	\$ -	\$ 476,237	\$ -
Professional development	3,142	-	-	-
Scholarships	1,675	-	-	-
Total restricted	<u>4,817</u>	<u>-</u>	<u>476,237</u>	<u>-</u>
Committed:				
Capital outlay	-	-	-	516,585
Technology	111,078	-	-	-
Total committed	<u>111,078</u>	<u>-</u>	<u>-</u>	<u>516,585</u>
Assigned:				
Student activities	218,261	-	-	-
Capital projects	-	-	-	32,695
Teacher salaries	-	478,171	-	-
Total assigned	<u>218,261</u>	<u>478,171</u>	<u>-</u>	<u>32,695</u>
Unassigned	<u>3,209,188</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 3,543,344</u>	<u>\$ 478,171</u>	<u>\$ 476,237</u>	<u>\$ 549,280</u>

**NOTE L - COMMITMENTS**

During the year, the Board approved contracts for various facility improvements and technology throughout the District. The total amount committed by the District for these project but not paid as of June 30, 2022 was \$627,663

**NOTE M - SUBSEQUENT EVENT**

On August 3, 2022, the District issued \$8,000,000 of Series 2022 General Obligation Bonds for building improvements and playground upgrades.

## **SUPPLEMENTARY INFORMATION**

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUDEATARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 3,685,165	\$ 3,876,658	\$ 3,933,980	\$ 57,322
County	226,000	242,250	235,617	(6,633)
State	78,600	109,043	109,043	-
Federal	235,374	484,279	463,390	(20,889)
Other	-	-	-	-
<b>Total Revenues</b>	<u>4,225,139</u>	<u>4,712,230</u>	<u>4,742,030</u>	<u>29,800</u>
<b>EXPENDITURES:</b>				
Instruction	425,354	431,085	421,381	9,704
Student activities	409,753	280,348	362,954	(82,606)
Student services	-	205,266	172,020	33,246
Instructional staff support	361,670	469,563	473,144	(3,581)
General administration and central services	230,231	236,842	230,681	6,161
Building administration	135,127	133,154	127,914	5,240
Operation of plant	659,909	664,173	683,999	(19,826)
Transportation	405,500	453,492	478,768	(25,276)
Food service	355,545	416,373	413,026	3,347
Community services	143,616	123,007	122,888	119
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<u>3,126,705</u>	<u>3,413,303</u>	<u>3,486,775</u>	<u>(73,472)</u>
Revenues Over (Under) Expenditures	1,098,434	1,298,927	1,255,255	(43,672)
<b>Other Financing Sources (Uses):</b>				
Transfers	<u>(1,125,000)</u>	<u>(1,125,000)</u>	<u>(719,498)</u>	<u>405,502</u>
Net change in fund balance	(26,566)	173,927	535,757	361,830
Fund balance, beginning	<u>3,007,587</u>	<u>3,007,587</u>	<u>3,007,587</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,981,021</u>	<u>\$ 3,181,514</u>	<u>\$ 3,543,344</u>	<u>\$ 361,830</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 799,800	\$ 945,627	\$ 945,613	\$ (14)
County	9,000	9,000	7,669	(1,331)
State	2,860,950	3,066,791	3,107,252	40,461
Federal	420,965	442,851	449,693	6,842
Other	-	-	-	-
<b>Total Revenues</b>	<b>4,090,715</b>	<b>4,464,269</b>	<b>4,510,227</b>	<b>45,958</b>
<b>EXPENDITURES:</b>				
Instruction	3,322,795	3,489,494	3,480,569	8,925
Student activities	207,405	217,362	216,710	652
Student services	217,662	237,599	244,087	(6,488)
Instructional staff support	194,869	199,395	195,125	4,270
General administration and central services	258,247	260,113	233,942	26,171
Building administration	385,029	393,687	379,307	14,380
Operation of plant	-	-	-	-
Transportation	-	-	21,174	(21,174)
Food service	-	-	-	-
Community services	193,054	74,782	73,605	1,177
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
<b>Total Expenditures</b>	<b>4,779,061</b>	<b>4,872,432</b>	<b>4,844,519</b>	<b>27,913</b>
Revenues Over (Under) Expenditures	(688,346)	(408,163)	(334,292)	73,871
<b>Other Financing Sources (Uses):</b>				
Transfers	800,000	800,000	400,000	(400,000)
Net change in fund balance	111,654	391,837	65,708	(326,129)
Fund balance, beginning	412,463	412,463	412,463	-
Fund balance, ending	<u>\$ 524,117</u>	<u>\$ 804,300</u>	<u>\$ 478,171</u>	<u>\$ (326,129)</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 662,008	\$ 682,948	\$ 678,616	\$ (4,332)
County	57,750	57,750	58,122	372
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>719,758</u>	<u>740,698</u>	<u>736,738</u>	<u>(3,960)</u>
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration and central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	465,000	840,000	840,000	-
Interest and fees	64,493	64,493	63,779	714
<b>Total Expenditures</b>	<u>529,493</u>	<u>904,493</u>	<u>903,779</u>	<u>714</u>
Revenues Over (Under) Expenditures	190,265	(163,795)	(167,041)	(3,246)
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Net change in fund balance	190,265	(163,795)	(167,041)	(3,246)
Fund balance, beginning	<u>643,278</u>	<u>643,278</u>	<u>643,278</u>	<u>-</u>
Fund balance, ending	<u>\$ 833,543</u>	<u>\$ 479,483</u>	<u>\$ 476,237</u>	<u>\$ (3,246)</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**BUGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Local	\$ 135,150	\$ 155,076	\$ 156,463	\$ 1,387
County	40,000	46,293	39,650	(6,643)
State	139,840	238,305	238,306	1
Federal	73,894	132,540	132,540	-
Other	-	100	-	(100)
	<u>388,884</u>	<u>572,314</u>	<u>566,959</u>	<u>(5,355)</u>
Total Revenues				
<b>EXPENDITURES:</b>				
Instruction	5,000	2,700	2,699	1
Student activities	-	-	-	-
Student services	6,000	-	-	-
Instructional staff support	229,894	118,312	115,773	2,539
General administration and central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	10,000	10,000	7,618	2,382
Transportation	-	-	-	-
Food service	25,000	10,000	9,966	34
Community services	-	-	-	-
Facility acquisition and construction	405,000	631,646	659,710	(28,064)
Debt service:				
Principal retirement	86,651	86,651	86,650	1
Interest and fees	20,636	21,705	21,705	-
	<u>788,181</u>	<u>881,014</u>	<u>904,121</u>	<u>(23,107)</u>
Total Expenditures				
Revenues Over (Under) Expenditures	(399,297)	(308,700)	(337,162)	(28,462)
<b>Other Financing Sources (Uses):</b>				
Transfers	325,000	325,000	319,498	(5,502)
Net change in fund balance	(74,297)	16,300	(17,664)	(33,964)
Fund balance, beginning	566,944	566,944	566,944	-
Fund balance, ending	<u>\$ 492,647</u>	<u>\$ 583,244</u>	<u>\$ 549,280</u>	<u>\$ (33,964)</u>

See accompanying notes to the budgetary comparison schedule.

**MID-BUCHANAN R-V SCHOOL DISTRICT**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2022**

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**Budgetary Process**

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, 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 proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to 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.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid, except for teachers' salaries.

**Budget Compliance**

General Fund actual expenditures of \$3,486,775 exceeded budgeted amounts of \$3,413,303 by \$73,472.



**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF REVENUES COLLECTED BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
<b>LOCAL:</b>					
Property tax	\$ 3,365,805	\$ -	\$ 673,958	\$ 80,052	\$ 4,119,815
Sales tax	-	869,794	-	-	869,794
Financial institution tax	237	-	-	-	237
M & M surtax	-	-	-	48,352	48,352
Earnings on investments	34,766	-	4,658	500	39,924
Food service	23,228	-	-	-	23,228
Student activities	263,913	-	-	-	263,913
Community services	223,610	-	-	-	223,610
Tuition	5,166	75,819	-	-	80,985
Other local revenue	17,255	-	-	27,559	44,814
<b>Total Local</b>	<u>3,933,980</u>	<u>945,613</u>	<u>678,616</u>	<u>156,463</u>	<u>5,714,672</u>
<b>COUNTY:</b>					
Fines and escheats	-	7,669	-	-	7,669
State assessed utilities	235,617	-	58,122	39,650	333,389
<b>Total County</b>	<u>235,617</u>	<u>7,669</u>	<u>58,122</u>	<u>39,650</u>	<u>341,058</u>
<b>STATE:</b>					
Basic formula	-	2,880,192	-	-	2,880,192
Transportation	104,280	-	-	-	104,280
Early Childhood Special Education	-	85,552	-	-	85,552
Basic formula - classroom trust fund	-	69,840	-	238,306	308,146
Educational screening	-	3,231	-	-	3,231
Food service	4,763	-	-	-	4,763
Career education	-	7,414	-	-	7,414
High need fund - special education	-	61,023	-	-	61,023
<b>Total State</b>	<u>109,043</u>	<u>3,107,252</u>	<u>-</u>	<u>238,306</u>	<u>3,454,601</u>
<b>FEDERAL:</b>					
Title I	-	96,026	-	-	96,026
Title II, Part A	-	18,023	-	-	18,023
Title IV	-	9,852	-	-	9,852
Medicaid	-	9,521	-	-	9,521
Individuals with Disabilities	-	139,590	-	-	139,590
IDEA grants	-	1,459	-	-	1,459
Early Childhood Special Education	19,539	-	-	-	19,539
Child Nutrition Program	432,153	-	-	-	432,153
CARES - ESSER Fund	200	6,500	-	-	6,700
CRRSA - ESSER II Fund	-	18,722	-	73,894	92,616
ARP - ESSER III	7,485	150,000	-	58,646	216,131
Other federal revenue	4,013	-	-	-	4,013
<b>Total Federal</b>	<u>463,390</u>	<u>449,693</u>	<u>-</u>	<u>132,540</u>	<u>1,045,623</u>
<b>Total Revenues Collected</b>	<u>\$ 4,742,030</u>	<u>\$ 4,510,227</u>	<u>\$ 736,738</u>	<u>\$ 566,959</u>	<u>\$ 10,555,954</u>

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	011-078	\$ 92,663
National School Lunch Program	10.555	011-078	19,743
COVID-19 - School Lunch Program	10.555	011-078	319,748
Non-Cash: Food Distribution	10.555	011-078	18,918
Total Child Nutrition Cluster			<u>451,072</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	011-078	157,845
Special Education - Preschool Grants	84.173	011-078	2,742
Total Special Education Cluster (IDEA)			<u>160,587</u>
Title I - Grants to Local Educational Agencies	84.010	011-078	123,901
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	011-078	99,355
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	011-078	283,608
Total Education Stabilization Fund			<u>382,963</u>
Total U.S. Department of Education			<u>667,451</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
COVID-19 - Improving Student Health and Academic Achievement	93.981	011-078	4,013
Total Expenditures of Federal Awards			<u>\$ 1,122,536</u>

**Note 1. Basis of Presentation**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Mid-Buchanan R-V School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Mid-Buchanan R-V School District, it is not intended to and does not present the financial position, change in net position or cash flows of Mid-Buchanan R-V School District.

## **INTERNAL CONTROL AND COMPLIANCE**

**INDEPENDENT ACCOUNTANTS' REPORT ON THE ADMINISTRATION'S  
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS  
OF MISSOURI LAWS AND REGULATIONS**

To the Board of Education  
Mid-Buchanan R-V School District

We have examined the administration's assertion, included in its representation letter dated December 5, 2022, that Mid-Buchanan R-V School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2021 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2022; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported 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, 2022. As discussed in that representation letter, the administration is responsible for the District's assertion. Our responsibility is to express an opinion on the administration's assertion about the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is 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 the administration's assertion, 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 are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2022 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, the administration 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.

*Westbrook & Co., P.C.*

December 5, 2022

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number: 011-078

**1. 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	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	6		6.7667	159	1,047.1887
1050	7	12		6.7667	159	1,047.1887

**2. ATTENDANCE HOURS**

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	PK-6	402,203.59				23,458.50	425,662.09
1050	7-12	369,564.03				2,371.00	371,935.03
<b>Grand Total</b>		<b>771,767.62</b>				<b>25,829.50</b>	<b>797,597.12</b>

**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
4020	PK-6	406.00			406.00
1050	7-12	379.00			379.00
<b>Grand Total</b>		<b>785.00</b>			<b>785.00</b>

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number: 011-078

**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
4020	56.00	5.00			61.00
1050	50.00	5.00			55.00
<b>Grand Total</b>	<b>106.00</b>	<b>10.00</b>			<b>116.00</b>

**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 for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program - Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	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

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number: 011-078

	Work Experience for Students with Disabilities	N/A
<b>5.3</b>	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
<b>5.4</b>	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
<b>5.5</b>	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
<b>5.6</b>	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
<b>5.7</b>	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
<b>5.8</b>	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
<b>5.9</b>	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
<b>5.10</b>	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
<b>5.11</b>	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
<b>5.12</b>	The amount spent for approved professional development committee plan activities was:	\$25,253
<b>5.13</b>	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.	True

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2022**

County District Number: 011-078

**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	499.0
	Ineligible ADT	3.0
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.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	117,704
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	90,053
	Ineligible Miles (Non-Route/Disapproved)	27,651
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	159



**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  
Mid-Buchanan R-V School District

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 modified cash basis financial statements of the governmental activities and each major fund of Mid-Buchanan R-V School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2022.

**Report on 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 District'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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

## **District's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 result 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 5, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Mid-Buchanan R-V School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Mid-Buchanan R-V School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mid-Buchanan R-V School District complied, 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mid-Buchanan R-V School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Westbrook & Co., P.C.*

Richmond, Missouri  
December 5, 2022

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     X     Yes            No
- Significant deficiency(ies) identified?            Yes     X     None reported

Noncompliance material to financial statements noted?

           Yes     X     No

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?            Yes     X     No
- Significant deficiency(ies) identified?            Yes     X     None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

           Yes     X     No

Identification of major federal programs:

Education Stabilization Fund AL No. 84.425  
Title I - Grants to Local Educational Agencies AL No. 84.010

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

           Yes     X     No

**MID-BUCHANAN R-V SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESS**

**2022-001 SEGREGATION OF DUTIES**

*Condition:* The bookkeeper has the ability to perform the following duties: record deposits, set up new employees, input payroll information, post journal entries, set up new vendors, create disbursements, maintain the general ledger and perform the bank reconciliation.

*Criteria:* Accounting duties should be segregated so that one individual does not have sole care, custody and control of District assets.

*Cause:* The size of the District has not allowed for adequate segregation of duties.

*Effect:* Inadequate internal controls could allow for errors or fraud to occur.

*Recommendation:* Consideration should be given to reassigning duties performed by the bookkeeper and/or adding mitigating controls or review processes to improve internal controls. While the superintendent opens and reviews the bank statement, deposits and check images, the District should continue to monitor activities where segregation of duties cannot be achieved. We recommend that the superintendent review journal entries prepared by the bookkeeper. Additionally, while reviewing the bank statement, we recommend the superintendent trace the payroll ACH withdrawals from the bank account back to the original payroll register that was approved.

*Auditee's Response:* The District will carefully consider other ways to assign responsibilities that will allow for better segregation of duties. Although the bookkeeper has the ability to input new vendors, record deposits, and enter new employees; she does not actually do those entries as our HR director does that. The duties of entering payroll information, maintaining the general ledger, and performing bank reconciliation are also monitored by the Superintendent. The District will implement a monthly review of all journal and adjusting entries.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None