

Exeter R-VI School District

Basic Financial Statements
Year Ended June 30, 2022

KPM
CPAS & ADVISORS

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Board of Education
Exeter R-VI School District
Exeter, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Exeter R-VI 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 financial position of the governmental activities and each major fund of Exeter R-VI School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

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. 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 the Exeter R-VI 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.

Basis of Accounting

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 generally accepted auditing standards 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 generally accepted auditing standards 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 accompanying Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are 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 Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of Exeter R-VI School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Exeter R-VI School District’s internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2022

Government-Wide Financial Statements

Exeter R-VI School District

Statement of Net Position—Modified Cash Basis

June 30, 2022

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,656,603
Investments	34,535
Total Assets	<u>\$ 2,691,138</u>
Net Position	
Restricted for	
Debt service	\$ 374,727
Student activities	15,027
Food service	24,207
Unrestricted	<u>2,277,177</u>
Total Net Position	<u>\$ 2,691,138</u>

See accompanying Notes to the Financial Statements

Exeter R-VI School District

Statement of Activities—Modified Cash Basis

Year Ended June 30, 2022

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>			Net (Disbursements)
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	Receipts and Changes in Net Position
Governmental Activities					
Instruction	\$ (1,996,397)	\$ 79,173	\$ 217,219	\$ -	\$ (1,700,005)
Student services	(107,470)	-	-	-	(107,470)
Instructional staff support	(133,083)	-	15,933	-	(117,150)
Building administration	(52,380)	-	-	-	(52,380)
General administration	(201,728)	-	-	-	(201,728)
Operation of plant	(317,107)	-	-	-	(317,107)
Transportation	(98,892)	-	22,275	-	(76,617)
Food service	(211,161)	1,253	234,010	-	24,102
Community services	(118,781)	-	116,143	-	(2,638)
Debt service	(179,635)	-	-	-	(179,635)
Net Program (Disbursements)					
Receipts	<u>\$ (3,416,634)</u>	<u>\$ 80,426</u>	<u>\$ 605,580</u>	<u>\$ -</u>	(2,730,628)
General Receipts					
Ad valorem tax receipts					728,048
Prop C sales tax receipts					388,580
Other tax receipts					1,388
County receipts					34,083
State receipts					1,563,815
Interest receipts					50,422
Total General Receipts					<u>2,766,336</u>
<i>Change in Net Position</i>					35,708
Net Position—Beginning of year					<u>2,655,430</u>
Net Position—End of year					<u><u>\$ 2,691,138</u></u>

See accompanying Notes to the Financial Statements

Fund Financial Statements

Exeter R-VI School District

Statement of Assets and Fund Balances—Governmental Funds—Modified Cash Basis

June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 1,390,092	\$ -	\$ 340,192	\$ 926,319	\$ 2,656,603
Investments	-	-	34,535	-	34,535
Total Assets	<u>\$ 1,390,092</u>	<u>\$ -</u>	<u>\$ 374,727</u>	<u>\$ 926,319</u>	<u>\$ 2,691,138</u>
Fund Balances					
Restricted for					
Debt service	\$ -	\$ -	\$ 374,727	\$ -	\$ 374,727
Student activities	15,027	-	-	-	15,027
Food service	24,207	-	-	-	24,207
Assigned to capital outlay	-	-	-	926,319	926,319
Unassigned	1,350,858	-	-	-	1,350,858
Total Fund Balances	<u>\$ 1,390,092</u>	<u>\$ -</u>	<u>\$ 374,727</u>	<u>\$ 926,319</u>	<u>\$ 2,691,138</u>

See accompanying Notes to the Financial Statements

Exeter R-VI School District

Statement of Receipts, Disbursements, and Changes in Fund Balances—Governmental Funds—Modified Cash Basis

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 816,050	\$ 313,076	\$ 119,738	\$ -	\$ 1,248,864
County	22,774	7,614	3,695	-	34,083
State	323,266	1,321,466	-	123,514	1,768,246
Federal	397,655	3,494	-	-	401,149
Total Receipts	1,559,745	1,645,650	123,433	123,514	3,452,342
Disbursements					
Instruction	561,839	1,415,595	-	18,963	1,996,397
Student services	43,141	64,329	-	-	107,470
Instructional staff support	125,954	7,129	-	-	133,083
Building administration	52,380	-	-	-	52,380
General administration	94,645	107,083	-	-	201,728
Operation of plant	308,888	-	-	8,219	317,107
Transportation	97,457	1,435	-	-	98,892
Food service	211,161	-	-	-	211,161
Community services	68,702	50,079	-	-	118,781
Debt service	-	-	83,736	95,899	179,635
Total Disbursements	1,564,167	1,645,650	83,736	123,081	3,416,634
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(4,422)	-	39,697	433	35,708
Other Financing Sources (Uses)					
Operating transfers in	-	-	-	192,049	192,049
Operating transfers (out)	(192,049)	-	-	-	(192,049)
Total Other Financing Sources (Uses)	(192,049)	-	-	192,049	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements and Other (Uses)</i>	(196,471)	-	39,697	192,482	35,708
Fund Balance, July 1, 2021	1,586,563	-	335,030	733,837	2,655,430
Fund Balance, June 30, 2022	\$ 1,390,092	\$ -	\$ 374,727	\$ 926,319	\$ 2,691,138

See accompanying Notes to the Financial Statements

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

1. Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts, and disbursements. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

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

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

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

Debt Service Fund: Accounts for receipts restricted, committed, or assigned for the retirement of principal and interest on the District's General Obligation bonds.

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

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund equity, receipts, and disbursements when they result from cash transactions. The modification to the cash basis relates to the presentation of investments. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the goods received are paid for and received.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

Long-Term Debt

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

Teachers' Salaries

The salary payment schedule of the District for the 2021-2022 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2022 payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool of cash and investments. Investments of the pooled accounts consist of cash management funds, carried at cost, which approximates market.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

Equity Classification

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

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

Unrestricted net position: All other net position that does not meet the definition of “restricted.”

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

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

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

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

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

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

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

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

Program Receipts

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

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

2. Cash & Cash Equivalents

State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all bank balances on deposit are entirely insured or collateralized with securities.

3. Investments

Investments of the District as of June 30, 2022, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	<u>\$ 34,535</u>

Investment Contracts with BOK Financial

The District has funds on deposit with BOK Financial, which are invested in investment contracts with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service, in accordance with Section 165.051 and 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service..

The District does not have a policy on interest rate risk.

4. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a waiver of the rollback provision. The District has voted a full waiver of the rollback provision.

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

Real estate	\$ 12,461,213
Personal property	<u>4,843,288</u>
	<u>\$ 17,304,501</u>

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.5111	\$ 3.5111
Debt Service Fund	0.6490	0.6490
Total Levy	<u>\$ 4.1601</u>	<u>\$ 4.1601</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 101 percent of the current assessment computed on the basis of the levy as shown above.

5. Retirement Plans

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

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

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

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

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death 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 benefit until reaching minimum Social Security age (currently age 62), which is calculated a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 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.

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

Contributions. 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. 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 PSRS and PEERS were \$206,388 and \$47,547, respectively, for the year ended June 30, 2022.

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

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

6. General Obligation Bonds Payable

Bonds payable at June 30, 2022, consist of:

\$875,000 general obligation crossover refunding bond issue dated May 30, 2013, due in varying annual installments through March 1, 2027; interest at 0.8% to 3.2% \$ 400,000

Debt service requirements are:

Year Ended June 30	Principal	Interest	Total
2023	\$ 75,000	\$ 11,300	\$ 86,300
2024	75,000	8,900	78,900
2025	80,000	6,500	86,500
2026	85,000	4,420	89,420
2027	85,000	2,210	91,630
	\$ 400,000	\$ 33,330	\$ 432,750

The following is a summary of bond transactions for the year ended June 30, 2022:

Bond Payable, July 1, 2021	\$ 470,000
Bonds Issued	-
Bonds Retired	(70,000)
Bonds Payable June 30, 2022	\$ 400,000

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2022, was:

Constitutional debt limit	\$ 2,595,675
General obligation bonds payable	(400,000)
Amount available in Debt Service Fund	374,727
Legal Debt Margin	\$ 2,570,402

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

7. Promissory Notes Payable

Notes payable at June 30, 2022, consist of:

\$1,019,105 promissory note dated December 17, 2015, due in varying annual installments through March 1, 2027; interest at 2.3%	<u>\$ 456,380</u>
---	-------------------

The note is considered a direct borrowing agreement. In the event of a late payment, the District shall pay a late charge equal to 5% of the principal and interest payment that is past due. In the event of default on the note (failure to make payments for 10 days after due date), the lender has the right to accelerate the note without prior notice and declare the note immediately due and payable, sell off any cash or other property under control of the lender related to the note, or exercise all other rights to secure the note.

The following is a summary of transactions for the year ended June 30, 2022:

Notes Payable, July 1, 2021	\$ 539,862
Notes Payments	<u>(83,482)</u>
Notes Payable, June 30, 2022	<u>\$ 456,380</u>

Annual debt service requirements to maturity for the above notes payable is:

Year Ended June 30	Direct Borrowing		
	Principal	Interest	Total
2023	\$ 86,682	\$ 10,497	\$ 97,179
2024	89,638	8,503	98,141
2025	92,425	6,441	98,866
2026	90,038	4,316	94,354
2027	97,597	2,244	99,841
	<u>\$ 456,380</u>	<u>\$ 32,001</u>	<u>\$ 488,381</u>

8. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2022, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

Exeter R-VI School District

Notes to the Financial Statements

June 30, 2022

9. Compensated Absences Payable

Compensated absences payable consists of accumulated sick leave and unused personal leave days by full-time District employees. Upon voluntary termination, employees who have been employed a minimum of 5 years are paid \$10 per day if professional staff, or \$5 per day if support staff, for any accumulated sick days and unused personal leave days, not to exceed 50 days. Upon retirement from the District, employees who have been employed a minimum of 5 years are paid \$32.50 per day if professional staff, or \$15 per day if support staff, for any accumulated sick days and unused personal leave days, not to exceed 90 days. Total liability for all employees as of June 30, 2022, was \$8,920.

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

11. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2022, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 192,049
Capital Projects Fund	192,049	-
	<u>\$ 192,049</u>	<u>\$ 192,049</u>

The District is permitted by state law to make transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law.

12. Post-Employment Benefits

In addition to the pension benefits described in Note 5, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

Supplementary Information

Exeter R-VI School District

Schedule of Receipts by Source

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 513,862	\$ -	\$ 94,979	\$ -	\$ 608,841
Delinquent taxes	100,151	-	19,056	-	119,207
School district trust fund (Prop C)	75,504	313,076	-	-	388,580
Financial institution tax	-	-	420	-	420
M&M surtax	968	-	-	-	968
Earnings from temporary deposits	45,139	-	5,283	-	50,422
Sales to pupils - reimbursable school meals	153	-	-	-	153
Sales to adults for adult meals - non-program food sales	1,100	-	-	-	1,100
Admissions - student activities	9,120	-	-	-	9,120
Other pupil activity income	70,053	-	-	-	70,053
Total Local	816,050	313,076	119,738	-	1,248,864
County					
Fines, escheats, etc.	-	7,614	-	-	7,614
State assessed utilities	22,774	-	3,695	-	26,469
Total County	22,774	7,614	3,695	-	34,083
State					
Basic formula - state monies	252,448	1,202,401	-	-	1,454,849
Transportation	22,275	-	-	-	22,275
Basic formula-classroom trust fund	-	-	-	123,514	123,514
Educational screening prog/PAT	42,294	-	-	-	42,294
Small schools grant	-	119,065	-	-	119,065
Career education	5,840	-	-	-	5,840
Food service - state	409	-	-	-	409
Total State	323,266	1,321,466	-	123,514	1,768,246
Federal					
Medicaid	6,141	-	-	-	6,141
CARES - ESSER fund	266	-	-	-	266
CARES - governor's emergency education relief fund	2,230	-	-	-	2,230
IDEA entitlement funds, Part B IDEA	80,183	-	-	-	80,183
National school lunch program	170,582	-	-	-	170,582
School breakfast program	40,618	-	-	-	40,618
21st century community learning center/afterschool	75,234	-	-	-	75,234
Child nutrition program EOC reimbursement	6,075	-	-	-	6,075
Dept of health food service program	16,326	-	-	-	16,326
Title VI, Part B rural education initiative	-	3,494	-	-	3,494
Total Federal	397,655	3,494	-	-	401,149
Total Receipts	\$ 1,559,745	\$ 1,645,650	\$ 123,433	\$ 123,514	\$ 3,452,342

The above presentation agrees to the Annual Secretary of the Board Report

Exeter R-VI School District

Schedule of Disbursements by Object

Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Salaries	\$ 578,090	\$ 1,216,667	\$ -	\$ -	\$ 1,794,757
Employee benefits	233,423	410,865	-	-	644,288
Purchased services	487,762	18,118	-	-	505,880
Supplies	264,892	-	-	-	264,892
Capital outlay	-	-	-	27,182	27,182
Other objects	-	-	83,736	95,899	179,635
Total Disbursements	\$ 1,564,167	\$ 1,645,650	\$ 83,736	\$ 123,081	\$ 3,416,634

The above presentation agrees to the Annual Secretary of the Board Report

Exeter R-VI School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2022

	Contracted	District Operated	Total
Certificated salaries	\$ -	\$ 2,241	\$ 2,241
Non-certificated salaries	-	35,620	35,620
Employee benefits	-	12,875	12,875
Purchased services	1,993	28,688	30,681
Supplies	-	17,475	17,475
Depreciation	-	29,723	29,723
	<u>\$ 1,993</u>	<u>\$ 126,622</u>	<u>\$ 128,615</u>

The above presentation agrees to the Annual Secretary of the Board Report

Other Information

Exeter R-VI School District

Budgetary Comparison Schedule—General Fund

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 613,301	\$ 816,050	\$ 816,050	\$ -
County	27,809	22,774	22,774	-
State	381,902	323,266	323,266	-
Federal	504,709	397,655	397,655	-
Total Receipts	1,527,721	1,559,745	1,559,745	-
Disbursements				
Instruction	438,227	561,839	561,839	-
Student services	41,738	43,141	43,141	-
Instructional staff support	309,735	125,954	125,954	-
Building administration	60,418	52,380	52,380	-
General administration	82,338	94,645	94,645	-
Operation of plant	339,842	308,888	308,888	-
Transportation	114,187	97,457	97,457	-
Food service	196,812	211,161	211,161	-
Community services	46,127	68,702	68,702	-
Total Disbursements	1,629,424	1,564,167	1,564,167	-
<i>(Deficit) of Receipts Over Disbursements</i>	(101,703)	(4,422)	(4,422)	-
Other Financing (Uses)				
Operating transfers (out)	(166,676)	(192,049)	(192,049)	-
<i>(Deficit) of Receipts Over Disbursements and Other (Uses)</i>	(268,379)	(196,471)	(196,471)	-
Fund Balance, July 1, 2021	1,586,563	1,586,563	1,586,563	-
Fund Balance, June 30, 2022	\$ 1,318,184	\$ 1,390,092	\$ 1,390,092	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Exeter R-VI School District

Budgetary Comparison Schedule—Special Revenue Fund

Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Local	\$ 391,920	\$ 313,076	\$ 313,076	\$ -
County	7,500	7,614	7,614	-
State	1,595,255	1,321,466	1,321,466	-
Federal	108,190	3,494	3,494	-
Total Receipts	<u>2,102,865</u>	<u>1,645,650</u>	<u>1,645,650</u>	<u>-</u>
Disbursements				
Instruction	1,333,645	1,415,595	1,415,595	-
Student services	55,183	64,329	64,329	-
Instructional staff support	57,941	7,129	7,129	-
Building administration	158,074	-	-	-
General administration	106,865	107,083	107,083	-
Transportation	-	1,435	1,435	-
Community services	2,087	50,079	50,079	-
Total Disbursements	<u>1,713,795</u>	<u>1,645,650</u>	<u>1,645,650</u>	<u>-</u>
<i>Excess of Receipts Over Disbursements</i>	389,070	-	-	-
Fund Balance, July 1, 2021	-	-	-	-
Fund Balance, June 30, 2022	<u>\$ 389,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules

Exeter R-VI School District

Budgetary Comparison Schedule—Debt Service Fund

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 96,560	\$ 119,738	\$ 119,738	\$ -
County	-	3,695	3,695	-
Total Receipts	96,560	123,433	123,433	-
Disbursements				
Debt service	75,510	83,736	83,736	-
Total Disbursements	75,510	83,736	83,736	-
<i>Excess of Receipts Over Disbursements</i>	21,050	39,697	39,697	-
Fund Balance, July 1, 2021	335,030	335,030	335,030	-
Fund Balance, June 30, 2022	\$ 356,080	\$ 374,727	\$ 374,727	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Exeter R-VI School District

Budgetary Comparison Schedule—Capital Projects Fund

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Local	\$ 664	\$ -	\$ -	\$ -
State	144,533	123,514	123,514	-
Total Receipts	145,197	123,514	123,514	-
Disbursements				
Instruction	42,000	18,963	18,963	-
Instructional staff support	98,100	-	-	-
Building administration	2,500	-	-	-
General administration	2,500	-	-	-
Operation of plant	135,000	8,219	8,219	-
Transportation	45,000	-	-	-
Food service	1,000	-	-	-
Facilities acquisition and construction	60,000	-	-	-
Debt service	123,020	95,899	95,899	-
Total Disbursements	509,120	123,081	123,081	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(363,923)	433	433	-
Other Financing Sources				
Operating transfers in	166,676	192,049	192,049	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	(197,247)	192,482	192,482	-
Fund Balance, July 1, 2021	733,837	733,837	733,837	-
Fund Balance, June 30, 2022	\$ 536,590	\$ 926,319	\$ 926,319	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Exeter R-VI School District

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2022

Budgets and Budgetary Accounting

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

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

Other Reporting Requirements



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*

Board of Education
Exeter R-VI School District
Exeter, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Exeter R-VI School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Exeter R-VI School District's basic financial statements, and have issued our report thereon dated December 2, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Exeter R-VI School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Exeter R-VI School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Exeter R-VI School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2022



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education
Exeter R-VI School District
Exeter, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Exeter R-VI 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 Exeter R-VI School District's major federal programs for the year ended June 30, 2022. Exeter R-VI School District's major federal programs are identified in the Schedule of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion Exeter R-VI 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; 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). 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 the Exeter R-VI 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.

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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 Exeter R-VI School 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 generally accepted auditing standards, *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 substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Exeter R-VI School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Exeter R-VI School 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 Exeter R-VI School 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 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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2022

Exeter R-VI School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20221N119943	\$ -	\$ 34,454
		20210N109943	-	6,164
			-	40,618
National School Lunch Program - Cash	10.555	20221N119943	-	133,477
		20210N109943	-	26,449
		20221N890343	-	10,656
		2021H170343	-	6,075
National School Lunch Program - Commodities		005-122	-	12,419
			-	189,076
			-	229,694
Total Child Nutrition Cluster				
Missouri Department of Health and Senior Services				
Child and Adult Care Food Program	10.558	ERS46121873	-	3,998
COVID-19 - Child and Adult Care Food Program		213MO702H1706	-	562
			-	4,560
			-	234,254
Total U.S. Department of Agriculture				
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010A	S010A210025	-	101,538
		S367A210024	-	13,830
		S424A210026	-	10,000
			-	125,368
Special Education Grants Cluster				
Special Education Grants to States	84.027A	H027A210040	-	875
		H027A200040	-	67,693
			-	68,568
Total Special Education Grants Cluster				
COVID-19 - Education Stabilization Fund	84.425U	S425U210021	-	270,282
	84.425D	S425D200021	-	1,376
	84.425C	S425C200016	-	2,230
			-	273,888
Twenty-First Century Community Learning Centers	84.287C	S287C210025	-	82,894
			-	550,718
Total U.S. Department of Education				
Total Expenditures of Federal Awards				
			\$ -	\$ 784,972

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Exeter R-VI School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's financial statements.
2. Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
3. The District did not provide funds to subrecipients in the current year.
4. The District elected not to use the 10% de minimis indirect cost rate.

Exeter R-VI School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I: Summary Schedule of Audit Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal programs:	
Assistance Listing Number(s)	Name of Federal Program or Cluster
84.027A	Special Education Cluster
84.425C, 84.425D & 84.425U	Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Exeter R-VI School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section II: Financial Statement Findings

Material Weakness

2022-001 Segregation of Duties

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

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

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

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

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

Section III: Federal Award Findings and Questioned Costs

None

Exeter R-VI School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2022

Financial Statement Finding

Material Weakness

2021-001 *Segregation of Duties*

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

Status: Uncorrected

Exeter R-VI School District

101 Locust Street
Exeter, MO 65647
(417) 835-2922

Mrs. Lucretia Brattin
Elementary Principal
FAX (417) 835-3201

Mr. Tim Jordan
Superintendent
FAX (417) 835-3201

Ms. Ashley Fly
High School Principal
FAX (417) 835-2327

December 2, 2022

U.S. Department of Education

Exeter R-VI School District respectfully submits the following corrective action plan for the year ended June 30, 2022.

Contact information for the individual responsible for the corrective action:

Tim Jordan – Superintendent
Exeter R-VI School District
101 Locust Street
Exeter, Missouri 65647
(417) 835-2922

Independent Public Accounting Firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804

Audit Period: Year ended June 30, 2022

The findings from the June 30, 2022, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statement Audit

Material Weakness

2022-001 *Segregation of Duties*

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

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

Completion Date: Not applicable

Sincerely,



Tim Jordan, Superintendent
Exeter R-VI School District

Supplementary State Information



Independent Accountants' Report

Board of Education
Exeter R-VI School District
Exeter, Missouri

We have examined Exeter R-VI School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2022. Management of Exeter R-VI School District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on Exeter R-VI School District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA, and those standards require that we plan and perform the examination to obtain reasonable assurance about whether Exeter R-VI School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Exeter R-VI School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides 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 engagement does not provide a legal determination on Exeter R-VI School District's compliance with the specified requirements.

In our opinion, Exeter R-VI School District, complied in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

This report is intended solely for the information and use of the Board of Education, District management, and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2022

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

Exeter R-VI School District

Schedule of Selected Statistics

June 30, 2022

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
	PK	12	-	6.70	167.00	1,076.10

2. Attendance Hours

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4020	PK-8	206,409.52	1,043.90	-	-	15,355.95	222,809.37
1050	9-12	91,384.03	956.83	-	-	1,110.39	93,451.25
Grand Total	PK-12	297,793.55	2,000.73	-	-	16,466.34	316,260.62

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-8	200.00	0.50	-	200.50
1050	9-12	91.00	0.25	-	91.25
Grand Total	PK-12	291.00	0.75	-	291.75

Notes:	

Exeter R-VI School District

Schedule of Selected Statistics

June 30, 2022

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	113.00	16.00	-	-	129.00
1050	51.00	12.00	-	-	63.00
Grand Total	164.00	28.00	-	-	192.00

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, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True

Exeter R-VI School District

Schedule of Selected Statistics

June 30, 2022

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 approve 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)	True
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:	\$19,646
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

Notes:	

Exeter R-VI School District

Schedule of Selected Statistics

June 30, 2022

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

Finding:	None
Management Letter Comment:	N/A

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	133.5
	Ineligible ADT	-
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:	41,425
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	25,837
	Ineligible Miles (Non-Route/Disapproved)	15,588
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	167

Notes:	

Exeter R-VI School District

Schedule of Selected Statistics

June 30, 2022

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

Finding:	None
Management Letter Comment:	N/A