

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

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

FOR THE YEAR ENDED JUNE 30, 2021

**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 Financial Statements

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, 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 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.

Auditors' Responsibility

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

An audit includes 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 Mid-Buchanan R-V School District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

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 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 is 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 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 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 November 9, 2021 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.

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.

Westbrook & Co., P.C.

Richmond, Missouri
November 9, 2021

MID-BUCHANAN R-V SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	<u>\$ 4,630,272</u>
NET POSITION	
Restricted for:	
Scholarships	\$ 1,675
Capital outlay	566,944
Debt service	643,278
Unrestricted	<u>3,418,375</u>
Total net position	<u>\$ 4,630,272</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, 2021**

	<u>Expenditures</u>	<u>PROGRAM REVENUES</u>			<u>Net (Expenditures) Revenues and Change in Net Position Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
GOVERNMENTAL ACTIVITIES:					
Instruction	\$ 3,686,050	\$ -	\$ 681,951	\$ -	\$ (3,004,099)
Student activities	508,763	205,032	-	-	(303,731)
Student services	319,351	-	105,192	-	(214,159)
Instructional staff support	1,037,846	-	413,967	-	(623,879)
General administration and central services	467,391	-	10,679	-	(456,712)
Building administration	496,309	-	-	-	(496,309)
Operation of plant	752,917	-	79,576	-	(673,341)
Transportation	448,306	-	188,789	-	(259,517)
Food service	390,010	47,063	285,124	-	(57,823)
Community services	131,841	161,400	11,514	-	41,073
Facility acquisition and construction	208,971	-	-	45,295	(163,676)
Debt service:					
Principal retirement	750,094	-	-	-	(750,094)
Interest and fees	101,354	-	-	-	(101,354)
Total Governmental Activities	\$ 9,299,203	\$ 413,495	\$ 1,776,792	\$ 45,295	(7,063,621)

General Revenues:	
Basic formula	2,616,962
Property taxes	4,016,531
Sales tax	744,480
State assessed utilities	322,395
Fines and escheats	8,337
Earnings on investments	33,850
M&M surtax	51,948
Other revenue	51,269
Total General Revenues	7,845,772
Change in net position	782,151
Net Position Beginning of Year	3,848,121
Net Position End of Year	<u>\$ 4,630,272</u>

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, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 3,007,587	\$ 412,463	\$ 643,278	\$ 566,944	\$ 4,630,272
FUND BALANCES					
Restricted	\$ 1,675	\$ -	\$ 643,278	\$ -	\$ 644,953
Committed	-	-	-	227,752	227,752
Assigned	162,925	412,463	-	339,192	914,580
Unassigned	2,842,987	-	-	-	2,842,987
 Total fund balances	 \$ 3,007,587	 \$ 412,463	 \$ 643,278	 \$ 566,944	 \$ 4,630,272

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, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 3,746,847	\$ 786,973	\$ 653,233	\$ 124,620	\$ 5,311,673
County	224,383	8,337	57,952	40,060	330,732
State	76,899	2,746,318	-	238,639	3,061,856
Federal	498,745	492,896	-	385,452	1,377,093
Total Revenues	<u>4,546,874</u>	<u>4,034,524</u>	<u>711,185</u>	<u>788,771</u>	<u>10,081,354</u>
EXPENDITURES:					
Instruction	348,056	3,337,994	-	-	3,686,050
Student activities	335,789	172,954	-	20	508,763
Student services	105,318	214,033	-	-	319,351
Instructional staff support	299,016	132,549	-	606,281	1,037,846
General administration and central services	221,832	245,559	-	-	467,391
Building administration	137,384	358,925	-	-	496,309
Operation of plant	704,511	-	-	48,406	752,917
Transportation	427,524	20,782	-	-	448,306
Food service	387,286	-	-	2,724	390,010
Community services	77,737	54,104	-	-	131,841
Facility acquisition and construction	-	-	-	208,971	208,971
Debt service:					
Principal retirement	-	-	740,000	10,094	750,094
Interest and fees	-	-	82,160	19,194	101,354
Total Expenditures	<u>3,044,453</u>	<u>4,536,900</u>	<u>822,160</u>	<u>895,690</u>	<u>9,299,203</u>
Revenues Over (Under) Expenditures	1,502,421	(502,376)	(110,975)	(106,919)	782,151
Other Financing Sources (Uses):					
Transfers	(1,027,530)	710,000	-	317,530	-
Net change in fund balances	474,891	207,624	(110,975)	210,611	782,151
Fund balance, beginning	<u>2,532,696</u>	<u>204,839</u>	<u>754,253</u>	<u>356,333</u>	<u>3,848,121</u>
Fund balance, ending	<u>\$ 3,007,587</u>	<u>\$ 412,463</u>	<u>\$ 643,278</u>	<u>\$ 566,944</u>	<u>\$ 4,630,272</u>

See accompanying notes to the basic financial statements.

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021

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 years experience.

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 2021, for July and August 2021 payrolls related to 2020-2021 contracts in the amount of \$533,067 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, 2021, the bank balances of the District's deposits totaled \$1,227,491. Of this amount \$250,000 was covered by FDIC insurance and \$977,491 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, 2021, the District had \$211,018 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 \$4,128,893 invested with MOSIP at June 30, 2021.

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, 2021

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. DeKalb, Daviess and Gentry Counties collect 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 2020.

The assessed valuation of the tangible taxable property for the calendar year 2020 for purposes of local taxation was:

Real Estate:		
Residential	\$	41,362,620
Agriculture		3,254,440
Commercial		5,140,338
Personal Property		<u>21,822,632</u>
	\$	<u><u>71,580,030</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	\$ 4.5774	\$ 4.5774
Special Revenue Fund	-	-
Debt Service Fund	0.9000	0.9000
Capital Projects Fund	<u>0.1000</u>	<u>0.1000</u>
	<u><u>\$ 5.5774</u></u>	<u><u>\$ 5.5774</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, 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.

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at 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. 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 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions 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, 2021 was \$545,688.

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.psrs-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2021. Employers were required to match the contributions made by 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, 2021 was \$61,015.

NOTE F - LONG-TERM DEBT

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

	Balance			Balance	Amount
	July 1, 2020	Additions	Retirements	June 30, 2021	Due Within One Year
Bonds Payable	\$ 3,885,000	\$ -	\$ 740,000	\$ 3,145,000	\$ 465,000
Direct Borrowings	51,766	-	10,094	41,672	11,649
Lease Certificates of Participation	750,000	-	-	750,000	75,000
Total	<u>\$ 4,686,766</u>	<u>\$ -</u>	<u>\$ 750,094</u>	<u>\$ 3,936,672</u>	<u>\$ 551,649</u>

NOTE G - GENERAL OBLIGATION BONDS

Bonds payable at June 30, 2021 consist of:

Series 2015 general obligation bonds due in varying annual installments through March 1, 2027, interest at 1.80 to 2.45%	\$ 925,000
Series 2017 general obligation refunding bonds due in varying annual installments through March 1, 2028, interest at 1.50 to 2.30%	<u>2,220,000</u>
Total	<u>\$ 3,145,000</u>

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - GENERAL OBLIGATION BONDS (continued)

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2022	\$ 465,000	\$ 62,493	\$ 527,493
2023	360,000	55,217	415,217
2024	425,000	49,097	474,097
2025	510,000	41,197	551,197
2026	570,000	30,908	600,908
2027	575,000	18,633	593,633
2028	240,000	5,520	245,520
Total	<u>\$ 3,145,000</u>	<u>\$ 263,065</u>	<u>\$ 3,408,065</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%. The remaining balance as of June 30, 2021 was \$41,672.

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2022	\$ 11,649	\$ 2,363	\$ 14,012
2023	12,446	1,566	14,012
2024	13,298	714	14,012
2025	4,279	29	4,308
	<u>\$ 41,672</u>	<u>\$ 4,672</u>	<u>\$ 46,344</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, 2021

NOTE I - LEASE CERTIFICATES OF PARTICIPATION (continued)

Debt service requirements to maturity are:

Year ending	Certificates of Participation	
June 30,	Principal	Interest
2022	\$ 75,000	\$ 18,275
2023	75,000	16,775
2024	80,000	15,275
2025	80,000	13,675
2026	85,000	11,675
2027	85,000	9,550
2028	90,000	7,425
2029	90,000	4,950
2030	90,000	2,475
Total	\$ 750,000	\$ 100,075

NOTE J - INTERFUND TRANSFERS

During the year, the District transferred \$710,000 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund. The District also made a \$317,530 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, 2021

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, 2021, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt Service	\$ -	\$ -	\$ 643,278	\$ -
Scholarships	1,675	-	-	-
Total restricted	<u>1,675</u>	<u>-</u>	<u>643,278</u>	<u>-</u>
Committed:				
Capital outlay	-	-	-	<u>227,752</u>
Assigned:				
Student activities	162,925	-	-	-
Capital projects	-	-	-	339,192
Teacher salaries	-	412,463	-	-
Total assigned	<u>162,925</u>	<u>412,463</u>	<u>-</u>	<u>339,192</u>
Unassigned	<u>2,842,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 3,007,587</u>	<u>\$ 412,463</u>	<u>\$ 643,278</u>	<u>\$ 566,944</u>

NOTE L - COMMITMENTS

During the year, the Board approved contracts for various facility improvements throughout the District. The total amount committed by the District for these project but not paid as of June 30, 2021 was \$227,752.

SUPPLEMENTARY INFORMATION

MID-BUCHANAN R-V SCHOOL DISTRICT
BUDEATARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 3,764,274	\$ 3,743,148	\$ 3,746,847	\$ 3,699
County	240,000	224,383	224,383	-
State	62,500	76,947	76,899	(48)
Federal	212,509	499,241	498,745	(496)
Other	-	-	-	-
Total Revenues	<u>4,279,283</u>	<u>4,543,719</u>	<u>4,546,874</u>	<u>3,155</u>
EXPENDITURES:				
Instruction	327,162	399,372	348,056	51,316
Student activities	285,062	221,617	335,789	(114,172)
Student services	-	115,458	105,318	10,140
Instructional staff support	329,242	325,582	299,016	26,566
General administration and central services	225,099	229,273	221,832	7,441
Building administration	141,470	140,470	137,384	3,086
Operation of plant	669,567	745,933	704,511	41,422
Transportation	447,580	434,557	427,524	7,033
Food service	369,975	365,625	387,286	(21,661)
Community services	124,904	105,589	77,737	27,852
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>2,920,061</u>	<u>3,083,476</u>	<u>3,044,453</u>	<u>39,023</u>
Revenues Over (Under) Expenditures	1,359,222	1,460,243	1,502,421	42,178
Other Financing Sources (Uses):				
Transfers	<u>(1,063,022)</u>	<u>(1,030,916)</u>	<u>(1,027,530)</u>	<u>3,386</u>
Net change in fund balance	296,200	429,327	474,891	45,564
Fund balance, beginning	<u>2,532,696</u>	<u>2,532,696</u>	<u>2,532,696</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,828,896</u>	<u>\$ 2,962,023</u>	<u>\$ 3,007,587</u>	<u>\$ 45,564</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, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 741,000	\$ 782,468	\$ 786,973	\$ 4,505
County	9,000	9,000	8,337	(663)
State	2,817,425	2,755,722	2,746,318	(9,404)
Federal	276,407	464,641	492,896	28,255
Other	-	-	-	-
Total Revenues	3,843,832	4,011,831	4,034,524	22,693
EXPENDITURES:				
Instruction	3,265,550	3,491,575	3,337,994	153,581
Student activities	175,045	175,045	172,954	2,091
Student services	222,093	172,707	214,033	(41,326)
Instructional staff support	182,399	132,962	132,549	413
General administration and central services	235,219	245,898	245,559	339
Building administration	374,226	374,226	358,925	15,301
Operation of plant	-	-	-	-
Transportation	-	-	20,782	(20,782)
Food service	-	-	-	-
Community services	111,607	121,377	54,104	67,273
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	4,566,139	4,713,790	4,536,900	176,890
Revenues Over (Under) Expenditures	(722,307)	(701,959)	(502,376)	199,583
Other Financing Sources (Uses):				
Transfers	736,022	710,000	710,000	-
Net change in fund balance	13,715	8,041	207,624	199,583
Fund balance, beginning	204,839	204,839	204,839	-
Fund balance, ending	<u>\$ 218,554</u>	<u>\$ 212,880</u>	<u>\$ 412,463</u>	<u>\$ 199,583</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, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 679,025	\$ 650,525	\$ 653,233	\$ 2,708
County	40,000	57,952	57,952	-
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>719,025</u>	<u>708,477</u>	<u>711,185</u>	<u>2,708</u>
EXPENDITURES:				
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	740,000	740,000	740,000	-
Interest and fees	83,153	83,153	82,160	993
Total Expenditures	<u>823,153</u>	<u>823,153</u>	<u>822,160</u>	<u>993</u>
Revenues Over (Under) Expenditures	(104,128)	(114,676)	(110,975)	3,701
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Net change in fund balance	(104,128)	(114,676)	(110,975)	3,701
Fund balance, beginning	<u>754,253</u>	<u>754,253</u>	<u>754,253</u>	<u>-</u>
Fund balance, ending	<u>\$ 650,125</u>	<u>\$ 639,577</u>	<u>\$ 643,278</u>	<u>\$ 3,701</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, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 71,000	\$ 123,027	\$ 124,620	\$ 1,593
County	-	40,060	40,060	-
State	50,000	238,235	238,639	404
Federal	-	358,867	385,452	26,585
Other	-	-	-	-
Total Revenues	<u>121,000</u>	<u>760,189</u>	<u>788,771</u>	<u>28,582</u>
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	20	(20)
Student services	-	-	-	-
Instructional staff support	243,000	618,403	606,281	12,122
General administration and central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	5,000	32,000	48,406	(16,406)
Transportation	2,599	-	-	-
Food service	5,000	5,000	2,724	2,276
Community services	-	-	-	-
Facility acquisition and construction	186,000	243,516	208,971	34,545
Debt service:				
Principal retirement	-	12,000	10,094	1,906
Interest and fees	15,026	20,086	19,194	892
Total Expenditures	<u>456,625</u>	<u>931,005</u>	<u>895,690</u>	<u>35,315</u>
Revenues Over (Under) Expenditures	(335,625)	(170,816)	(106,919)	63,897
Other Financing Sources (Uses):				
Transfers	<u>327,000</u>	<u>320,916</u>	<u>317,530</u>	<u>(3,386)</u>
Net change in fund balance	(8,625)	150,100	210,611	60,511
Fund balance, beginning	<u>356,333</u>	<u>356,333</u>	<u>356,333</u>	<u>-</u>
Fund balance, ending	<u>\$ 347,708</u>	<u>\$ 506,433</u>	<u>\$ 566,944</u>	<u>\$ 60,511</u>

See accompanying notes to the budgetary comparison schedule.

MID-BUCHANAN R-V SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021

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.

MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 3,296,387	\$ -	\$ 648,130	\$ 72,014	\$ 4,016,531
Sales tax	-	744,480	-	-	744,480
M & M surtax	-	-	-	51,948	51,948
Earnings on investments	27,832	357	5,103	558	33,850
Food service	47,063	-	-	-	47,063
Student activities	205,032	-	-	-	205,032
Community services	133,238	-	-	-	133,238
Tuition	-	28,162	-	-	28,162
Other local revenue	37,295	13,974	-	100	51,369
Total Local	<u>3,746,847</u>	<u>786,973</u>	<u>653,233</u>	<u>124,620</u>	<u>5,311,673</u>
COUNTY:					
Fines and escheats	-	8,337	-	-	8,337
State assessed utilities	224,383	-	57,952	40,060	322,395
Total County	<u>224,383</u>	<u>8,337</u>	<u>57,952</u>	<u>40,060</u>	<u>330,732</u>
STATE:					
Basic formula	-	2,616,962	-	-	2,616,962
Transportation	74,191	-	-	-	74,191
Early Childhood Special Education	-	10,050	-	-	10,050
Basic formula - classroom trust fund	-	56,522	-	238,639	295,161
Educational screening	-	11,098	-	-	11,098
Food service	2,708	-	-	-	2,708
Career education	-	7,414	-	-	7,414
High need fund - special education	-	44,272	-	-	44,272
Total State	<u>76,899</u>	<u>2,746,318</u>	<u>-</u>	<u>238,639</u>	<u>3,061,856</u>
FEDERAL:					
Title I	-	106,329	-	-	106,329
Title II, Part A	-	23,454	-	-	23,454
Title IV	-	11,053	-	-	11,053
Medicaid	-	10,294	-	-	10,294
Individuals with Disabilities	-	151,676	-	-	151,676
IDEA grants	-	1,856	-	-	1,856
Early Childhood Special Education	10,679	-	-	-	10,679
Child Nutrition Program	238,206	-	-	-	238,206
CARES Act - Child Nutrition Program	44,210	-	-	-	44,210
CARES Act - ESSER Fund	76,041	-	-	-	76,041
CRRS Act - ESSER II Fund	-	188,234	-	45,195	233,429
CARES Act - GEER Fund	10,718	-	-	-	10,718
CARES Act - Coronavirus Relief Fund	57,420	-	-	-	57,420
Other federal revenue	61,471	-	-	340,257	401,728
Total Federal	<u>498,745</u>	<u>492,896</u>	<u>-</u>	<u>385,452</u>	<u>1,377,093</u>
Total Revenues Collected	<u>\$ 4,546,874</u>	<u>\$ 4,034,524</u>	<u>\$ 711,185</u>	<u>\$ 788,771</u>	<u>\$ 10,081,354</u>

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

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	158	1,045.5550
1050	7	12		6.7667	158	1,045.5550

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	398,375.33	0.00	0.00	0.00	25,279.00	423,654.33
1050	7-12	321,636.05	0.00	0.00	0.00	3,243.50	324,879.55
Grand Total		720,011.38	0.00	0.00	0.00	28,522.50	748,533.88

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	399.00	0.50		399.50
1050	7-12	335.00	0.00		335.00
Grand Total		734.00	0.50		734.50

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

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	67.00	15.00			82.00
1050	44.00	8.00			52.00
Grand Total	111.00	23.00			134.00

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	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	N/A
	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
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number: 011-078

	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$24,602
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.	True

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

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:	True
	Eligible ADT	493.0
	Ineligible ADT	14.0
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:	103,556
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	81,927
	Ineligible Miles (Non-Route/Disapproved)	21,629
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	158

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	011-078	\$ 49,569
COVID-19 - School Breakfast Program	10.553	011-078	11,727
National School Lunch Program	10.555	011-078	188,637
COVID-19 - School Lunch Program	10.555	011-078	32,483
Non-Cash: Food Distribution	10.555	011-078	18,259
Total Child Nutrition Cluster			<u>300,675</u>
<u>U.S. Department of the Treasury</u>			
Passed-through Buchanan County, Missouri:			
COVID-19 - Coronavirus Relief Fund	21.019		401,472
Passed-through Missouri Department of Elementary and Secondary Education:			
COVID-19 - Coronavirus Relief Fund	21.019	011-078	57,420
Total COVID-19 - Coronavirus Relief Fund			<u>458,892</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	149,853
Special Education - Preschool Grants	84.173	011-078	2,599
Total Special Education Cluster (IDEA)			152,452
Title I - Grants to Local Educational Agencies	84.01	011-078	130,500
COVID-19 - Education Stabilization Fund	84.425	011-078	244,146
			<u>\$ 1,286,665</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, 2021. 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 AUDITORS' REPORT ON ADMINISTRATION'S
ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS
OF MISSOURI LAWS AND REGULATIONS**

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

We have audited the administration's assertions, included in its representation letter dated November 9, 2021, 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 2020 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2021; 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, 2021. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining evidence supporting compliance with the specified laws and regulations, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2021 are fairly stated in all material respects.

We also noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule of State Findings.

This report is intended solely for the information 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.

November 9, 2021

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

TRANSPORTATION

Condition: The District incorrectly included PK and Early Childhood Special Education riders in the Non-Disabled ridership count.

Criteria: Non-Disabled ridership should only include Grades K-12 riders.

Cause: The District does not have a review process in place.

Effect: Incorrect ridership was reported to DESE.

Recommendation: We recommend that the District implement a review process to ensure accurate and complete ridership is reported to DESE.

Auditee's Response: As part of a team reconciliation meeting that will now take place at year end each school year, ridership lists will be assessed by the team to ensure Pre-K students are not included in ridership on the Application for Transportation Aid.

TRANSPORTATION

Condition: The Number of Days Transportation System Operated reported on the District's Application for State Transportation Aid did not match the District's calendar for the regular school term.

Criteria: DESE requires that the amount reported for Number of Days Transportation System Operated should be based on the school calendar for the regular school term.

Cause: The District does not have a review process in place.

Effect: Inaccurate information was submitted to DESE.

Recommendation: We recommend that the District implement review procedures to ensure that all information on the Application for State Transportation Aid has been correctly reported.

Auditee's Response: The District will implement an additional review process to ensure the correct number of days transported is reported to DESE on the Application for State Transportation Aid.

TRANSPORTATION

Condition: The District did not include summer school mileage on the District's Application for State Transportation Aid.

Criteria: DESE requires that accurate mileage counts be reported on the Application for State Transportation Aid.

Cause: The District does not have a review process in place.

Effect: Inaccurate information was submitted to DESE.

Recommendation: We recommend that the District implement review procedures to ensure that all information on the Application for State Transportation Aid has been correctly reported.

Auditee's Response: The District will implement an additional review process to ensure all ineligible mileage is reported to DESE on the Application for State Transportation Aid.

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

ATTENDANCE

Condition: PK was omitted from the Screen 10 calendar reported on Core Data.

Criteria: DESE requires that the grades and calendars reported on Screen 10 are consistent with calendars reported in the District's attendance software.

Cause: The District did not have review procedures to ensure that the attendance information reported on Core Data sent to DESE reconciled to the District's attendance software.

Effect: PK was not reported on Screen 10, thus, PK attendance hours were omitted in the calculation of ADA. This caused ADA to be understated by 3.32.

Recommendation: We recommend that the District implement review procedures to ensure that the information reported to DESE on Core Data reconciles to the District's attendance software.

Auditee's Response: We have implemented a reconciliation and review process to ensure that information in the District's attendance software agrees to the data reported to DESE.

**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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 9, 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 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 responses as 2021-001, that we consider to be a material weakness.

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

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were 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 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
November 9, 2021

**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

We have audited Mid-Buchanan R-V School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Westbrook & Co., P.C.

Richmond, Missouri
November 9, 2021

**MID-BUCHANAN R-V SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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:

- Coronavirus Relief Fund AL No. 21.019
- 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, 2021**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2021-001 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