

**Avenue City R-IX School District
Cosby, Missouri
Financial Statements
Year Ended June 30, 2023**

Avenue City R-IX School District
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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Avenue City R-IX School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District, as of June 30, 2023, 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 for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

We draw attention to Note 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedule of receipts collected by source – school district funds, schedule of expenditures paid by object – school district funds, and summary schedule of receipts collected, expenditures paid, and changes in fund balances – school district funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of receipts collected by source – school district funds, schedule of expenditures paid by object – school district funds, and summary schedule of receipts collected, expenditures paid, and changes in fund balances – school district funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, 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 CPAs P.C.

Martin & Hanway CPA's, P.C.

Saint Joseph, Missouri

October 9, 2023

BASIC FINANCIAL STATEMENTS

Avenue City R-IX School District
Statement of Net Position -
Modified Cash Basis
June 30, 2023

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 322,769
Investments - Operating	5,079,972
Bond Escrowed Cash	44,228
Total Current Assets	5,446,969
Non-Current Assets:	
Land	8,684
Equipment and Fixtures (Net of Depr.)	71,855
Buildings and Improvements (Net of Depr.)	3,636,719
United Fiber Lease (Net of Amort.)	16,693
Total Non-Current Assets	3,733,951
Total Assets	\$ 9,180,920
LIABILITIES	
Current Liabilities:	
Refunding Bonds	\$ 100,000
United Fiber Lease	5,325
Total Current Liabilities	105,325
Non-Current Liabilities:	
Refunding Bonds	315,000
United Fiber Lease	11,368
Total Non-Current Liabilities	326,368
Total Liabilities	431,693
NET POSITION	
Net Investment in Capital Assets	3,302,258
Restricted	171,112
Unrestricted	5,275,857
Total Net Position	8,749,227
Total Liabilities and Net Position	\$ 9,180,920

Avenue City R-IX School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges For	Operating	Capital	and Changes in Net Position
Governmental Activities:		Services	Grants and	Grants and	Governmental
			Contributions	Contributions	Activities
Instruction:					
Instruction Regular	\$ 845,129	\$ -	\$ 258,918	\$ 50,000	\$ (536,211)
Instruction Special Ed	214,894	-	35,091	-	(179,803)
Career Education Programs	-	-	-	-	-
Bldg & Improv., Equip. & Fix. Depr. & Amort. & Removals	105,977	-	-	-	(105,977)
Student Activities	60,895	70,408	-	-	9,513
Payments to Other Districts	246,416	-	-	-	(246,416)
Total Instruction	1,473,311	70,408	294,009	50,000	(1,058,894)
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	31,947	-	-	-	(31,947)
Health, Psych, Speech and Audio	100,089	-	-	-	(100,089)
Professional Development	10,638	-	3,159	-	(7,479)
Educational Media Services	86,448	-	-	-	(86,448)
Board Services	32,713	-	-	-	(32,713)
Executive Administration	202,260	-	-	-	(202,260)
Building Administration	131,921	-	-	-	(131,921)
Business Services	-	-	-	-	-
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	211,386	-	-	-	(211,386)
Pupil Transportation	90,524	-	63,571	-	(26,953)
Food Services	134,780	73,925	61,187	-	332
Food Service Equip. Depreciation	-	-	-	-	-
Adult Education	-	-	-	-	-
Total Support Services	1,032,706	73,925	127,917	-	(830,864)
Non-Instruction/Support Services:					
Community Services & Early Childhood	94,590	-	98,646	-	4,056
Facilities Acquisition and Constr.	-	-	-	-	-
Interest on Long-Term Debt	21,145	-	-	-	(21,145)
Other - Fin Fees, Etc.	818	-	-	-	(818)
Total Non-Instruction/Support Services	116,553	-	98,646	-	(17,907)
Total Governmental Activities	\$ 2,622,570	\$ 144,333	\$ 520,572	\$ 50,000	\$ (1,907,665)

Avenue City R-IX School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2023

	<u>Governmental Activities</u>
Total Activities	\$ <u>(1,907,665)</u>
General Revenues:	
Property Taxes, Levied for General Purposes	1,052,978
Property Taxes, Levied for Capital Outlay	-
Property Taxes, Levied for Debt Service	303,259
Proposition C Sales Tax	308,470
Other Taxes	261,110
Earnings on Investments	210,522
Other Revenue	750
State and Federal Aid Not Restricted to Specific Purposes:	
Minimum Foundation Program	1,158,111
Other	-
Total General Revenue	<u>3,295,200</u>
Changes in Net Position	1,387,535
Net Position July 1, 2022	<u>7,361,692</u>
Net Position June 30, 2023	<u>\$ 8,749,227</u>

Avenue City R-IX School District
 Reconciliation of Statement of Receipts, Expenditures and
 Changes in Fund Balances for Governmental Funds to
 Statement of Activities
 For the Year Ended June 30, 2023

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

Net change in fund balances of total governmental funds	\$ 1,021,631
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization and removals in the current period.	(81,110)
Entering into a lease agreement creates a right to use asset and related lease liability. Paying a lease liability consumes current financial resources of governmental funds. This amount is the net effect of the difference between new lease liabilities recorded during the year and payment made on outstanding leases.	(12,986)
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>460,000</u>
Change in net position of governmental activities	<u>\$ 1,387,535</u>

Avenue City R-IX School District
Balance Sheet
Governmental Funds -
Modified Cash Basis
June 30, 2023

	Governmental Fund Types				Totals
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 607,032	\$ (534,778)	\$ 112,806	\$ 137,709	\$ 322,769
Investments - Operating	3,682,013	822,993	4,097	570,869	5,079,972
Bond Escrowed Cash	-	-	44,228	-	44,228
Total Current Assets	<u>4,289,045</u>	<u>288,215</u>	<u>161,131</u>	<u>708,578</u>	<u>5,446,969</u>
Non-Current Assets:					
None	-	-	-	-	-
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,289,045</u>	<u>\$ 288,215</u>	<u>\$ 161,131</u>	<u>\$ 708,578</u>	<u>\$ 5,446,969</u>
LIABILITIES					
Current Liabilities:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Current Liabilities:					
None	-	-	-	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	9,981	-	161,131	-	171,112
Assigned to:					
Capital Projects	-	-	-	708,578	708,578
Teachers' Fund	-	288,215	-	-	288,215
Unassigned	<u>4,279,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,279,064</u>
Total Fund Balances	<u>4,289,045</u>	<u>288,215</u>	<u>161,131</u>	<u>708,578</u>	<u>5,446,969</u>
Total Liabilities and Fund Balances	<u>\$ 4,289,045</u>	<u>\$ 288,215</u>	<u>\$ 161,131</u>	<u>\$ 708,578</u>	<u>\$ 5,446,969</u>
Reconcile to Statement of Net Position:					
Net Position Fund Balance					\$ 8,749,227
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				(6,570,191)	
Accumulated Depreciation & Amortization				<u>2,836,240</u>	
Net Capital Assets					(3,733,951)
Liabilities included in Net Position and not in Funds are:					
United Fiber Lease					16,693
Refunding Bonds					<u>415,000</u>
Total Governmental Fund Balances					<u>\$ 5,446,969</u>

Avenue City R-IX School District
Statement of Receipts, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Receipts Collected:					
Local	\$ 1,496,144	\$ 308,587	\$ 307,489	\$ -	\$ 2,112,220
County	139,097	10,440	106,136	-	255,673
State	64,853	1,324,506	-	50,000	1,439,359
Federal	72,836	130,017	-	-	202,853
Other Revenue	-	-	-	-	-
Total Receipts Collected	<u>1,772,930</u>	<u>1,773,550</u>	<u>413,625</u>	<u>50,000</u>	<u>4,010,105</u>
Expenditures Paid:					
Instruction	249,611	1,117,722	-	8,175	1,375,508
Support Services					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	2,349	29,598	-	-	31,947
Health, Psych, Speech and Audio	46,850	53,239	-	-	100,089
Improvement Of Instruction	-	-	-	-	-
Professional Development	3,434	7,204	-	-	10,638
Educational Media Services	12,872	73,576	-	-	86,448
Board Of Education Services	32,713	-	-	-	32,713
Executive Administration Services	142,643	56,567	-	3,050	202,260
Support Services - Building Level Administration	38,655	93,266	-	-	131,921
Business Support Services	-	-	-	-	-
Fiscal Services	-	-	-	-	-
Operation and Maintenance Of Plant Services	215,093	-	-	-	215,093
Security Services	-	-	-	-	-
Pupil Trans.-Contracted	85,886	4,638	-	-	90,524
Pupil Trans.-District Owned	-	-	-	-	-
Disabled Trans.-Contracted	-	-	-	-	-
Disabled Trans.-District Owned	-	-	-	-	-
Non-Allowable Transportation	-	-	-	-	-
Early Childhood Special Ed. Trans.	-	-	-	-	-
Food Service	134,780	-	-	-	134,780
Non-Instruction/Support Services					
Adult Education and Literacy Programs	-	-	-	-	-
Community Services	4,110	-	-	-	4,110
Early Childhood	40,955	49,525	-	-	90,480
Facilities Acquisition and Constr.	-	-	-	-	-
Principal	-	-	460,000	-	460,000
Interest and Other Charges	-	-	21,145	-	21,145
Other - Fin Fees, Etc.	-	-	818	-	818
Total Expenditures Paid	<u>1,009,951</u>	<u>1,485,335</u>	<u>481,963</u>	<u>11,225</u>	<u>2,988,474</u>
Receipts Collected Over(Under)					
Expenditures Paid	762,979	288,215	(68,338)	38,775	1,021,631
Other Financing Sources (Uses):					
Transfers	(160,000)	-	-	160,000	-
Receipts Collected and Other Sources					
Over(Under) Expenditures Paid and					
Other Uses	602,979	288,215	(68,338)	198,775	1,021,631
Fund Balance, July 1, 2022	3,686,066	-	229,469	509,803	4,425,338
Fund Balance, June 30, 2023	<u>\$ 4,289,045</u>	<u>\$ 288,215</u>	<u>\$ 161,131</u>	<u>\$ 708,578</u>	<u>\$ 5,446,969</u>

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Avenue City R-IX School District (the District) was established in 1957 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 accounting principles generally accepted in the United States of America. 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, 2023

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 receipts, expenditures and changes in fund balances – governmental funds and the budgetary comparison schedules as other financing sources (uses). The District made a \$162,326 or 7% x SAT x WADA transfer for \$160,000.

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, 2023

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 receipts, 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 balance, receipts and expenditures when they result from cash transactions, with a modification on the District-wide statements for recording of capital assets, depreciation and amortization expense, lease obligations 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).
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 \$161,131 was restricted at the end of the

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

year for debt service payments. \$9,981 of the General Fund balance was restricted for 3 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. \$708,578 of the Capital Projects fund balance was assigned to capital projects during upcoming years. \$288,215 of the Special Revenue fund balance was assigned to teachers 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, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

F. Staff Salaries

The salary payment schedule of the District for the 2022-2023 school year requires the payment of salaries over a twelve month period. Consequently, the July and August, 2023 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.

G. Compensated Absences

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

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, career ladder, basic formula-classroom trust fund, early childhood special education, ESSER, and small schools grant).

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

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

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

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.

The Annual Comprehensive Financial Report (ACFR) 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.

L. Leases

The District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No 87, *Leases*. GASB No 87 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. The Statement has not been applied retrospectively.

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 reoccurring 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	\$2,665,972
Certificates of Deposits	<u>2,414,000</u>
Total Investments	<u>\$5,079,972</u>

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2023

Note 2. Deposits and Investments (Continued)

As of June 30, 2023, the District had the following deposits and investments:

Schedule of Deposits and Investments by Type:

<u>Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>On Demand</u>	<u>Maturities in Years</u>	
				<u>Less than One</u>	<u>1-5</u>
Demand Accounts	\$ 366,997	N/A	\$ 366,997	\$ -	\$ -
Certificates of Deposits	<u>2,414,000</u>	N/A	-	<u>2,414,000</u>	-
Subtotal	2,780,997		<u>\$ 366,997</u>	<u>\$2,414,000</u>	<u>\$ -</u>
Pooled Cash					
Management Funds	<u>2,665,972</u>	AAA-S&P			
Total	<u>\$5,446,969</u>				

Reconciliation to the Statement of Net Position:

	<u>District-wide Statement of Net Position</u>
Cash & Cash Equivalents	\$ 322,769
Bond Escrowed Cash	44,228
Investments - Operating	<u>5,079,972</u>
Total	<u>\$5,446,969</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, 2023, 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,

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2023

Note 2. Deposits and Investments (Continued)

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.

The District's external investment pool investments are in MOSIP. 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.

At June 30, 2023, 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

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 2. Deposits and Investments (Concluded)

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, 2023, the District did not have any concentration of credit risk representing more than 5% of investments.

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 2022 for purposes of local taxation was:

Real Estate:	<u>12-31-22</u>
Residential	\$20,671,300
Commercial	1,551,201
Agricultural	892,610
Personal Property	<u>8,139,983</u>
Total	<u>\$31,255,094</u>

The tax levy per \$100 of assessed valuation of tangible taxable property for calendar year 2022 for purposes of local taxation was:

	<u>12-31-22</u>	
	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.3984	\$ 3.3984
Special Revenue Fund	-	-
Debt Service Fund	.9800	.9800
Capital Projects Fund	-	-
Total	<u>\$ 4.3784</u>	<u>\$ 4.3784</u>

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 3. Taxes (Concluded)

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 99.1059 percent of the current assessment computed on the basis of the levy as shown above.

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.

On March 1, 2022, the District prepaid \$180,000 principal on the Series 2016 Bonds maturing March 1, 2026.

On March 1, 2023, the District prepaid \$300,000 principal on the Series 2016 Bonds maturing March 1, 2025 and March 1, 2026.

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, 2023 are as follows:

General Obligation Refunding Bonds of \$415,000 due in varying annual installments through March 1, 2027; interest at 2.25% to 2.65%.

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 4. Long-Term Debt (Concluded)

The State withheld from monthly checks, \$18,115 for 2 months, \$36,229 for 2 months and \$11,054 for 4 months for a total of \$152,904 in the 2022/2023 year to make debt service payments.

Annual Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments are as follows:

Year Ended			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 100,000.00	\$ 10,532.50	\$ 110,532.50
2025	-	8,282.50	8,282.50
2026	65,000.00	8,282.50	73,282.50
2027	250,000.00	6,625.00	256,625.00
Total	<u>\$ 415,000.00</u>	<u>\$ 33,722.50</u>	<u>\$ 448,722.50</u>

United Fiber 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. The contract can be terminated by either party with 15 Days written notice. A 2.5% discount rate was used beginning July 1, 2021 when GASB 87 was adopted.

Payments of \$4,500.00 were made in the years ending June 30, 2023 and 2022.

On March 14, 2023, the District entered into a master commercial services agreement with United Services, Inc. for monthly communication services. The lease calls for 36 monthly payments of \$1,000.00 starting July 1, 2023. The monthly discount rate is \$500.00, leaving the District to pay a monthly amount of \$500.00. The contract can be terminated by either party with 30 days written notice. A discount rate of 5.25% is used.

Remaining Annual Payments:

Year Ended	Total	Interest	Liability
<u>June 30,</u>	<u>Payments</u>	<u>Component</u>	<u>Amortization</u>
2024	\$ 6,000.00	\$ 674.69	\$ 5,325.31
2025	6,000.00	464.88	5,535.12
2026	6,000.00	167.18	5,832.82
Total	<u>\$18,000.00</u>	<u>\$1,306.75</u>	<u>\$16,693.25</u>

There were no payments made in the year ending June 30, 2023.

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

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

Following is a summary of long-term debt for the year ended June 30, 2023:

	<u>Series 2016</u>	<u>Lease Liabilities</u>	<u>Total</u>
Long-Term Debt Payable, July 1, 2022	\$ 875,000	\$ 3,707	\$ 878,707
Principal Paid	(460,000)	(3,707)	(463,707)
New Lease Liability	-	<u>16,693</u>	<u>16,693</u>
Long-Term Debt Payable, June 30, 2023	<u>\$ 415,000</u>	<u>\$16,693</u>	<u>\$ 431,693</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, 2023 was:

Constitutional debt limit	\$4,688,264
Less: General obligation refunding bonds payable	(415,000)
Less: Lease Liabilities	(16,693)
Add: Amount available in Debt Service Fund	161,131
Add: Bond reserve	-
Total legal debt margin	<u>\$4,417,702</u>

Note 6. 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

Avenue City R-IX School District
Notes to Financial Statements
Year Ended June 30, 2023

Note 6. Pension Plans (Continued)

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 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

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 6. Pension Plans (Concluded)

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 2021, 2022 and 2023. 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 2021, 2022 and 2023. 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 \$132,112 and \$24,518, respectively, for the year ended June 30, 2023.

Note 7. 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 8. Contingencies

Litigation -At June 30, 2023, 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.

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 9. 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 and amortization has been calculated using actual or estimated purchase dates. Buildings and Improvements and Equipment and Fixtures depreciation and United Fiber Lease amortization is allocated to the programs based on what the purchases are used for. Depreciation and amortization 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
United Fiber Lease - 22, 36 months

The summary of general capital assets as of June 30, 2023 is as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Removals</u>	<u>Balance</u> <u>June 30, 2023</u>
Equipment and Fixtures	\$ 268,832	\$ 8,174	\$(27,771)	\$ 249,235
Buildings and Improv.	6,295,579	-	-	6,295,579
Land	8,684	-	-	8,684
United Fiber Lease	8,072	16,693	(8,072)	16,693
Less: Depreciation	(2,761,703)	(102,211)	27,674	(2,836,240)
Less: Amortization	(4,403)	(3,669)	8,072	-
Net Total	<u>\$3,815,061</u>	<u>\$ (81,013)</u>	<u>\$ (97)</u>	<u>\$3,733,951</u>

Depreciation expense was \$102,211 for the year ending June 30, 2023 and amortization expense was \$3,669 for the year ending June 30, 2023.

Note 10. Agreement

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.

Avenue City R-IX School District

Notes to Financial Statements

Year Ended June 30, 2023

Note 11. 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
Schedule of Receipts Collected by Source - School District Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Local:					
Current Taxes	\$ 1,020,516	\$ -	\$ 293,904	\$ -	\$ 1,314,420
Delinquent Taxes	32,462	-	9,355	-	41,817
School Dist. Trust Fund (Prop C)	-	308,470	-	-	308,470
Financial Institution Tax	25	-	-	-	25
M&M Surtax	4,202	-	1,210	-	5,412
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	207,385	117	3,020	-	210,522
Sales to Pupils & Adults - Reimbursable School Meals	72,216	-	-	-	72,216
Nonreimbursable Meal Sales - Non-Program Food	1,709	-	-	-	1,709
Admissions - Student Activities	70,408	-	-	-	70,408
Bookstore Sales	-	-	-	-	-
Student Organization Membership Dues & Fees	-	-	-	-	-
Revenue From Enterprise Activities	-	-	-	-	-
Other Pupil Activity Income	-	-	-	-	-
Community Services	-	-	-	-	-
PK Tuition From Parents	86,659	-	-	-	86,659
Rentals	400	-	-	-	400
Gifts	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Net Receipts From Clearing Accounts	-	-	-	-	-
Miscellaneous Local Revenue	162	-	-	-	162
Total Local	<u>1,496,144</u>	<u>308,587</u>	<u>307,489</u>	<u>-</u>	<u>2,112,220</u>
County:					
Fines, Escheats, Etc.	-	10,440	-	-	10,440
State Assessed Utilities	139,097	-	106,136	-	245,233
County Stock Insurance Fund	-	-	-	-	-
Fed Prop (Fed Forest,Flood & Mineral)	-	-	-	-	-
Penalties, Concentrated Animal Feed Oper	-	-	-	-	-
Other - County	-	-	-	-	-
Total County	<u>139,097</u>	<u>10,440</u>	<u>106,136</u>	<u>-</u>	<u>255,673</u>
State:					
Basic Formula - State Monies	-	1,158,111	-	-	1,158,111
Transportation	63,571	-	-	-	63,571
Early Childhood Special Education	-	4,751	-	-	4,751
Career Ladder/Excellence in Education Act	-	6,300	-	-	6,300
Basic Formula - Classroom Trust Fund	-	52,092	-	50,000	102,092
Educ. Screening Prog/PAT	-	11,425	-	-	11,425
Small Schools Grant	-	91,827	-	-	91,827
Career Education	-	-	-	-	-
Food Service - State	532	-	-	-	532
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	750	-	-	-	750
Total State	<u>\$ 64,853</u>	<u>\$ 1,324,506</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 1,439,359</u>

Avenue City R-IX School District
Schedule of Receipts Collected by Source - School District Funds
Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Federal:					
State Administered					
Impact Aid (PL 81-874)	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid	2,181	-	-	-	2,181
Reserve Officer Training Corps (ROTC)	-	-	-	-	-
ARP - ESSER III	-	21,133	-	-	21,133
CRRSA - ESSER II	-	41,683	-	-	41,683
CARES - ESSER Fund	-	2,582	-	-	2,582
CARES - Governor's Emergency Education Relief Fund	-	-	-	-	-
CRRSA - GEER II	-	-	-	-	-
Perkins Basic Grant, Career Education	-	-	-	-	-
Coronavirus Relief Fund (OA CRF)	-	-	-	-	-
Emergency Worker Childcare Grant (CCDF)	-	-	-	-	-
Adult Education & Literacy (AEL)	-	-	-	-	-
IDEA Grants	-	-	-	-	-
Non-IDEA Special Education Grants	-	-	-	-	-
ARP - IDEA 611 Entitlement Funds	-	9,663	-	-	9,663
IDEA Entitlement Funds, Part B IDEA	-	20,000	-	-	20,000
Early Childhood Special Education-Federal	-	-	-	-	-
ARP - IDEA Early Childhood Special Education	-	677	-	-	677
National School Lunch Equipment Grant	-	-	-	-	-
National School Lunch Program	53,438	-	-	-	53,438
School Breakfast Program	7,217	-	-	-	7,217
Special Milk Program	-	-	-	-	-
After School Snack Program	-	-	-	-	-
Fresh Fruits and Vegetable Program	-	-	-	-	-
Title I - ESEA	-	6,959	-	-	6,959
Title I, Part C - Migrant Education	-	-	-	-	-
21st Century Community Learning Centers Grant	-	-	-	-	-
Title IV.A Student Support and Academic Enrichment	10,000	-	-	-	10,000
Title III, ESEA - English Language Acquisition	-	-	-	-	-
Educ For Homeless Children & Youth	-	-	-	-	-
Title II, Part A&B, ESEA - Teacher & Principal	-	3,159	-	-	3,159
ARP - Homeless Children & Youth II	-	-	-	-	-
CRRSA - Childcare Development Fund Grant	-	-	-	-	-
Childcare Development Fund Grant	-	-	-	-	-
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	-	24,161	-	-	24,161
Other - Federal	-	-	-	-	-
Total Federal	72,836	130,017	-	-	202,853
Other Revenue:					
Sale of Bonds	-	-	-	-	-
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 Receipts	\$ 1,772,930	\$ 1,773,550	\$ 413,625	\$ 50,000	\$ 4,010,105

Avenue City R-IX School District
Schedule of Expenditures Paid by Object - School District Funds
Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Salaries	\$ 368,766	\$ 973,859	\$ -	\$ -	\$ 1,342,625
Employee Benefits	102,312	240,218	-	-	342,530
Purchased Services	203,314	271,258	-	-	474,572
Supplies	335,559	-	-	-	335,559
Capital Outlays	-	-	-	11,225	11,225
Other Objects	<u>-</u>	<u>-</u>	<u>481,963</u>	<u>-</u>	<u>481,963</u>
Total	<u>\$ 1,009,951</u>	<u>\$ 1,485,335</u>	<u>\$ 481,963</u>	<u>\$ 11,225</u>	<u>\$ 2,988,474</u>

Avenue City R-IX School District
Summary Schedule of Receipts Collected, Expenditures Paid, and Changes in Fund Balances
School District Funds
Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Receipts Collected	\$ 1,772,930	\$ 1,773,550	\$ 413,625	\$ 50,000	\$ 4,010,105
Expenditures Paid	<u>1,009,951</u>	<u>1,485,335</u>	<u>481,963</u>	<u>11,225</u>	<u>2,988,474</u>
Excess of Receipts Collected Over(Under) Expenditures Paid	762,979	288,215	(68,338)	38,775	1,021,631
Other Sources(Uses) Transfers	<u>(160,000)</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>-</u>
Excess of Receipts Collected and Other Sources Over(Under) Expenditures Paid and Other Uses	602,979	288,215	(68,338)	198,775	1,021,631
Fund Balance July 1, 2022	<u>3,686,066</u>	<u>-</u>	<u>229,469</u>	<u>509,803</u>	<u>4,425,338</u>
Fund Balance June 30, 2023	<u>\$ 4,289,045</u>	<u>\$ 288,215</u>	<u>\$ 161,131</u>	<u>\$ 708,578</u>	<u>\$ 5,446,969</u>

OTHER INFORMATION

Avenue City R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2023

General Fund	Budget Amounts			Variances	
	Original	Final	Actual	Positive	(Negative)
				Original to Final	Final to Actual
Receipts Collected:					
Local	\$ 1,118,050	\$ 1,118,050	\$ 1,496,144	\$ -	\$ 378,094
County	107,500	107,500	139,097	-	31,597
State	35,000	35,000	64,853	-	29,853
Federal	66,500	66,500	72,836	-	6,336
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Receipts Collected	<u>1,327,050</u>	<u>1,327,050</u>	<u>1,772,930</u>	<u>-</u>	<u>445,880</u>
Expenditures Paid:					
Instruction:					
Instruction Regular	69,021	144,612	144,612	(75,591)	-
Instruction Special Ed	45,261	44,104	44,104	1,157	-
Career Education Programs	-	-	-	-	-
Student Activities	28,350	60,895	60,895	(32,545)	-
Payments To Other Districts	-	-	-	-	-
Total Instruction	<u>142,632</u>	<u>249,611</u>	<u>249,611</u>	<u>(106,979)</u>	<u>-</u>
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	2,650	2,349	2,349	301	-
Health, Psych, Speech and Audio	46,668	46,850	46,850	(182)	-
Professional Development	6,100	3,434	3,434	2,666	-
Educational Media Services	12,000	12,872	12,872	(872)	-
Total Support Services	<u>67,418</u>	<u>65,505</u>	<u>65,505</u>	<u>1,913</u>	<u>-</u>
Administration:					
Board Services	36,150	32,713	32,713	3,437	-
Executive Administration	161,074	142,643	142,643	18,431	-
Building Administration	37,450	38,655	38,655	(1,205)	-
Business Services	-	-	-	-	-
Total Administration	<u>234,674</u>	<u>214,011</u>	<u>214,011</u>	<u>20,663</u>	<u>-</u>
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	207,422	215,093	215,093	(7,671)	-
Pupil Transportation	89,000	85,886	85,886	3,114	-
Food Services	133,669	134,780	134,780	(1,111)	-
Adult Education	-	-	-	-	-
Community Services	5,250	4,110	4,110	1,140	-
Early Childhood	49,298	40,955	40,955	8,343	-
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Other - Fin Fees, Etc.	-	-	-	-	-
Total Other	<u>484,639</u>	<u>480,824</u>	<u>480,824</u>	<u>3,815</u>	<u>-</u>
Total Expenditures Paid	<u>929,363</u>	<u>1,009,951</u>	<u>1,009,951</u>	<u>(80,588)</u>	<u>-</u>
Receipts Collected Over (Under)					
Expenditures Paid	397,687	317,099	762,979	(80,588)	445,880
Other Financing Sources (Uses):					
Transfers In (Out)	(234,102)	(201,835)	(160,000)	32,267	41,835
Net Change in Fund Balance	\$ 163,585	\$ 115,264	\$ 602,979	\$ (48,321)	\$ 487,715
Fund Balance July 1, 2022	3,686,066	3,686,066	3,686,066	-	-
Fund Balance June 30, 2023	<u>\$ 3,849,651</u>	<u>\$ 3,801,330</u>	<u>\$ 4,289,045</u>	<u>\$ (48,321)</u>	<u>\$ 487,715</u>

Avenue City R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2023

Special Revenue Fund	Budget Amounts			Variances	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original to Final</u>	<u>Final to Actual</u>
Receipts Collected:					
Local	\$ 235,000	\$ 235,000	\$ 308,587	\$ -	\$ 73,587
County	8,000	8,000	10,440	-	2,440
State	905,000	905,000	1,324,506	-	419,506
Federal	135,500	135,500	130,017	-	(5,483)
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Receipts Collected	<u>1,283,500</u>	<u>1,283,500</u>	<u>1,773,550</u>	<u>-</u>	<u>490,050</u>
Expenditures Paid:					
Instruction:					
Instruction Regular	696,202	700,516	700,516	(4,314)	-
Instruction Special Ed	180,659	170,790	170,790	9,869	-
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	302,000	246,416	246,416	55,584	-
Total Instruction	<u>1,178,861</u>	<u>1,117,722</u>	<u>1,117,722</u>	<u>61,139</u>	<u>-</u>
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	28,524	29,598	29,598	(1,074)	-
Health, Psych, Speech and Audio	48,199	53,239	53,239	(5,040)	-
Professional Development	3,665	7,204	7,204	(3,539)	-
Educational Media Services	71,609	73,576	73,576	(1,967)	-
Total Support Services	<u>151,997</u>	<u>163,617</u>	<u>163,617</u>	<u>(11,620)</u>	<u>-</u>
Administration:					
Board Services	-	-	-	-	-
Executive Administration	55,332	56,567	56,567	(1,235)	-
Building Administration	91,990	93,266	93,266	(1,276)	-
Business Services	-	-	-	-	-
Total Administration	<u>147,322</u>	<u>149,833</u>	<u>149,833</u>	<u>(2,511)</u>	<u>-</u>
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	4,638	4,638	4,638	-	-
Food Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	34,784	49,525	49,525	(14,741)	-
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Other - Fin Fees, Etc.	-	-	-	-	-
Total Other	<u>39,422</u>	<u>54,163</u>	<u>54,163</u>	<u>(14,741)</u>	<u>-</u>
Total Expenditures Paid	<u>1,517,602</u>	<u>1,485,335</u>	<u>1,485,335</u>	<u>32,267</u>	<u>-</u>
Receipts Collected Over (Under)					
Expenditures Paid	(234,102)	(201,835)	288,215	32,267	490,050
Other Financing Sources (Uses):					
Transfers In (Out)	234,102	201,835	-	(32,267)	(201,835)
Net Change in Fund Balance	\$ -	\$ -	\$ 288,215	\$ -	\$ 288,215
Fund Balance July 1, 2022	-	-	-	-	-
Fund Balance June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,215</u>	<u>\$ -</u>	<u>\$ 288,215</u>

Avenue City R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis
 Debt Service Fund
 For the Year Ended June 30, 2023

Debt Service Fund	Budget Amounts			Variances	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original to Final</u>	<u>Final to Actual</u>
Receipts Collected:					
Local	\$ 278,250	\$ 278,250	\$ 307,489	\$ -	\$ 29,239
County	97,500	97,500	106,136	-	8,636
State	-	-	-	-	-
Federal	-	-	-	-	-
Other Revenue (Bonds, Sales, Ins)	107,450	107,450	-	-	(107,450)
Other Districts	-	-	-	-	-
Total Receipts Collected	<u>483,200</u>	<u>483,200</u>	<u>413,625</u>	<u>-</u>	<u>(69,575)</u>
Expenditures Paid:					
Instruction:					
Instruction Regular	-	-	-	-	-
Instruction Special Ed	-	-	-	-	-
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	-	-	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	-	-	-	-	-
Health, Psych, Speech and Audio	-	-	-	-	-
Professional Development	-	-	-	-	-
Educational Media Services	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administration:					
Board Services	-	-	-	-	-
Executive Administration	-	-	-	-	-
Building Administration	-	-	-	-	-
Business Services	-	-	-	-	-
Total Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	460,000	460,000	460,000	-	-
Interest on Long-Term Debt	22,000	21,145	21,145	855	-
Other - Fin Fees, Etc.	1,200	818	818	382	-
Total Other	<u>483,200</u>	<u>481,963</u>	<u>481,963</u>	<u>1,237</u>	<u>-</u>
Total Expenditures Paid	<u>483,200</u>	<u>481,963</u>	<u>481,963</u>	<u>1,237</u>	<u>-</u>
Receipts Collected Over (Under)					
Expenditures Paid	-	1,237	(68,338)	1,237	(69,575)
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ 1,237	\$ (68,338)	\$ 1,237	\$ (69,575)
Fund Balance July 1, 2022	<u>229,469</u>	<u>229,469</u>	<u>229,469</u>	<u>-</u>	<u>-</u>
Fund Balance June 30, 2023	<u>\$ 229,469</u>	<u>\$ 230,706</u>	<u>\$ 161,131</u>	<u>\$ 1,237</u>	<u>\$ (69,575)</u>

Avenue City R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis
 Capital Projects Fund
 For the Year Ended June 30, 2023

Capital Projects Fund	Budget Amounts		Actual	Variances	
	Original	Final		Original to Final	Final to Actual
Receipts Collected:					
Local	\$ -	\$ -	\$ -	\$ -	\$ -
County	-	-	-	-	-
State	-	-	50,000	-	50,000
Federal	-	-	-	-	-
Other Revenue (Bonds, Sales, Ins)	-	-	-	-	-
Other Districts	-	-	-	-	-
Total Receipts Collected	-	-	50,000	-	50,000
Expenditures Paid:					
Instruction:					
Instruction Regular	3,000	8,175	8,175	(5,175)	-
Instruction Special Ed	1,000	-	-	1,000	-
Career Education Programs	-	-	-	-	-
Student Activities	-	-	-	-	-
Payments To Other Districts	-	-	-	-	-
Total Instruction	4,000	8,175	8,175	(4,175)	-
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	-	-	-	-	-
Health, Psych, Speech and Audio	1,000	-	-	1,000	-
Professional Development	-	-	-	-	-
Educational Media Services	-	-	-	-	-
Total Support Services	1,000	-	-	1,000	-
Administration:					
Board Services	-	-	-	-	-
Executive Administration	40,000	3,050	3,050	36,950	-
Building Administration	-	-	-	-	-
Business Services	-	-	-	-	-
Total Administration	40,000	3,050	3,050	36,950	-
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	5,000	-	-	5,000	-
Pupil Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	-	-	-	-	-
Early Childhood	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	6,000	-	-	6,000	-
Total Expenditures Paid	51,000	11,225	11,225	39,775	-
Receipts Collected Over (Under)					
Expenditures Paid	(51,000)	(11,225)	38,775	39,775	50,000
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	160,000	-	160,000
Net Change in Fund Balance	\$ (51,000)	\$ (11,225)	\$ 198,775	\$ 39,775	\$ 210,000
Fund Balance July 1, 2022	509,803	509,803	509,803	-	-
Fund Balance June 30, 2023	\$ 458,803	\$ 498,578	\$ 708,578	\$ 39,775	\$ 210,000

Avenue City R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis
 Total All Funds
 For the Year Ended June 30, 2023

Total All Funds	Budget Amounts			Variances	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Original to Final</u>	<u>Final to Actual</u>
Receipts Collected:					
Local	\$ 1,631,300	\$ 1,631,300	\$ 2,112,220	\$ -	\$ 480,920
County	213,000	213,000	255,673	-	42,673
State	940,000	940,000	1,439,359	-	499,359
Federal	202,000	202,000	202,853	-	853
Other Revenue (Bonds, Sales, Ins)	107,450	107,450	-	-	(107,450)
Other Districts	-	-	-	-	-
Total Receipts Collected	<u>3,093,750</u>	<u>3,093,750</u>	<u>4,010,105</u>	<u>-</u>	<u>916,355</u>
Expenditures Paid:					
Instruction:					
Instruction Regular	768,223	853,303	853,303	(85,080)	-
Instruction Special Ed	226,920	214,894	214,894	12,026	-
Career Education Programs	-	-	-	-	-
Student Activities	28,350	60,895	60,895	(32,545)	-
Payments To Other Districts	302,000	246,416	246,416	55,584	-
Total Instruction	<u>1,325,493</u>	<u>1,375,508</u>	<u>1,375,508</u>	<u>(50,015)</u>	<u>-</u>
Support Services:					
Attendance and Social Work Services	-	-	-	-	-
Guidance Services	31,174	31,947	31,947	(773)	-
Health, Psych, Speech and Audio	95,867	100,089	100,089	(4,222)	-
Professional Development	9,765	10,638	10,638	(873)	-
Educational Media Services	83,609	86,448	86,448	(2,839)	-
Total Support Services	<u>220,415</u>	<u>229,122</u>	<u>229,122</u>	<u>(8,707)</u>	<u>-</u>
Administration:					
Board Services	36,150	32,713	32,713	3,437	-
Executive Administration	256,406	202,260	202,260	54,146	-
Building Administration	129,440	131,921	131,921	(2,481)	-
Business Services	-	-	-	-	-
Total Administration	<u>421,996</u>	<u>366,894</u>	<u>366,894</u>	<u>55,102</u>	<u>-</u>
Other:					
Fiscal Services	-	-	-	-	-
Operation and Maintenance of Plant	212,422	215,093	215,093	(2,671)	-
Pupil Transportation	93,638	90,524	90,524	3,114	-
Food Services	133,669	134,780	134,780	(1,111)	-
Adult Education	-	-	-	-	-
Community Services	5,250	4,110	4,110	1,140	-
Early Childhood	85,082	90,480	90,480	(5,398)	-
Parental Involvement	-	-	-	-	-
Facilities Capital Outlay	-	-	-	-	-
Principal Pmts on Long-Term Debt	460,000	460,000	460,000	-	-
Interest on Long-Term Debt	22,000	21,145	21,145	855	-
Other - Fin Fees, Etc.	1,200	818	818	382	-
Total Other	<u>1,013,261</u>	<u>1,016,950</u>	<u>1,016,950</u>	<u>(3,689)</u>	<u>-</u>
Total Expenditures Paid	<u>2,981,165</u>	<u>2,988,474</u>	<u>2,988,474</u>	<u>(7,309)</u>	<u>-</u>
Receipts Collected Over (Under)					
Expenditures Paid	112,585	105,276	1,021,631	(7,309)	916,355
Other Financing Sources (Uses):					
Transfers In (Out)	-	-	-	-	-
Net Change in Fund Balance	\$ 112,585	\$ 105,276	\$ 1,021,631	\$ (7,309)	\$ 916,355
Fund Balance July 1, 2022	4,425,338	4,425,338	4,425,338	-	-
Fund Balance June 30, 2023	<u>\$ 4,537,923</u>	<u>\$ 4,530,614</u>	<u>\$ 5,446,969</u>	<u>\$ (7,309)</u>	<u>\$ 916,355</u>

Avenue City R-IX School District

Notes to Other Information

Year Ended June 30, 2023

Budgets and Budgetary Accounting

The District uses the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, 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 16, 2022 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, 2023

<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	0.0158%	\$ 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%
6/30/2021	0.0158%	\$ 349,777	\$ 835,201	41.88%	95.81%
6/30/2022	0.0165%	\$ 1,276,144	\$ 875,393	145.78%	86.04%

* 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, 2023

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%
6/30/2021	\$ 117,751	\$ 117,751	\$ -	\$ 835,201	14.10%
6/30/2022	\$ 126,344	\$ 126,344	\$ -	\$ 875,393	14.43%

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, 2023

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	0.0132%	\$ 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%
6/30/2021	0.0178%	\$ 19,169	\$ 325,895	5.88%	98.36%
6/30/2022	0.0174%	\$ 147,051	\$ 340,567	43.18%	87.92%

* 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, 2023

Year <u>Ended</u>	Contractually Required <u>Contribution</u>	Actual Employer <u>Contributions</u>	Contribution Excess/(Deficiency) <u>(Deficiency)</u>	Actual Covered Member <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
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%
6/30/2021	\$ 22,356	\$ 22,356	\$ -	\$ 325,895	6.86%
6/30/2022	\$ 23,363	\$ 23,363	\$ -	\$ 340,567	6.86%

STATE COMPLIANCE SECTION

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Ruthanna Martin, CPA

Amy Hanway, CPA

INDEPENDENT ACCOUNTANTS' 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
Cosby, Missouri

We have examined management of Avenue City R-IX School District's assertions that they 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, 2023. Avenue City R-IX School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions about the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions about compliance with the specified requirements are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with the specified requirements. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertions referred to above 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
October 9, 2023

002-090
Avenue City R-IX School District
Schedule of State Findings
Year Ended June 30, 2023

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, 2023

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	1,078.4000
002-097	9	12	N/A	6.7500	162	1,089.5000
011-076	9	12	N/A	6.4500	167	1,063.8800
011-082 1075	9	12	N/A	6.8000	165	1,120.0000
011-082 1080	9	12	N/A	6.8000	165	1,119.0000
011-078	9	12	N/A	6.7667	164	1,073.2050
002-089	9	12	N/A	6.8000	165	1,105.2000

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	Other	Summer School	Total
002-090	K-8	199,006.2500	161.2500	184.9000	-	-	199,352.4000
002-097	9-12	51,608.1100	199.4300	-	-	-	51,807.5400
011-076	9-12	1,022.9500	-	-	-	-	1,022.9500
011-082 1075	9-12	6,804.7079	-	-	-	-	6,804.7079
011-082 1080	9-12	2,167.5501	-	-	-	-	2,167.5501
011-078	9-12	1,057.5200	-	-	-	-	1,057.5200
002-089	9-12	435.7200	-	-	-	-	435.7200
Grand Total		<u>262,102.8080</u>	<u>360.6800</u>	<u>184.9000</u>	<u>-</u>	<u>-</u>	<u>262,648.3880</u>

Notes: _____

002-090
Avenue City R-IX School District
 Schedule of Selected Statistics
 Year Ended June 30, 2023

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	193.00	0.19	-	193.19
002-097	9-12	53.00	0.45	-	53.45
011-076	9-12	1.00	-	-	1.00
011-082 1075	9-12	6.00	-	-	6.00
011-082 1080	9-12	2.00	-	-	2.00
011-078	9-12	1.00	-	-	1.00
002-089	9-12	-	-	-	-
Grand Total		<u>256.00</u>	<u>0.64</u>	<u>-</u>	<u>256.64</u>

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	19.23	8	-	-	27.23
002-097	4	-	-	-	4
011-076	-	-	-	-	-
011-082	2	-	-	-	2
002-089	1	-	-	-	1
011-078	-	-	-	-	-
Grand Total	<u>26.23</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>34.23</u>

Notes: _____

002-090
Avenue City R-IX School District
 Schedule of Selected Statistics
 Year Ended June 30, 2023

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 and reporting by category 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: True
- | | |
|--|-------------|
| 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>True</u> |
| Missouri Options | <u>N/A</u> |
| Prekindergarten Eligible to be Claimed for State Aid | <u>N/A</u> |
| Remediation | <u>True</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> |
- 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 school 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., and the Missouri Financial Accounting Manual. 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

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2023

- 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. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable. 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. True
- 5.12 The amount spent for approved professional development committee plan activities was: \$9,718.18
- 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

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

002-090
Avenue City R-IX School District
Schedule of Selected Statistics
Year Ended June 30, 2023

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** # 142.0
- **Ineligible ADT** # 1.0

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: #24,997

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** # 21,032
- **Ineligible Miles (Non-Route/Disapproved)** # 3,965

6.7 Number of days the district operated the school transportation system during the regular school year: #170

Notes: _____

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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Ruthanna Martin, CPA

Amy Hanway, CPA

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 9, 2023. Our report included an explanatory paragraph addressing the District's preparation of its financial statements on the modified cash basis.

Report On 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-1 that we consider to be a significant deficiency.

Report On 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Avenue City R-IX School District’s response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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
October 9, 2023

Avenue City R-IX School District
Schedule of Findings and Responses
For the Year Ended June 30, 2023

Findings – Financial Statement Audit

2023-1 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. 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.