

**Avenue City R-IX School District
Cosby, Missouri
Financial Statements
Year Ended June 30, 2021**

Avenue City R-IX School District
TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION:	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-13
BASIC FINANCIAL STATEMENTS:	
District-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	15
Statement of Activities - Modified Cash Basis	16-17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds to the Statement of Activities	18
Fund Financial Statements:	
Balance Sheet for Governmental Funds - Modified Cash Basis	19
Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds - Modified Cash Basis	20
Notes to Financial Statements	21-35
SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - Modified Cash Basis - General Fund	37
Budgetary Comparison Schedule - Modified Cash Basis - Special Revenue Fund	38
Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund	39
Budgetary Comparison Schedule - Modified Cash Basis - Capital Projects Fund	40
Budgetary Comparison Schedule - Modified Cash Basis - Total All Funds	41
Notes to Supplementary Information	42
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS	43
Schedule of Employer Contributions - PSRS	44
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS	45
Schedule of Employer Contributions - PEERS	46
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Revenues Collected by Source - School District Funds	48-49
Schedule of Expenditures Paid by Object - School District Funds	50
Summary Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - School District Funds	51
STATE COMPLIANCE SECTION:	
Independent Auditors' Report on Management's Assertions About Compliance With Specified Requirements Of Missouri Laws and Regulations	53
Schedule of State Findings	54

Avenue City R-IX School District
TABLE OF CONTENTS

	<u>Page</u>
Schedule of Selected Statistics	55-59
FEDERAL COMPLIANCE SECTION:	
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 <i>Government Auditing Standards</i>	61-62
Schedule of Findings and Responses	63-64

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of
Avenue City R-IX 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 Avenue City R-IX 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 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the 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 modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Disclaimer of Opinion on 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 management's discussion and analysis, budgetary comparison information and pension information on pages 4-13, 37-42 and 43-46, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


Other 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 schedule of revenues collected by source – school district funds, schedule of expenditures paid by object – school district funds, summary schedule of revenues collected, expenditures paid, and changes in fund balances – school district funds and the schedule of selected statistics, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues collected by source – school district funds, schedule of expenditures paid by object – school district funds, summary schedule of revenues collected, expenditures paid, and changes in fund balances – school district funds and the schedule of selected statistics are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of Avenue City R-IX 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 Avenue City R-IX School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Avenue City R-IX School District's internal control over financial reporting and compliance.


Martin & Hanway CPA's, P.C.
Saint Joseph, Missouri
November 10, 2021

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

The discussion and analysis of Avenue City R-IX School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements, including the notes to the financial statements, which begin on page 15, in order to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 - *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* issued in 1999. Certain comparative information between the current year ended June 30, 2021 (FY21), and the prior year ended June 30, 2020 (FY20), is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal 2021 and comparatives for fiscal 2020 are as follows:

- District-wide net position at June 30, 2021 was \$6.7 million, an increase of \$0.6 million over prior year net position.
- Total assets of governmental activities are the same as District-wide net position. Included in this amount were current assets of \$4.0 million, or 51 percent of the total, resulting in an increase of \$0.4 million over prior year. Current assets include cash and cash equivalents, bond escrowed cash and investments. Non-current assets were \$3.9 million, including capital assets (Land, Buildings and Improvements and Equipment and Fixtures) net of accumulated depreciation of \$3.9 million.
- Total liabilities at June 30, 2021 were \$1.3 million; this resulted in a decrease of \$0.3 million from prior year.
- During the year ended June 30, 2021, the District had \$2.4 million in expenses, an increase of \$0.2 million over prior years total expenses; \$0.6 million of the expense was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state and federal aid not restricted to specific purposes) of \$2.4 million and prior year net position was adequate to provide for these programs; this resulted in an increase in net position of \$0.6 million.
- In the Governmental Funds, all operating funds combined (General, Special Revenue, Debt Service and Capital Projects Funds) had \$3.0 million in revenues and \$2.6 million in expenditures (reported on the modified cash basis) and included \$0.3 million of debt repayment resulting in an increase in the fund balance of \$0.4 million over fiscal 2020.

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

Using this Financial Report

This annual report consists of two distinct series of financial statements: District-wide and Funds. The District-wide statements (Statement of Net Position and the Statement of Activities) on pages 15-17 provide information about the activities of Avenue City R-IX School District as a whole and present a longer-term view of the District's finances. The Fund financial statements, beginning on page 19, tell how the District's services for governmental activities were financed in the short-term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Reporting on the District as a Whole (District-wide)

Statement of Net Position and the Statement of Activities:

The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal 2021?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. These statements include all assets and liabilities using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Under the District's modified cash basis of accounting, revenues are recognized when received rather than when earned, expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred; except for

- the recording of capital assets and depreciation expense thereon in the District-wide financial statements,
- the recording of contractual staff salaries and related benefits for the 2020-2021 school year paid in July and August 2021 as expenditures in June 2021, and
- the recording of the refunding bonds in the District-wide financial statements.

Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations from the use of the modified cash basis of accounting.

These two statements report the District's net position and changes in its financial position. The change in net position is important because it tells the reader whether the District, as a whole, has improved or diminished its financial position. Over time, the increase or decrease in the District's net position is one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Missouri, state public education funding formulas, the condition of the State of Missouri general fund, state and federal educational mandates, and other factors.

In the Statement of Net Position and the Statement of Activities, the District has the following activities:

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

Governmental Activities - All of the District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service.

Reporting the District's Most Significant Funds (Fund financial statements)

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers') Fund, Debt Service Fund, and Capital Projects Fund.

Governmental Funds

All of the District's activities are reported in the governmental fund statements, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's educational programs. Major differences between the District's governmental activities (reported in the Statement of Net Position and the Statement of Activities) and its governmental funds are reconciled following the Statement of Activities and on the Governmental Funds Balance Sheet (pages 18 and 19).

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. The following table provides a summary of the District's net position (in thousands) at June 30.

Summary of Net Position			
(dollars in thousands)			
Governmental Activities	<u>2021</u>	<u>2020</u>	Total % Change <u>2021-2020</u>
Current Assets	\$ 4,044	\$ 3,638	11.16%
Non-Current Assets	<u>3,877</u>	<u>3,962</u>	(2.15)%
Total Assets	<u>\$ 7,921</u>	<u>\$ 7,600</u>	4.22%
Current Liabilities	\$ 215	\$ 165	30.30%
Non-Current Liabilities	<u>1,055</u>	<u>1,390</u>	(24.10)%
Total Liabilities	<u>1,270</u>	<u>1,555</u>	(18.33)%
Net Investment in Capital Assets	2,607	2,407	8.31%
Restricted	278	239	16.32%
Unrestricted	<u>3,766</u>	<u>3,399</u>	10.80%
Total Net Position	<u>6,651</u>	<u>6,045</u>	10.02%
Total Liabilities and Net Position	<u>\$ 7,921</u>	<u>\$ 7,600</u>	4.22%

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

Current assets are available to provide resources for the near-term operations of the District. Non-Current assets include capital assets.

Capital assets are used in the operations of the District. These assets include land, buildings and improvements and equipment and fixtures.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include the current portion of long-term obligations.

The following is a condensed statement of the District's changes in net position for the years ended June 30, 2021 and 2020 (in thousands).

Summary of Changes in Net Position

	Governmental Activities	
	2021	2020
Program Revenues:		
Charges for Services	\$ 29	\$ 85
Operating Grants	618	330
Capital Grants	-	-
Property Taxes	1,178	1,140
Proposition C Sales Tax	212	205
Earnings on Investments	48	93
Other Taxes	215	196
State and Federal Aid	736	709
Other Revenue	-	1
Total Revenues	3,036	2,759
Program Expenses:		
Instruction	1,319	1,248
Support Services	996	838
Non-Instruction / Support		
Services	115	105
Total Expenses	2,430	2,191
Increase (Decrease) in Net Position	\$ 606	\$ 568

Governmental Activities

General revenues accounted for \$2.4 million in revenue (79 percent of governmental revenues). General revenues are composed primarily of receipts from property taxes and state and federal aid not restricted to specific purposes (\$1.9 million). Program specific revenues accounted for \$0.6 million (21 percent of total governmental revenues of \$3.0 million).

The District had \$2.4 million in expenses; only \$0.6 million of these expenses were offset by program specific charges and grants. General revenues and prior year net position were adequate

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

to provide for these programs. Instruction comprises over 54 percent of total District expenses, while student and staff support services, operation and maintenance of plant, food services, and school administration account for the majority of remaining expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of services and the net cost of services (in thousands). That is, it identifies the cost of these services that must be supported by tax revenue and unrestricted state entitlements.

	Total Cost of Services		Net Cost of Services	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction	\$ 1,319	\$ 1,248	\$ 896	\$ 967
Support Services	996	838	864	754
Non-Instruction/Support Services	<u>115</u>	<u>105</u>	<u>24</u>	<u>55</u>
Total Expenses	<u>\$ 2,430</u>	<u>\$ 2,191</u>	<u>\$ 1,784</u>	<u>\$ 1,776</u>

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

Support services consist of the following categories:

Student Services - includes guidance and social work, health services, as well as the cost of student attendance reporting.

Instructional Staff Support - includes the activities involved with assisting staff with the content and process of teaching to pupils.

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

Executive Administration, Business and Central Services - includes expenses associated with establishing and administering policies for operating the District, planning, budgeting, financial accounting, payroll, managing funds, personnel services, and other activities that support each of the other instructional and support services programs.

Operation and Maintenance of Plant - operations involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil Transportation - includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

Food Service - includes the preparation, delivery, and serving of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

Extracurricular Activities - includes school-sponsored athletics and other activities that are not a part of the regular instructional program.

Non-instruction/support services consist of the following:

Community Services - consist of those activities that do not directly relate to providing education for pupils in the District. These include early childhood programs, parent education, and child-care services.

Interest on Long-Term Debt - is the payment of interest and other related charges on debt of the District.

Capital assets purchased in the current year are reported in the program for which they are used in the Fund financial statements, but are not reported as current expenses on the Statement of Activities. The depreciation for assets directly associated with a specific function or a small number of functions is required to be reported as a direct expense of that function.

The District's dependence upon tax revenues is apparent. Over 67 percent of instruction activities are supported through taxes and other general revenues; for all activities, general revenue support is 73 percent.

Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for using the modified cash basis of accounting.

The governmental funds of the District provide information on near-term inflows, outflows, and balances of resources. Unassigned fund balances, in particular, measure the District's net resources available for spending at the end of the District's fiscal year.

The General Fund is the chief operating fund of the District. The day-to-day operations of the District are also reported in the Special Revenue Fund, Debt Service Fund and Capital Projects Fund. The net change in fund balance for the year in these combined operating funds was an increase of \$405,340. The fund balance at year-end of \$4.0 million was 153.70 percent of total expenditures for the combined operating funds. This fund balance would exclusively sustain the District for 18 months of operations. The administration and Board of Education have effectively built a fund balance to prepare for DESE and the state government's predictions of state funding reductions. This fund balance will reduce the number of potential program and personnel reductions that might be made if such a fund balance was not present.

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

The General Fund balance at year-end was 147 percent of total expenditures of the General Fund plus the Special Revenue Fund. The General Fund is used for general activities of the District. The fund has a tax levy of \$3.4457. It began the year with a \$3,087,058 balance and increased \$272,902 to \$3,359,960. More county and federal monies were received, spent more on instruction, executive administration, operation and maintenance of plant services, food services and early childhood services.

The Special Revenue Fund is used to account for expenditures for certified employees involved in administration and instruction. It also includes revenues restricted by the State for the payment of teacher salaries. It began the year with a zero balance and ended the year with a zero balance.

The Debt Service Fund is used to accumulate tax and other revenues for the payment of principal and interest on the District's refunding bonds. The fund has a tax levy of \$0.9800, creating revenue of \$0.4 million. Bond principal and interest is paid out of the Debt Service Fund. It began the year with a \$234,418 balance and increased \$39,262 to \$273,680. Received more taxes and paid less on the refunding bonds and interest.

The Capital Projects Fund is used for the purchase of major equipment, fixtures and buildings and improvements. It began the year with a \$316,627 balance and increased \$93,176 to \$409,803. More money was spent on equipment items. Received federal money and transferred money from the general fund.

Combined Operating Funds Budgeting Highlights

The District's budget is prepared according to Missouri law and uses the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. This is based on accounting for certain transactions on the basis of cash receipts and disbursements. The term "combined operating funds" includes the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Budgetary Schedules are on pages 37-41.

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. When approving the original budget there are a number of estimates made regarding expectations from grants and local and state funding. As more accurate estimates and information become available, the District amends its operating budget to reflect these changes.

For the combined operating funds (page 41), the original budgeted revenues were \$2.7 million and final budgeted revenues were \$2.7 million. The original budgeted expenditures were \$2.5 million and final budgeted expenditures were \$2.7 million.

Final budgeted expenses increased \$0.2 million over the original budget. Changes to expenses include more regular instruction, health expenses, executive administration, operation and maintenance of plant, food service, principal payments, along with less pupil transportation.

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

For the combined operating funds (page 41), the final budgeted revenues were \$2.7 million and actual revenues were \$3.0 million. The final budgeted expenditures were \$2.7 million and actual expenditures were \$2.6 million.

Actual revenues increased \$0.3 million over the final budget. Changes to revenue includes receiving more local, county, state and federal money.

Actual expenditures decreased \$0.1 from the final budget. Changes to expenses include spending more on regular instruction, building administration, operation and maintenance of plant and food services. Also spent less on SPED instruction, student activities, payments to other Districts, guidance services, board and executive administration and early childhood.

Capital Assets and Debt Administration

Capital assets (in thousands) at June 30, were as follows:

	2020	2021		
	Net Capital Assets	Accumulated Cost Depreciation		Net Capital Assets
Buildings and Improvements	\$ 3,900	\$ 6,296	\$ (2,483)	\$ 3,813
Land	9	9	-	9
Equipment and Fixtures	53	227	(172)	55
Totals	<u>\$ 3,962</u>	<u>\$ 6,532</u>	<u>\$ (2,655)</u>	<u>\$ 3,877</u>

Capital asset additions in the current year were a smart board interactive display, 2 interactive panels, 3 safe space scanners and a portable air & surface disinfection lamp.

Additional information on the District's capital assets can be found in Note 11 to the financial statements.

At June 30, 2021, the District had outstanding Series 2016 general obligation refunding bonds of \$1,270,000 reflecting principal payments of \$285,000 made during the year.

At June 30, 2021, the District's overall legal debt margin was \$3.0 million.

Current Financial Issues and Concerns

Avenue City R-IX School District's financial condition is strong. The financial condition of the District continues to improve.

Any increase in student population produces increased state revenues. The district is highly dependent on local property taxes for day-to-day expenses. Because the Average Daily Attendance barely exceeds 200, any change in school population or attendance rates makes state revenues volatile. It is because of this potential volatility that the District remains conservative

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

in order to remain financially solvent. Through good financial management, and with an adequate carryover, the District is prepared to weather any immediate financial issues for the short term. It is important to note that the State's commitment to fully funding the state foundation formula is key to maintaining a good financial status.

With oversight from the Board of Education, the administration maintains good financial stewardship. The District has prevented deficit spending and is maintaining an adequate balance. The State of Missouri attempted to fully fund the education formula through 2020-21. However, the loss of state revenues due to the COVID-19 pandemic had drastic impacts on the State's economy. Losses in sales tax revenue and losses of jobs created, caused less income tax to be collected and the result was state level withholdings to education throughout the school year. For districts that did not possess an adequate fund balance, this would have caused cash flow issues. Avenue City was not one of those districts. Toward the end of the school year, the governor released withheld funds and the District was able to see the results of a fully funded foundation formula.

The only reliable increases in funding for the Avenue City R-IX School District continues to be through growth in local property values. This growth comes via new construction of housing and through growth in state assessed utilities. The growth in state assessed utilities flattened in 2019-20 but is expected to experience continued growth in the next few years. Because of the lack of growth in state funding, the District must remain cautious with regards to spending as new construction is not a predictable source of income.

A significant portion of the School District's resources is derived from state aid based on student attendance. After a significant upturn in student enrollment a few years ago, the attendance numbers/enrollment numbers leveled off. Given the status of our neighboring districts, the negative publicity that both have received, an increase in student enrollment is expected for 2021-22 at Avenue City.

In August of 2014, the voters agreed to provide funding which would allow improvements and additions to the existing facilities. This need was created by the additional students now attending the District. This growth's impact upon operational costs increases revenues associated with attendance. However, it will also increase expenses for high school tuition. It is important to the Avenue City R-IX School District that the student population grow at the K-8 level proportionately to the level of grades 9-12. A sudden increase in high school tuition costs due to either a disproportionate number of 9-12 students or an increase in the per pupil tuition rate could be devastating to the District's financial status. A significant financial threat developed in 2018-19 when the St. Joseph School District (SJSD) initiated discussions to raise tuition by 75% over 3 years. Such an increase would have a significant impact upon the quality of education provided at the PreK-8th grade level. A follow-up conversation with the SJSD, a tuition increase of \$500 per year for the next three years was agreed to verbally and through email. However, this threat to Avenue City's financial security looms large as no written agreement exists. Any major increase in expense at the high school level would not result in any additional services provided to the 9-12 students attending the neighboring districts. While Avenue City's students present no hardships upon the high schools concerning class sizes, the students contribute greatly to the districts test scores, average daily attendance, graduation rates,

**AVENUE CITY R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)**

and our students provide other intangible benefits to their high schools. Any significant increase in tuition costs might require a decision by the local taxpayers to select one of three choices: 1) to increase local taxes to pay for the significant tuition increase, 2) cut programs at the PreK-8th grade level to fund such increases to tuition or 3) consider a construction levy to initiate high school classes at Avenue City. Two major factors would trigger this type of decision. 1) neighboring districts' seeking a significant tuition increase and 2) an increase of student numbers that would contribute to increased tuition expenses.

Overall, the Avenue City R-IX School District continues to provide quality programs. The District's students continue to achieve at high levels. The Avenue City R-IX School District has committed itself to educational excellence for many years. In addition, the District's system of financial planning, budgeting, and control is well documented and respected.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Don Lawrence, Superintendent of Schools at the Avenue City R-IX School District Office, 18069 Highway 169, Cosby, Missouri 64436.

BASIC FINANCIAL STATEMENTS

Avenue City R-IX School District
Statement of Net Position -
Modified Cash Basis
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 400,164
Investments - Operating	3,545,257
Bond Escrowed Cash	<u>98,022</u>
Total Current Assets	<u>4,043,443</u>
Non-Current Assets:	
Land	8,684
Equipment and Fixtures (Net of Depr.)	55,854
Buildings and Improvements (Net of Depr.)	<u>3,812,566</u>
Total Non-Current Assets	<u>3,877,104</u>
Total Assets	<u><u>\$ 7,920,547</u></u>
LIABILITIES	
Current Liabilities:	
Refunding Bonds	<u>\$ 215,000</u>
Total Current Liabilities	<u>215,000</u>
Non-Current Liabilities:	
Refunding Bonds	<u>1,055,000</u>
Total Non-Current Liabilities	<u>1,055,000</u>
Total Liabilities	<u>1,270,000</u>
NET POSITION	
Net Investment in Capital Assets	2,607,104
Restricted	277,856
Unrestricted	<u>3,765,587</u>
Total Net Position	<u>6,650,547</u>
Total Liabilities and Net Position	<u><u>\$ 7,920,547</u></u>

Avenue City R-IX School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2021

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>		
Governmental Activities:					
Instruction:					
Instruction Regular	\$ 796,442	\$ -	\$ 352,493	\$ -	\$ (443,949)
Instruction Special Ed	190,334	-	57,038	-	(133,296)
Career Education Programs	-	-	-	-	-
Bldg & Improv., Equip. & Fix. Depreciation	105,445	-	-	-	(105,445)
Student Activities	13,907	13,676	-	-	(231)
Payments to Other Districts	213,265	-	-	-	(213,265)
Total Instruction	<u>1,319,393</u>	<u>13,676</u>	<u>409,531</u>	<u>-</u>	<u>(896,186)</u>
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	22,785	-	-	-	(22,785)
Health, Psych, Speech and Audio	74,243	-	-	-	(74,243)
Professional Development	5,002	-	3,808	-	(1,194)
Educational Media Services	77,557	-	-	-	(77,557)
Board Services	25,861	-	-	-	(25,861)
Executive Administration	216,826	-	-	-	(216,826)
Building Administration	131,111	-	-	-	(131,111)
Business Services	-	-	-	-	-
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	265,306	-	-	-	(265,306)
Pupil Transportation	73,957	-	16,200	-	(57,757)
Food Services	102,712	15,071	97,024	-	9,383
Food Service Equip. Depreciation	593	-	-	-	(593)
Adult Education	-	-	-	-	-
Total Support Services	<u>995,953</u>	<u>15,071</u>	<u>117,032</u>	<u>-</u>	<u>(863,850)</u>
Non-Instruction/Support Services:					
Community Services & Early Childhood	78,867	-	91,312	-	12,445
Facilities Acquisition and Constr.	-	-	-	-	-
Interest on Long-Term Debt	35,525	-	-	-	(35,525)
Other - Fin Fees, Etc.	818	-	-	-	(818)
Total Non-Instruction/Support Services	<u>115,210</u>	<u>-</u>	<u>91,312</u>	<u>-</u>	<u>(23,898)</u>
Total Governmental Activities	<u>\$ 2,430,556</u>	<u>\$ 28,747</u>	<u>\$ 617,875</u>	<u>\$ -</u>	<u>\$ (1,783,934)</u>

Avenue City R-IX School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
Total Activities	\$ <u>(1,783,934)</u>
General Revenues:	
Property Taxes, Levied for General Purposes	917,313
Property Taxes, Levied for Capital Outlay	-
Property Taxes, Levied for Debt Service	261,147
Proposition C Sales Tax	212,557
Other Taxes	214,710
Earnings on Investments	47,805
Other Revenue	-
State and Federal Aid Not Restricted to Specific Purposes:	
Minimum Foundation Program	735,928
Other	-
Total General Revenue	<u>2,389,460</u>
Changes in Net Position	605,526
Net Position July 1, 2020	<u>6,045,021</u>
Net Position June 30, 2021	<u>\$ 6,650,547</u>

Avenue City R-IX School District
Reconciliation of Statement of Revenues, Expenditures and
Changes in Fund Balances for Governmental Funds to
Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of total governmental funds	\$ 405,340
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, some of the cost of those assets may be allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(84,814)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of the difference between new bonds issued during the year, if any, and payments made on outstanding bonds.	<u>285,000</u>
Change in net position of governmental activities	<u>\$ 605,526</u>

Avenue City R-IX School District
Balance Sheet
Governmental Funds -
Modified Cash Basis
June 30, 2021

	Governmental Fund Types				Totals
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ (185,297)	\$ -	\$ 175,658	\$ 409,803	\$ 400,164
Investments - Operating	3,545,257	-	-	-	3,545,257
Bond Escrowed Cash	-	-	98,022	-	98,022
Total Current Assets	<u>3,359,960</u>	<u>-</u>	<u>273,680</u>	<u>409,803</u>	<u>4,043,443</u>
Non-Current Assets:					
None	-	-	-	-	-
Total Non-Current Assets	-	-	-	-	-
Total Assets	<u>\$ 3,359,960</u>	<u>\$ -</u>	<u>\$ 273,680</u>	<u>\$ 409,803</u>	<u>\$ 4,043,443</u>
LIABILITIES					
Current Liabilities:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	-	-	-	-	-
Non-Current Liabilities:					
None	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Restricted	4,176	-	273,680	-	277,856
Assigned to:					
Capital Projects	-	-	-	409,803	409,803
Unassigned	3,355,784	-	-	-	3,355,784
Total Fund Balances	<u>3,359,960</u>	<u>-</u>	<u>273,680</u>	<u>409,803</u>	<u>4,043,443</u>
Total Liabilities and Fund Balances	<u>\$ 3,359,960</u>	<u>\$ -</u>	<u>\$ 273,680</u>	<u>\$ 409,803</u>	<u>\$ 4,043,443</u>
Reconcile to Statement of Net Position:					
Net Position Fund Balance					\$ 6,650,547
Capital Assets used in Governmental activities, are not financial resources.					
Therefore, these assets are not reported as assets in the Governmental Funds.					
Cost of Capital Assets				(6,531,872)	
Accumulated Depreciation				2,654,768	
Net Capital Assets					(3,877,104)
Liabilities included in Net Position and not in Funds are:					
Refunding Bonds					<u>1,270,000</u>
Total Governmental Fund Balances					<u>\$ 4,043,443</u>

Avenue City R-IX School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Revenues Collected:					
Local	\$ 1,082,168	\$ 212,581	\$ 263,802	\$ -	\$ 1,558,551
County	103,708	9,099	96,803	-	209,610
State	16,924	908,870	-	-	925,794
Federal	227,316	91,711	-	23,100	342,127
Other Revenue	-	-	-	-	-
Total Revenues Collected	<u>1,430,116</u>	<u>1,222,261</u>	<u>360,605</u>	<u>23,100</u>	<u>3,036,082</u>
Expenditures Paid:					
Instruction	173,957	1,038,472	-	13,515	1,225,944
Support Services					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	1,451	21,334	-	-	22,785
Health, Psych, Speech and Audio	47,423	26,820	-	-	74,243
Improvement Of Instruction	-	-	-	-	-
Professional Development	5,002	-	-	-	5,002
Educational Media Services	9,774	67,783	-	-	77,557
Board Of Education Services	25,861	-	-	-	25,861
Executive Administration Services	158,624	53,888	-	9,487	221,999
Support Services - Building Level Administration	40,199	89,394	-	1,518	131,111
Business Support Services	-	-	-	-	-
Fiscal Services	-	-	-	-	-
Operation and Maintenance Of Plant Services	263,957	-	-	5,404	269,361
Security Services	-	-	-	-	-
Pupil Trans.-Contracted	70,557	3,400	-	-	73,957
Pupil Trans.-District Owned	-	-	-	-	-
Disabled Trans.-Contracted	-	-	-	-	-
Disabled Trans.-District Owned	-	-	-	-	-
Non-Allowable Transportation	-	-	-	-	-
Early Childhood Special Ed. Trans.	-	-	-	-	-
Food Service	102,712	-	-	-	102,712
Non-Instruction/Support Services					
Adult Education and Literacy Programs	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	25,623	53,244	-	-	78,867
Facilities Acquisition and Constr.	-	-	-	-	-
Principal	-	-	285,000	-	285,000
Interest and Other Charges	-	-	35,525	-	35,525
Other - Fin Fees, Etc.	-	-	818	-	818
Total Expenditures Paid	<u>925,140</u>	<u>1,354,335</u>	<u>321,343</u>	<u>29,924</u>	<u>2,630,742</u>
Revenues Collected Over(Under)					
Expenditures Paid	504,976	(132,074)	39,262	(6,824)	405,340
Other Financing Sources (Uses):					
Transfers	(232,074)	132,074	-	100,000	-
Revenues Collected and Other Sources					
Over(Under) Expenditures Paid and					
Other Uses	272,902	-	39,262	93,176	405,340
Fund Equity, July 1, 2020	3,087,058	-	234,418	316,627	3,638,103
Fund Equity, June 30, 2021	<u>\$ 3,359,960</u>	<u>\$ -</u>	<u>\$ 273,680</u>	<u>\$ 409,803</u>	<u>\$ 4,043,443</u>

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies

Avenue City R-IX School District (the District) was established in 1927 under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162.

The financial statements of Avenue City R-IX School District have been prepared, on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the above, the District has determined that no outside agency meets the above criteria and, therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

B. District-wide and Fund Financial Statements

District-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities into 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. Separate financial statements are provided for governmental funds. The focus of governmental fund financial statements is on major funds. The District considers each of its funds to be major and each is presented in a separate column.

Interfund transfers are flows of assets from one fund to another where repayment is not expected. Interfund transfers are recorded on the statement of revenues, expenditures and changes in fund balances – governmental funds and the budgetary comparison schedules as other financing sources (uses). The District made a teachers fund transfer for \$132,074. A \$162,326 or 7% x SAT x WADA transfer was also made for \$100,000.

C. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities and fund balances arising from cash transactions. The following funds are used by the District:

Governmental Funds

General (Incidental) Fund - Accounts for general activities of the District, including student activities, food service and textbook funds which are not designated in a separate fund.

Special Revenue (Teachers') Fund - Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State for the payment of teacher salaries.

Capital Projects Fund - Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on general long-term debt.

D. Measurement Focus and Basis of Accounting

Measurement Focus

The District-wide financial statements are reported using the economic resources measurement focus, as applied to the modified cash basis of accounting.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

The Governmental Fund financial statements are reported using the current financial resources measurement focus, as applied to the modified cash basis of accounting. Only current assets and liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present sources and uses of available spendable financial resources during a given period. The fund balances are used as the measure of available spendable financial resources at the end of the period.

Basis of Accounting

The District-wide statement of net position and statement of activities, and the fund financial statements, governmental funds, 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, with a modification on the District-wide statements for recording of capital assets, depreciation expense and refunding bonds. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable) and their related revenues and expenses, certain deferred outflows of resources, certain liabilities (such as accounts payable) and their related expenses, and certain deferred inflows of resources are not recorded in these financial statements.

Accounting principles generally accepted in the United States of America would provide all governmental funds be presented on the modified accrual basis of accounting. All District-wide statements would be presented on the accrual basis of accounting. This basis recognizes all assets, deferred outflows of resources, liabilities (both current and non-current), deferred inflows of resources and all revenues and expenses during the year regardless of when cash is received or paid.

Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The Debt Service fund balance of \$273,680 was restricted at the end of the year for debt service payments. \$4,176 of the General Fund balance was restricted for 2 student scholarships.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Education (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes and do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Committed Fund Balance Policy- Commitments of fund balance shall be submitted to the Board for approval. The District did not have any committed fund balances at the end of the year.

Assigned Fund Balance Policy- The Board may establish assignments of fund balance from time to time in order to meet specific District needs. Assignments of fund balance shall be vetted and approved by the Superintendent. \$409,803 of the Capital Projects fund balance was assigned to capital projects during upcoming years.

Order of Fund Balance Spending Policy- Fund balances will be used in this order: restricted, committed, assigned and then unassigned.

Minimum Fund Balance- In order to preserve financial stability, the District must be prepared to respond to cash flow shortages, large or unexpected one-time expenditures, changes in the economy, and changes in state funding. The District shall, therefore, target a yearly unassigned general fund balance of 25 percent or 90 days of total operating expenditures. Following any year where the audited fund balance falls below the above targeted limit, adjustments in budgeted expenditures shall be incorporated into the budget development process for that year. If the Board determines that the minimum targeted fund balance is not attainable in the proposed budget being considered, it shall be the goal of the Board to reach that level within a specified period of time, not to exceed two years.

E. Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

F. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid.

G. Staff Salaries

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

H. Risk Management

Insurance Pool - The District is a member of the Missouri United School Insurance Council which is a “protected self-insurance program”. It is a self-insurance pool which provides loss sharing and reimbursement benefits for members of the pool. The District relies on this program for loss reimbursement for most potential losses including building and contents, equipment, electronic data processing, boiler and machinery, and automotive. The Council has acquired co-insurance coverage for catastrophic losses. The Council can, however, make additional assessments on its members to cover losses.

I. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. Program Revenues

In the Statement of Activities, revenues that are received directly for a particular activity are reported as program revenues. The District has the following program revenues in each activity:

Instruction – Student activities and other state and federal monies (medicaid, title monies, basic formula-classroom trust fund, early childhood special education, IDEA, CARES, coronavirus relief fund, and small schools grant).

Support Services – Food service and other state and federal monies (title II, food service state, school lunch and breakfast monies, CARES school lunch and breakfast, and transportation).

Non-Instruction/Support Services – PK tuition from parents, rentals, gifts, prior period adjustment and other state and federal monies (Education Screening/PAT).

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Concluded)

K. Pension Plans

Financial reporting information pertaining to the District’s participation in the Public School Retirement System of Missouri (“PSRS”) and the Public Education Employee Retirement System of Missouri (“PEERS”) (also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended.

A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psr-peers.org. The District is on the modified cash basis, therefore, member and employer contributions are recognized when paid and no net pension liability and no deferred outflows and inflows of resources related to pensions are included on the Statement of Net Position or the Balance Sheet.

Note 2. Deposits and Investments

GASB Statement No. 72 clarifies the definition of fair value for financial reporting, establishes general principles for measuring fair value, provides additional fair value application guidance and enhances disclosures. GASB 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30.

Fair Value Measurement at Reporting Date Using
Quoted Prices in Active Markets for Identical Assets
(Level 1)

External Investment Pool	\$3,245,257
Certificate of Deposits	<u>300,000</u>
Total Investments	<u>\$3,545,257</u>

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

Schedule of Deposits and Investments by Type:

Type	Fair Value	Credit Rating	On Demand	<u>Maturities in Years</u>	
				Less than One	1-5
Demand Accounts	\$ 498,186	N/A	\$ 498,186	\$ -	\$ -
Certificate of Deposits	<u>300,000</u>	N/A	<u>-</u>	<u>300,000</u>	<u>-</u>
Subtotal	\$ 798,186		<u>\$ 498,186</u>	<u>\$ 300,000</u>	<u>\$ -</u>
Pooled Cash					
Management Funds	<u>3,245,257</u>	AAA-S&P			
Total	<u>\$4,043,443</u>				

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 2. Deposits and Investments (Continued)

Reconciliation to the Statement of Net Position:

	<u>District-wide Statement of Net Position</u>
Cash & Cash Equivalents	\$ 400,164
Bond Escrowed Cash	98,022
Investments - Operating	<u>3,545,257</u>
Total	<u>\$4,043,443</u>

Deposits

Custodial Credit Risk- Exposure to custodial credit risk related to deposits exists when the District holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name; or collateralized without a written or approved collateral agreement. The District's policy as it relates to custodial credit risk is to follow the Missouri Statutes and School Policies and Regulations requiring that all deposits with financial institutions must be at least 100% collateralized with approved securities. All securities which serve as collateral against the deposits of a depository institution must be safekept at a nonaffiliated custodial facility.

At June 30, 2021, the District's deposits were not exposed to custodial credit risk.

Investments:

Custodial Credit Risk

Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name. The District's investment policy is to follow School Policies and Regulations and the Missouri Statutes on investments. The District is authorized to invest in either open time deposits or certificates of deposit secured by collateral of any amount above the FDIC limit, United States Treasury Securities, United States Agency Securities (including coupon and zero coupon securities, discount notes, step-up securities, collateral securities, floating rate securities and mortgage backed securities), Commercial Paper, Banker's acceptances, and Repurchase agreements, or in any instrument permitted by law for investment of state monies.

Missouri Securities Investment Program (MOSIP) is a common law trust organized under the laws of the State of Missouri. Income is distributed daily to participating investors to reflect the market value of these money market type investments. All funds are invested in accordance with RSMo Section 165.051. Each participating district is deemed to own a pro-rata share of each of the investments or deposits which are held in the name of MOSIP. MOSIP money market series seeks to maintain a stable net asset value of \$1.00 per share at the end of the statement period. MOSIP issues a publicly available financial report. That report may be obtained by writing to the Missouri Securities Investment Program, 77 West Port Plaza, Suite 220, St. Louis, MO 63146 or by calling 1-877-MY-MOSIP.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 2. Deposits and Investments (Continued)

At June 30, 2021, the District was not exposed to custodial credit risk as defined above.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations-rating agencies. The District's policy for limiting investments based on credit ratings is that investments are limited to commercial paper and banker's acceptances which has received the highest letter and numerical ranking as provided by Standard & Poor's and Moody's. Issues are limited to corporations that are organized and operated in the United States, have a total commercial paper program in excess of \$500,000,000 and have a long term debt rating, if any, of "A" or better from Standard & Poor's and Moody's. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The credit ratings of the District's investments are listed in the schedule above.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The District's investment policy provides that investments will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated, therefore minimizing the risk that the market value will decrease due to changes in general interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments, as listed in the schedule above.

Concentration of Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments may be excluded from this consideration. The District's policy is to diversify investments to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific classes of securities. At a minimum District investments will be allocated as follows: Time Deposits will have a maximum allocation of 50%, U.S. Treasuries/Securities with a maximum of 95%, U.S. Government Agencies will have a maximum of 70%, U.S. Government Agency Callable Securities and U.S. Government Floating Rate Securities have a maximum of 15%, Commercial Paper and Banker's Acceptances have a maximum of 40%, Banker's Certificates have a maximum of 20%, and Repurchase Agreements have a minimum of 3% and a maximum of 50%.

At June 30, 2021, the District's concentration of credit risk representing more than 5% of investments is as follows:

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 2. Deposits and Investments (Concluded)

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
First Bank of Ohio	Certificates of Deposits	\$200,000

Note 3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The County collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on eligible pupil counts. 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 voted to waive this rollback in April 1996.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for calendar year 2020 for purposes of local taxation was:

Real Estate:	<u>12-31-20</u>
Residential	\$18,849,020
Commercial	1,383,491
Agricultural	905,210
Personal Property	<u>5,741,586</u>
Total	<u>\$26,879,307</u>

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

	<u>12-31-20</u>	
	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.4457	\$ 3.4457
Special Revenue Fund	-	-
Debt Service Fund	.9800	.9800
Capital Projects Fund	-	-
Total	<u>\$ 4.4257</u>	<u>\$ 4.4257</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 99.0638 percent of the current assessment computed on the basis of the levy as shown above.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 4. Long-Term Debt

Series 2016 General Obligation Refunding Bonds

On December 30, 2016 the District issued general obligation refunding bonds, Series 2016 in the amount of \$2,000,000 to be used for the purpose of providing funds to advance crossover refund the \$2,000,000 portion of principal callable on March 1, 2019 of the District's General Obligation Bonds, Series 2014 maturing from March 1, 2020 to March 1, 2029 callable March 1, 2019 which was redeemed on March 1, 2019.

On March 1, 2020, the District prepaid \$170,000 principal on the Series 2016 Bonds maturing March 1, 2024.

On March 1, 2021, the District prepaid \$120,000 principal on the Series 2016 Bonds maturing March 1, 2023.

These bonds were issued using the Missouri Direct Deposit program that deducts bond payment requirements from the monthly State District revenues and forwards them to the paying agent.

Principal of the bonds will be paid on March 1 of the years in which the bonds mature, beginning March 1, 2020 and ending March 1, 2027. Interest will be payable semi annually on March 1 and September 1 in each year, beginning March 1, 2017 and ending March 1, 2027. Interest rates vary from 1.7% to 2.65% on March 1, 2027. Of the \$2,000,000 proceeds, cost of issuance was \$37,600 and was fully expensed.

Bonds were deposited and disbursed as follows:

Deposit of Proceeds of Series 2016 General Obligation Refunding Bonds	\$2,000,000.00
Funds From Debt Service Fund	82,207.58
Deposit to Refunding Escrow Account to Purchase Securities to Prepay the Series 2014 Bonds	(2,044,607.00)
Deposit to Escrow Account	(0.58)
Cost of Issuance	(37,600.00)
Balance of Funds	<u>\$ -</u>

Bonds payable at June 30, 2021 are as follows:

General Obligation Refunding Bonds of \$1,270,000 due in varying annual installments through March 1, 2027; interest at 2.0% to 2.65%.

The State withheld from monthly checks, \$20,053 for 2 months, \$40,105 for 2 months and \$24,504 for 4 months for a total of \$218,332 in the 2020/2021 year to make debt service payments.

Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments are as follows:

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 4. Long-Term Debt (Concluded)

Year Ended			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 215,000.00	\$ 30,035.00	\$ 245,035.00
2023	160,000.00	25,735.00	185,735.00
2024	100,000.00	22,375.00	122,375.00
2025	265,000.00	20,125.00	285,125.00
2026	280,000.00	13,765.00	293,765.00
2027	<u>250,000.00</u>	<u>6,625.00</u>	<u>256,625.00</u>
Total	<u>\$1,270,000.00</u>	<u>\$118,660.00</u>	<u>\$1,388,660.00</u>

Note 5. Changes in Long-Term Debt and Debt Limit

Following is a summary of long-term debt for the year ended June 30, 2021:

	<u>Series</u> <u>2016</u>	<u>Total</u>
Long-Term Debt Payable, July 1, 2020	\$1,555,000	\$1,555,000
Principal Paid	(285,000)	(285,000)
New Borrowings	-	-
Long-Term Debt Payable, June 30, 2021	<u>\$1,270,000</u>	<u>\$1,270,000</u>

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 (with the addition of state-assessed railroad and utilities). The legal debt margin at June 30, 2021 was:

Constitutional debt limit	\$4,031,896
Less: General obligation refunding bonds payable	(1,270,000)
Add: Amount available in Debt Service Fund	273,680
Add: Bond reserve	-
Total legal debt margin	<u>\$3,035,576</u>

Note 6. Commodities

The District is the recipient of food commodities from the U.S. Department of Agriculture. Although the District does not account for the receipt of the commodities in its accounting records, it does maintain a system of controls over the inventory and consumption of the food commodities. The amount of food commodities received during the year approximated \$6,557.29.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 7. Pension Plans

General Information about the Pension Plan

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 Section 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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 the Public School Retirement System of Missouri (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.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with 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.

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 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 7. Pension Plans (Concluded)

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 using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available 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.

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.

Cost-of-Living Adjustments (“COLA”). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows: If the June to June change in the Consumer Price Index for all Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost of living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. 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 years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District’s contributions to PSRS and PEERS were \$117,612 and \$22,326, respectively, for the year ended June 30, 2021.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 8. Operating Lease

On March 15, 2018, the District entered into a master commercial services agreement with United Services, Inc. for monthly communication services. The lease calls for 60 monthly payments of \$750.00 starting April 1, 2018. The monthly discount rate is \$375.00, leaving the District to pay a monthly amount of \$375.00.

Remaining Annual Payments:

Year Ending <u>June 30,</u>	Total <u>Payments</u>
2022	\$ 4,500.00
2023	<u>3,750.00</u>
Total	<u>\$ 8,250.00</u>

Payments of \$4,500.00 were made as of June 30, 2021 and 2020.

Note 9. Economic Dependency

The District receives a substantial amount of its support from federal and state grants or contracts. If a significant reduction in the level of these government supports were to occur, it could have an effect on the District's activities.

Note 10. Contingencies

Litigation -At June 30, 2021, there was no pending or threatened litigation against the District.

Grant Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audits and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing grants, refunds of any money received may be required. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

Note 11. Capital Assets

As a part of the change to the GASB 34 reporting model, the District has established a system to account for major capital assets. Only items with initial individual costs exceeding \$1,500 are included in the accounting for the financial statements. The District does not own vehicles.

Original purchase dates are not available for many items and dates and costs are estimated using current costs for similar items discounted to the estimated time of purchase. Construction interest is not included in building costs.

Depreciation has been calculated using actual or estimated purchase dates. Buildings and Improvements and Equipment and Fixtures depreciation is allocated to the programs based on what the purchases are used for.

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2021

Note 11. Capital Assets (Concluded)

Depreciation is calculated using the straight line method over the estimated useful life beginning with the month of purchase. Estimated useful lives are as follows:

Buildings and Improvements - 50 years
 Equipment and Fixtures - 5, 10 years

The summary of general capital assets as of June 30, 2021 is as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance</u> <u>June 30, 2021</u>
Equipment and Fixtures	\$ 206,385	\$ 21,224	\$ -	\$ 227,609
Buildings and Improv.	6,295,579	-	-	6,295,579
Land	8,684	-	-	8,684
Less: Depreciation	<u>(2,548,730)</u>	<u>(106,038)</u>	<u>-</u>	<u>(2,654,768)</u>
Net Total	<u>\$3,961,918</u>	<u>\$ (84,814)</u>	<u>\$ -</u>	<u>\$3,877,104</u>

Note 12. Agreement

On August 1, 2018, the District entered into an agreement with the Andrew County Sheriff's Office (the County) and the North Andrew R-VI School District, to provide a part-time School Resource Officer (SRO) at each school campus, during the academic school year. The agreement is in effect for the next 3 academic school years, expiring July 31, 2021. The District is to pay the County for SRO services of 15 hours per week, during the academic school year, the sum of \$10,438. The amount is to be paid in two equal payments of \$5,219 on December 1st and May 1st of each year.

On May 18, 2021, the District entered into an agreement with the Andrew County Sheriff's Office (the County) and the North Andrew R-VI School District, to provide a part-time School Resource Officer (SRO) at each school campus, during the academic school year. The agreement is in effect for the next 3 academic school years, starting August 1, 2021 and expiring July 31, 2024. The District is to pay the County for SRO services of 15 hours per week, during the academic school year, the sum of \$10,438. The amount is to be paid in two equal payments of \$5,219 on December 1st and May 1st of each year.

Note 13. COVID-19

The COVID-19 outbreak has caused a severe impact to the United States economy. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the District's operations and finances.

SUPPLEMENTARY INFORMATION

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
General Fund
For the Year Ended June 30, 2021

General Fund	Budget Amounts			Variances	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues Collected:					
Local	\$ 1,051,350	\$ 1,051,350	\$ 1,082,168	\$ -	\$ 30,818
County	90,000	90,000	103,708	-	13,708
State	14,500	14,500	16,924	-	2,424
Federal	94,250	94,250	227,316	-	133,066
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Revenues Collected	1,250,100	1,250,100	1,430,116	-	180,016
Expenditures Paid:					
Instruction:					
Instruction Regular	111,420	127,970	125,633	(16,550)	2,337
Instruction Special Ed	40,013	40,012	34,417	1	5,595
Career Education Programs	-	-	-	-	-
Student Activities	25,750	25,750	13,907	-	11,843
Payments To Other Districts	-	-	-	-	-
Total Instruction	177,183	193,732	173,957	(16,549)	19,775
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	2,650	2,650	1,451	-	1,199
Health, Psych, Speech and Audio	45,700	49,500	47,423	(3,800)	2,077
Professional Development	5,600	5,600	5,002	-	598
Educational Media Services	13,000	13,000	9,774	-	3,226
Total Support Services	66,950	70,750	63,650	(3,800)	7,100
Administration:					
Board Services	35,050	35,050	25,861	-	9,189
Executive Administration	142,300	174,300	158,624	(32,000)	15,676
Building Administration	39,094	39,094	40,199	-	(1,105)
Business Services	-	-	-	-	-
Total Administration	216,444	248,444	224,684	(32,000)	23,760
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	219,065	241,264	263,957	(22,199)	(22,693)
Pupil Transportation	76,200	68,700	70,557	7,500	(1,857)
Food Services	80,791	88,291	102,712	(7,500)	(14,421)
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	29,568	29,569	25,623	(1)	3,946
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Prmts on Long-Term Debt	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Other - Fin Fees, Etc.	-	-	-	-	-
Total Other	405,624	427,824	462,849	(22,200)	(35,025)
Total Expenditures Paid	866,201	940,750	925,140	(74,549)	15,610
Revenues Collected Over (Under)					
Expenditures Paid	383,899	309,350	504,976	(74,549)	195,626
Other Financing Sources (Uses):					
Transfers In (Out)	(261,486)	(261,486)	(232,074)	-	29,412
Net Change in Fund Balance	\$ 122,413	\$ 47,864	\$ 272,902	\$ (74,549)	\$ 225,038
Fund Equity July 1, 2020	3,087,058	3,087,058	3,087,058	-	-
Fund Equity June 30, 2021	\$ 3,209,471	\$ 3,134,922	\$ 3,359,960	\$ (74,549)	\$ 225,038

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2021

Special Revenue Fund	Budget Amounts			Variances	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues Collected:					
Local	\$ 185,000	\$ 185,000	\$ 212,581	\$ -	\$ 27,581
County	8,000	8,000	9,099	-	1,099
State	819,000	819,000	908,870	-	89,870
Federal	99,175	99,175	91,711	-	(7,464)
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Revenues Collected	1,111,175	1,111,175	1,222,261	-	111,086
Expenditures Paid:					
Instruction:					
Instruction Regular	658,139	658,139	669,290	-	(11,151)
Instruction Special Ed	177,992	177,992	155,917	-	22,075
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	224,000	224,000	213,265	-	10,735
Total Instruction	1,060,131	1,060,131	1,038,472	-	21,659
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	29,273	29,273	21,334	-	7,939
Health, Psych, Speech and Audio	22,032	22,032	26,820	-	(4,788)
Professional Development	3,666	3,666	-	-	3,666
Educational Media Services	66,324	66,324	67,783	-	(1,459)
Total Support Services	121,295	121,295	115,937	-	5,358
Administration:					
Board Services	-	-	-	-	-
Executive Administration	52,657	52,657	53,888	-	(1,231)
Building Administration	73,156	73,156	89,394	-	(16,238)
Business Services	-	-	-	-	-
Total Administration	125,813	125,813	143,282	-	(17,469)
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	3,479	3,479	3,400	-	79
Food Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	61,943	61,943	53,244	-	8,699
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Other - Fin Fees, Etc.	-	-	-	-	-
Total Other	65,422	65,422	56,644	-	8,778
Total Expenditures Paid	1,372,661	1,372,661	1,354,335	-	18,326
Revenues Collected Over (Under)					
Expenditures Paid	(261,486)	(261,486)	(132,074)	-	129,412
Other Financing Sources (Uses):					
Transfers In (Out)	261,486	261,486	132,074	-	(129,412)
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Equity July 1, 2020	-	-	-	-	-
Fund Equity June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
Debt Service Fund
For the Year Ended June 30, 2021

Debt Service Fund	Budget Amounts		Actual	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues Collected:					
Local	\$ 243,500	\$ 243,500	\$ 263,802	\$ -	\$ 20,302
County	75,000	75,000	96,803	-	21,803
State	-	-	-	-	-
Federal	-	-	-	-	-
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Revenues Collected	318,500	318,500	360,605	-	42,105
Expenditures Paid:					
Instruction:					
Instruction Regular	-	-	-	-	-
Instruction Special Ed	-	-	-	-	-
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	-	-	-	-	-
Total Instruction	-	-	-	-	-
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	-	-	-	-	-
Health, Psych, Speech and Audio	-	-	-	-	-
Professional Development	-	-	-	-	-
Educational Media Services	-	-	-	-	-
Total Support Services	-	-	-	-	-
Administration:					
Board Services	-	-	-	-	-
Executive Administration	-	-	-	-	-
Building Administration	-	-	-	-	-
Business Services	-	-	-	-	-
Total Administration	-	-	-	-	-
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	-	-	-	-	-
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	165,000	287,800	285,000	(122,800)	2,800
Interest on Long-Term Debt	36,000	36,000	35,525	-	475
Other - Fin Fees, Etc.	1,200	1,200	818	-	382
Total Other	202,200	325,000	321,343	(122,800)	3,657
Total Expenditures Paid	202,200	325,000	321,343	(122,800)	3,657
Revenues Collected Over (Under)					
Expenditures Paid	116,300	(6,500)	39,262	(122,800)	45,762
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	-	-	-
Net Change in Fund Balance	\$ 116,300	\$ (6,500)	\$ 39,262	\$ (122,800)	\$ 45,762
Fund Equity July 1, 2020	234,418	234,418	234,418	-	-
Fund Equity June 30, 2021	<u>\$ 350,718</u>	<u>\$ 227,918</u>	<u>\$ 273,680</u>	<u>\$ (122,800)</u>	<u>\$ 45,762</u>

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
Capital Projects Fund
For the Year Ended June 30, 2021

Capital Projects Fund	Budget Amounts			Variances	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues Collected:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
County	-	-	-	-	-
State	-	-	-	-	-
Federal	5,000	5,000	23,100	-	18,100
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Revenues Collected	5,000	5,000	23,100	-	18,100
Expenditures Paid:					
Instruction:					
Instruction Regular	3,000	3,000	13,515	-	(10,515)
Instruction Special Ed	1,000	1,000	-	-	1,000
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	-	-	-	-	-
Total Instruction	4,000	4,000	13,515	-	(9,515)
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	-	-	-	-	-
Health, Psych, Speech and Audio	1,000	1,000	-	-	1,000
Professional Development	-	-	-	-	-
Educational Media Services	-	-	-	-	-
Total Support Services	1,000	1,000	-	-	1,000
Administration:					
Board Services	-	-	-	-	-
Executive Administration	17,001	17,001	9,487	-	7,514
Building Administration	1	1	1,518	-	(1,517)
Business Services	-	-	-	-	-
Total Administration	17,002	17,002	11,005	-	5,997
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	12,000	12,000	5,404	-	6,596
Pupil Transportation	-	-	-	-	-
Food Services	2,500	2,500	-	-	2,500
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	1,000	1,000	-	-	1,000
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Other - Fin Fees, Etc.	-	-	-	-	-
Total Other	15,500	15,500	5,404	-	10,096
Total Expenditures Paid	37,502	37,502	29,924	-	7,578
Revenues Collected Over (Under)					
Expenditures Paid	(32,502)	(32,502)	(6,824)	-	25,678
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	100,000	-	100,000
Net Change in Fund Balance	\$ (32,502)	\$ (32,502)	\$ 93,176	\$ -	\$ 125,678
Fund Equity July 1, 2020	316,627	316,627	316,627	-	-
Fund Equity June 30, 2021	\$ 284,125	\$ 284,125	\$ 409,803	\$ -	\$ 125,678

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
Total All Funds
For the Year Ended June 30, 2021

Total All Funds	Budget Amounts			Variances	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues Collected:					
Local	\$ 1,479,850	\$ 1,479,850	\$ 1,558,551	\$ -	\$ 78,701
County	173,000	173,000	209,610	-	36,610
State	833,500	833,500	925,794	-	92,294
Federal	198,425	198,425	342,127	-	143,702
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Revenues Collected	2,684,775	2,684,775	3,036,082	-	351,307
Expenditures Paid:					
Instruction:					
Instruction Regular	772,559	789,109	808,438	(16,550)	(19,329)
Instruction Special Ed	219,005	219,004	190,334	1	28,670
Career Education Programs	-	-	-	-	-
Student Activities	25,750	25,750	13,907	-	11,843
Payments To Other Districts	224,000	224,000	213,265	-	10,735
Total Instruction	1,241,314	1,257,863	1,225,944	(16,549)	31,919
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	31,923	31,923	22,785	-	9,138
Health, Psych, Speech and Audio	68,732	72,532	74,243	(3,800)	(1,711)
Professional Development	9,266	9,266	5,002	-	4,264
Educational Media Services	79,324	79,324	77,557	-	1,767
Total Support Services	189,245	193,045	179,587	(3,800)	13,458
Administration:					
Board Services	35,050	35,050	25,861	-	9,189
Executive Administration	211,958	243,958	221,999	(32,000)	21,959
Building Administration	112,251	112,251	131,111	-	(18,860)
Business Services	-	-	-	-	-
Total Administration	359,259	391,259	378,971	(32,000)	12,288
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	231,065	253,264	269,361	(22,199)	(16,097)
Pupil Transportation	79,679	72,179	73,957	7,500	(1,778)
Food Services	83,291	90,791	102,712	(7,500)	(11,921)
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	92,511	92,512	78,867	(1)	13,645
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	165,000	287,800	285,000	(122,800)	2,800
Interest on Long-Term Debt	36,000	36,000	35,525	-	475
Other - Fin Fees, Etc.	1,200	1,200	818	-	382
Total Other	688,746	833,746	846,240	(145,000)	(12,494)
Total Expenditures Paid	2,478,564	2,675,913	2,630,742	(197,349)	45,171
Revenues Collected Over (Under)					
Expenditures Paid	206,211	8,862	405,340	(197,349)	396,478
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	-	-	-
Net Change in Fund Balance	\$ 206,211	\$ 8,862	\$ 405,340	\$ (197,349)	\$ 396,478
Fund Equity July 1, 2020	3,638,103	3,638,103	3,638,103	-	-
Fund Equity June 30, 2021	\$ 3,844,314	\$ 3,646,965	\$ 4,043,443	\$ (197,349)	\$ 396,478

Avenue City R-IX School District
Notes to Supplementary Information
Year Ended June 30, 2021

Budgets and Budgetary Accounting

The District uses the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles, when preparing the budget for the year. 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 of the political subdivision.
- 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 District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues and transfers 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) On June 11, 2020 the budget was 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 were amended as necessary by the Board of Education.

Avenue City R-IX School District
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios-PSRS
For the Year Ended June 30, 2021

Year Ended *	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.0158%	\$ 648,207	\$ 699,766	92.63%	89.30%
6/30/2015	0.0159%	\$ 917,885	\$ 718,285	127.79%	85.78%
6/30/2016	0.0152%	\$ 1,130,979	\$ 700,547	161.44%	82.18%
6/30/2017	0.0158%	\$ 1,141,001	\$ 747,648	152.61%	83.77%
6/30/2018	0.0158%	\$ 1,175,908	\$ 757,351	155.27%	84.06%
6/30/2019	0.0158%	\$ 1,166,051	\$ 775,133	150.43%	84.62%
6/30/2020	0.0162%	\$ 1,446,776	\$ 811,681	178.24%	82.01%

* Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the District's fiscal year.

Avenue City R-IX School District
Schedule of Employer Contributions-PSRS
For the Year Ended June 30, 2021

Year Ended *	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 97,229	\$ 97,229	\$ -	\$ 670,544	14.50%
6/30/2014	\$ 101,466	\$ 101,466	\$ -	\$ 699,766	14.50%
6/30/2015	\$ 104,151	\$ 104,151	\$ -	\$ 718,285	14.50%
6/30/2016	\$ 101,579	\$ 101,579	\$ -	\$ 700,547	14.50%
6/30/2017	\$ 108,409	\$ 108,409	\$ -	\$ 747,648	14.50%
6/30/2018	\$ 109,816	\$ 109,816	\$ -	\$ 757,351	14.50%
6/30/2019	\$ 112,395	\$ 112,395	\$ -	\$ 775,133	14.50%
6/30/2020	\$ 116,946	\$ 116,946	\$ -	\$ 811,681	14.41%

* Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Avenue City R-IX School District
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios-PEERS
For the Year Ended June 30, 2021

<u>Year Ended *</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.0132%	\$ 48,202	\$ 192,316	25.06%	91.33%
6/30/2015	0.0136%	\$ 71,931	\$ 204,659	35.15%	88.28%
6/30/2016	0.0186%	\$ 149,234	\$ 287,091	51.98%	83.32%
6/30/2017	0.0191%	\$ 145,724	\$ 306,278	47.58%	85.35%
6/30/2018	0.0188%	\$ 145,270	\$ 312,554	46.48%	86.06%
6/30/2019	0.0178%	\$ 140,791	\$ 308,725	45.60%	86.38%
6/30/2020	0.0155%	\$ 150,436	\$ 278,614	53.99%	84.06%

* Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

The data provided in the schedule is based as of the measurement date of PEERS' net pension liability, which is as of the beginning of the District's fiscal year.

Avenue City R-IX School District
Schedule of Employer Contributions-PEERS
For the Year Ended June 30, 2021

Year Ended *	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 13,230	\$ 13,230	\$ -	192,854	6.86%
6/30/2014	\$ 13,193	\$ 13,193	\$ -	192,316	6.86%
6/30/2015	\$ 14,040	\$ 14,040	\$ -	204,659	6.86%
6/30/2016	\$ 19,694	\$ 19,694	\$ -	287,091	6.86%
6/30/2017	\$ 21,011	\$ 21,011	\$ -	306,278	6.86%
6/30/2018	\$ 21,441	\$ 21,441	\$ -	312,554	6.86%
6/30/2019	\$ 21,179	\$ 21,179	\$ -	308,725	6.86%
6/30/2020	\$ 19,113	\$ 19,113	\$ -	278,614	6.86%

* Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

Avenue City R-IX School District
Schedule of Revenues Collected by Source - School District Funds
Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Local:					
Current Taxes	\$ 887,032	\$ -	\$ 252,526	\$ -	\$ 1,139,558
Delinquent Taxes	30,281	-	8,621	-	38,902
School Dist. Trust Fund (Prop C)	-	212,557	-	-	212,557
Financial Institution Tax	-	-	-	-	-
M&M Surtax	3,970	-	1,130	-	5,100
In Lieu of Tax	-	-	-	-	-
City Sales Tax	-	-	-	-	-
Reg Day School Tuition (K-12) from Individuals	-	-	-	-	-
Summer School Tuition (K-12) from Individuals	-	-	-	-	-
Adult/Continuing Education Tuition-Post Secondary	-	-	-	-	-
Transportation Fees From Patrons	-	-	-	-	-
Earnings From Temporary Deposits	46,256	24	1,525	-	47,805
Food Service Sales to Pupils & Adults	13,871	-	-	-	13,871
Food Service Non-Program	1,200	-	-	-	1,200
Admissions - Student Activities	13,676	-	-	-	13,676
Bookstore Sales	-	-	-	-	-
Student Organization Membership Dues & Fees	-	-	-	-	-
Revenue From Enterprise Activities	-	-	-	-	-
Other Pupil Activity Income	-	-	-	-	-
Community Services	-	-	-	-	-
PK Tuition From Parents	82,260	-	-	-	82,260
Rentals	400	-	-	-	400
Gifts	2,805	-	-	-	2,805
Prior Period Adjustment	417	-	-	-	417
Net Receipts From Clearing Accounts	-	-	-	-	-
Miscellaneous Local Revenue	-	-	-	-	-
Total Local	<u>1,082,168</u>	<u>212,581</u>	<u>263,802</u>	<u>-</u>	<u>1,558,551</u>
County:					
Fines, Escheats, Etc.	-	9,099	-	-	9,099
State Assessed Utilities	103,708	-	96,803	-	200,511
County Stock Insurance Fund	-	-	-	-	-
Fed Prop (Fed Forest, Flood & Mineral)	-	-	-	-	-
Penalties, Concentrated Animal Feed Oper	-	-	-	-	-
Other - County	-	-	-	-	-
Total County	<u>103,708</u>	<u>9,099</u>	<u>96,803</u>	<u>-</u>	<u>209,610</u>
State:					
Basic Formula - State Monies	-	735,928	-	-	735,928
Transportation	16,200	-	-	-	16,200
Early Childhood Special Education	-	-	-	-	-
Career Ladder/Excellence in Education Act	-	-	-	-	-
Basic Formula - Classroom Trust Fund	-	84,274	-	-	84,274
Educ. Screening Prog/PAT	-	5,430	-	-	5,430
Small Schools Grant	-	83,238	-	-	83,238
Career Education	-	-	-	-	-
Food Service - State	724	-	-	-	724
Adult Education & Literacy	-	-	-	-	-
MO Dept of Nat Res (DNR) Energy Loan	-	-	-	-	-
Residential Placement/Excess Cost	-	-	-	-	-
Readers for the Blind	-	-	-	-	-
State Emer Management Agency (SEMA) Funds	-	-	-	-	-
High Need Fund Special Education	-	-	-	-	-
Missouri Preschool Project	-	-	-	-	-
Other - State	-	-	-	-	-
Total State	<u>\$ 16,924</u>	<u>\$ 908,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 925,794</u>

Avenue City R-IX School District
Schedule of Revenues Collected by Source - School District Funds
Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Federal:					
State Administered					
Impact Aid (PL 81-874)	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid	1,917	-	-	-	1,917
Reserve Officer Training Corps (ROTC)	-	-	-	-	-
CRRSA - ESSER II	-	-	-	-	-
CARES - ESSER Fund	-	-	-	-	-
CARES - Governor's Emergency Education Relief Fund	2,458	-	-	-	2,458
Perkins Basic Grant, Career Education	-	-	-	-	-
Coronavirus Relief Fund (OA CRF)	16,550	-	-	-	16,550
Emergency Worker Childcare Grant (CCDF)	-	-	-	-	-
Adult Education & Literacy (AEL)	-	-	-	-	-
IDEA Grants	-	-	-	-	-
Non-IDEA Special Education Grants	-	-	-	-	-
IDEA Entitlement Funds, Part B IDEA	-	51,382	-	-	51,382
Early Childhood Special Education-Federal	-	5,656	-	-	5,656
National School Lunch Equipment Grant	-	-	-	-	-
School Lunch Program	65,278	-	-	-	65,278
School Breakfast Program	23,840	-	-	-	23,840
Special Milk Program	-	-	-	-	-
After School Snack Program	-	-	-	-	-
Fresh Fruits and Vegetable Program	-	-	-	-	-
Title I - ESEA	-	13,178	-	-	13,178
Title I, Part C - Migrant Education	-	-	-	-	-
21st Century Community Learning Centers Grant	-	-	-	-	-
Title IV.A Student Support and Academic Enrichment	10,415	-	-	-	10,415
Title III. ESEA - English Language Acquisition	-	-	-	-	-
Educ For Homeless Children & Youth	-	-	-	-	-
Title II, Part A&B, ESEA - Teacher & Principal	3,808	-	-	-	3,808
Childcare Development Fund Grant	-	-	-	-	-
CARES - School Lunch Program	5,997	-	-	-	5,997
CARES - School Breakfast Program	1,185	-	-	-	1,185
CARES - After-School Snack Program	-	-	-	-	-
CARES - Special Milk Program	-	-	-	-	-
Federal Emergency Mgt Agency (FEMA) Funds	-	-	-	-	-
Vocational Rehabilitation	-	-	-	-	-
Dept of Health Food Service Program	-	-	-	-	-
Headstart	-	-	-	-	-
Pell Grants	-	-	-	-	-
Impact Aid, Restricted Purpose	-	-	-	-	-
Title VI, Part B Rural Education Initiative	-	21,495	-	-	21,495
Other - Federal	95,868	-	-	23,100	118,968
Total Federal	227,316	91,711	-	23,100	342,127
Other Revenue:					
Sale of Bonds	-	-	-	-	-
Sale of Bonds-QZAB (ARRA)	-	-	-	-	-
Net Insurance Recovery	-	-	-	-	-
Sale of School Buses	-	-	-	-	-
Sale of Other Property	-	-	-	-	-
Temporary Direct Deposit Revenues	-	-	-	-	-
Refunding Bonds	-	-	-	-	-
Total Other Revenue	-	-	-	-	-
Receipts From Other Districts:					
Tuition From Other LEAs Regular Term & Summer School	-	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-	-
Contracted Educational Services	-	-	-	-	-
Trans From Other LEAs For Non-Disabled Route	-	-	-	-	-
Trans From Other LEAs For K-12 Disabled Students	-	-	-	-	-
Trans From Other LEAs For ECSE	-	-	-	-	-
Total Receipts From Other Districts	-	-	-	-	-
Total Revenues	\$ 1,430,116	\$ 1,222,261	\$ 360,605	\$ 23,100	\$ 3,036,082

Avenue City R-IX School District
Schedule of Expenditures Paid by Object - School District Funds
Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries	\$ 329,440	\$ 903,603	\$ -	\$ -	\$ 1,233,043
Employee Benefits	94,040	215,839	-	-	309,879
Purchased Services	197,526	234,893	-	-	432,419
Supplies	304,134	-	-	-	304,134
Capital Outlays	-	-	-	29,924	29,924
Other Objects	<u>-</u>	<u>-</u>	<u>321,343</u>	<u>-</u>	<u>321,343</u>
Total	<u>\$ 925,140</u>	<u>\$ 1,354,335</u>	<u>\$ 321,343</u>	<u>\$ 29,924</u>	<u>\$ 2,630,742</u>

Avenue City R-IX School District
Summary Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balances
School District Funds
Year Ended June 30, 2021

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Totals</u>
Revenues Collected	\$ 1,430,116	\$ 1,222,261	\$ 360,605	\$ 23,100	\$ 3,036,082
Expenditures Paid	<u>925,140</u>	<u>1,354,335</u>	<u>321,343</u>	<u>29,924</u>	<u>2,630,742</u>
Excess of Revenues Collected Over(Under) Expenditures Paid	504,976	(132,074)	39,262	(6,824)	405,340
Other Sources(Uses) Transfers	<u>(232,074)</u>	<u>132,074</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Excess of Revenues Collected and Other Sources Over(Under) Expenditures Paid and Other Uses	272,902	-	39,262	93,176	405,340
Fund Balance July 1, 2020	<u>3,087,058</u>	<u>-</u>	<u>234,418</u>	<u>316,627</u>	<u>3,638,103</u>
Fund Balance June 30, 2021	<u>\$ 3,359,960</u>	<u>\$ -</u>	<u>\$ 273,680</u>	<u>\$ 409,803</u>	<u>\$ 4,043,443</u>

STATE COMPLIANCE SECTION

Martin & Hanway CPA's, P.C.

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Ruthanna Martin, CPA

Amy Hanway, CPA

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

To the Board of Education
Avenue City R-IX School District

We have audited management's assertions that Avenue City R-IX 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 attendance hours, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, and accurate disclosure by 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. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our audit.

Our audit was made in accordance with attestation 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 management's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2021 are fairly stated in all material respects.

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



Martin & Hanway CPA's, P.C.

Saint Joseph, Missouri

November 10, 2021

002-090
Avenue City R-IX School District
Schedule of State Finding
Year Ended June 30, 2021

Finding/Noncompliance

The District does not have any State findings.

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2021

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
002-090	K	8	N/A	6.4000	172	1,074.4000
002-097	9	12	N/A	6.7500	162	1,085.7000
011-076	9	12	N/A	6.4500	162	1,040.2000
011-082 1075	9	12	N/A	6.8000	154	989.4000
011-082 1080	9	12	N/A	6.8000	156	1,082.6000

Notes: _____

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	Part-Time	Remedial Hours	Summer Other	Summer School	Total
002-090	K-8	173,150.5915	98.5000	-	9.0000	441.0000	173,699.0915
002-097	9-12	44,536.2700	-	-	-	-	44,536.2700
011-076	9-12	988.6667	-	-	-	-	988.6667
011-082 1075	9-12	6,312.3491	-	-	-	-	6,312.3491
011-082 1080	9-12	2,103.0093	-	-	-	-	2,103.0093
Grand Total		<u>227,090.8866</u>	<u>98.5000</u>	<u>-</u>	<u>9.0000</u>	<u>441.0000</u>	<u>227,639.3866</u>

Notes: _____

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
002-090	K-8	166.00	0.11	-	166.11
002-097	9-12	43.00	-	-	43.00
011-076	9-12	1.00	-	-	1.00
011-082 1075	9-12	7.00	-	-	7.00
011-082 1080	9-12	2.00	-	-	2.00
Grand Total		<u>219.00</u>	<u>0.11</u>	<u>-</u>	<u>219.11</u>

002-090
Avenue City R-IX School District
 Schedule of Selected Statistics
 Year Ended June 30, 2021

Notes: _____

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
002-090	20	5	-	-	25
002-097	5	2	-	-	7
011-076	1	-	-	-	1
011-082	1	-	-	-	1
Grand Total	<u>27</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>34</u>

Notes: _____

5. Finance

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

- 5.1 The district 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 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 | <u>N/A</u> |
| Career Exploration Program – Off Campus | <u>N/A</u> |
| Cooperative Occupational Education (COE) or Supervised Occupational Experience Program | <u>N/A</u> |
| Dual Enrollment | <u>N/A</u> |
| Homebound Instruction | <u>N/A</u> |
| Missouri Options | <u>N/A</u> |
| Prekindergarten Eligible to be Claimed for State Aid | <u>N/A</u> |
| Remediation | <u>N/A</u> |
| Sheltered Workshop Participation | <u>N/A</u> |
| Students Participating in the School Flex Program | <u>N/A</u> |
| Traditional Instruction (full and part-time students) | <u>True</u> |
| Virtual Instruction (MOCAP or other option) | <u>True</u> |
| Work Experience for Students with Disabilities | <u>N/A</u> |

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2021

- 5.3 The district 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 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 treasurer in the total amount of: \$ 50,000
- 5.6 The district'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. 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. True
- 5.10 The district 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. True
- 5.12 The amount spent for approved professional development committee plan activities was: \$4,902.17
- 5.13 The District 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 website or other form of social media as required by Section 160.066 RSMo. True

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2021

Notes: _____

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

Finding#: _____

Management Letter Comment #: _____

6. Transportation (Section 163.161, RSMo)

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

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 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** # 135.5
- **Ineligible ADT** # 2.0

6.4 The district'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-operated and contracted mileage for the year was: #19,015

6.6 Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

- **Eligible Miles (including food/instructional delivery miles 2020-21)** #19,015
- **Ineligible Miles (Non-Route/Disapproved)** # -

6.7 Number of days the district operated the school transportation system during the regular school year: #159

Notes: _____

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2021

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

Finding #: _____

Management Letter Comment #: _____

FEDERAL COMPLIANCE SECTION

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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
Avenue City R-IX School District

We have audited, in accordance with the 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 Avenue City R-IX 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 10, 2021. Our report included an explanatory paragraph addressing the District's preparation of its financial statements on the modified cash basis.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-1 and 2021-2 that we consider to be significant deficiencies.

Compliance and Other Matters


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

Avenue City R-IX School District’s Responses to Findings

Avenue City R-IX School 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 them.

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.


Martin & Hanway CPA’s, P.C.
Saint Joseph, Missouri
November 10, 2021

Avenue City R-IX School District
Schedule of Findings and Responses
For the Year Ended June 30, 2021

Findings – Financial Statement Audit

2021-1 Segregation of Duties

Condition: The bookkeeper is responsible for recording receipts and journal entries, payroll, accounts payable, bank reconciliations and all financial reporting and monitoring tasks.

Criteria: Internal controls should be in place that provide for adequate segregation of duties so as to provide reasonable assurance that errors and irregularities that may occur are detected in a timely manner.

Cause: The size of the District’s accounting staff precludes certain internal controls that would be preferred if staff were large enough to provide optimum segregation of duties.

Effect: A concentration of duties does not provide the checks and balances of multiple people involved in accounting functions, increasing the chance that errors and irregularities may occur and not be detected in a timely manner.

Recommendation: Continued involvement of the Board is important. Review and approval of invoices for items purchased by the person receiving the merchandise can add to controls. Review of bank reconciliations by a second person helps with cash.

Response: In regard to “Segregation of Duties” for school personnel at Avenue City that handles financial matters, hiring additional personnel to help with this area is not a realistic expectation. Ms. Janice Pankau serves as the District bookkeeper. The superintendent signs all purchase orders and vouchers. Checks require two signatures and a detailed analysis of District finances also occurs at each monthly Board of Education meeting.

2021-2 Preparation of Full-Disclosure Financial Statements

Condition: The District has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements. However, the District does not have the resources to have accounting professionals with the expertise, experience and training to prepare note disclosures in conformity with Governmental Accounting Standards.

Criteria: Preparation of note disclosures in conformity with Governmental Accounting Standards is required.

Cause: The District does not have the resources to have accounting professionals with the expertise, experience and training to prepare note disclosures in conformity with Governmental Accounting Standards.

Effect: This increases the possibility that errors could occur and not be detected in a timely manner.

Avenue City R-IX School District
Schedule of Findings and Responses
For the Year Ended June 30, 2021

Recommendation: We recommend that this service be outsourced, either to the auditor, or another accountant knowledgeable of the standards.

Response: We will outsource this service to our auditor, as it is not economically feasible to incur additional personnel costs to prepare the full-disclosure financial statements in house.