

**Jefferson C-123 School District
of Nodaway County, Missouri
Conception Junction, Missouri**

**Annual Financial Statements
And Accompanying Auditor's Report**

For the Year Ended June 30, 2022

**Jefferson C-123 School District of Nodaway County, Missouri
Annual Financial Statements
And Accompanying Auditor's Report
For the Year Ended June 30, 2022**

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And Accompanying Auditor's Report
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Section I

Financial Information

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Independent Auditor's Report

To the Board of Education
Jefferson C-123 School District of Nodaway County, Missouri
Conception Junction, Missouri

Report on the Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Jefferson C-123 School District of Nodaway County, Missouri, as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Jefferson C-123 School District of Nodaway County, Missouri, as of June 30, 2022, and the respective changes in modified cash basis financial position 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 (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jefferson C-123 School District of Nodaway County, Missouri, 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 a 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 this 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.

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

In performing an audit in accordance with GAAS, 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 Jefferson C-123 School District of Nodaway County, Missouri'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 Jefferson C-123 School District of Nodaway County, Missouri'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 Jefferson C-123 School District of Nodaway County, Missouri's financial statements. The schedule of receipts by source-modified cash basis and schedule of disbursements by object-modified cash basis presented on pages 32-33 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of receipts by source-modified cash basis and schedule of disbursements by object-modified cash basis are fairly stated in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises management's discussion and analysis and the budgetary comparison information presented on pages 4-12 and 34-38 but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, on our consideration of Jefferson C-123 School District of Nodaway County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jefferson C-123 School District of Nodaway County, Missouri'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 Jefferson C-123 School District of Nodaway County, Missouri's internal control over financial reporting and compliance.

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
December 6, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the District's financial performance provides an overview of the District's financial activity during the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, notes to financial statements, and supplementary and other information which immediately follow this section.

Financial Highlights

- * The total fund balances arising from cash transactions were \$1,829,012 at June 30, 2022. This was an increase of \$245,606 from the prior fiscal year. The 21-22 school year saw the district return to mostly normal operating activities post COVID pandemic. The district received ESSER (COVID 19 Pandemic) funds from the Federal Government. Both ESSER II and ESSER III funds were collected during the year. The district participated in the Vocational Enhancement Grant that helps to update needed equipment in the Vocational Agriculture and Business departments. Another Patterson Grant was applied for and received. The E-rate program provided technology for the district. The district participated in an eMints grant that provided Chromebooks and other equipment for 5th and 6th grade students. Prop C money came in more than anticipated. A donation was received by a former alumnus. The budgeted facility improvements were not completed.
- * Total receipts were \$2,760,342, down \$1,096,680 from the prior year. During the precious budget year, the district refinanced the bonds that were used in the most recent building project. The amount of the refinance resulted in an increase in revenue of \$1,373,191. This accounts for the revenue decrease in the current year. Revenue would have decreased more if not for ESSER funds of approximately \$130,000 being collected. Tax revenue increased by \$25,000. A donation of \$30,000 was received. Another \$30,000 of revenue was received from the Vocational Enhancement grant.
- * Total disbursements decreased \$1,237,828 from the prior year. Expenses on Bond principal payments were approximately \$1,300,000 less. This decrease was due to the expense shown of the bond refinance from the previous year.

Overview of the Financial Statements

This section of the annual financial report consists of four parts:

- * Management's discussion and analysis (this section),
- * Financial statements (District-wide and fund financial statements), including notes to financial statements
- * Supplementary information, and
- * Other information

The financial statements consist of two different kinds of statements that present different views of the District's financial activities.

- * District-wide financial statements – provide both short-term and long-term information about the District's overall financial status. The district-wide statements include the Statement of Net Position and Statement of Activities.
- * Fund financial statements – focus on *individual funds* of the District and report the District's operations in more detail than the District-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and also provide more detailed data. The statements are followed by a section of supplementary information and other information that further explains and supports the financial statements.

The major features of the District’s financial statements are shown in Table MDA – 1 below:

Table MDA-1		
Major Features of the District-Wide and Fund Financial Statements		
	District-Wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire district	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required Financial Statements	Statement of net position	Statement of assets, liabilities and fund balances
	Statement of activities	Statement of receipts, disbursements and changes in fund balances
Accounting basis and measurement focus	Modified cash basis of accounting and economic resources focus	Modified cash basis of accounting and current financial resources focus

District-wide Statements

District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District’s *net position* and how they have changed. Net position (the difference between the District’s assets and liabilities) is one way to measure the District’s overall financial position.

- * Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- * To assess the District’s overall financial position, additional non-financial indicators, such as changes in the District’s property tax base and the condition of its school buildings and other facilities, should be considered.

In the district-wide financial statements, the District’s activities are categorized as *Governmental activities*.

Governmental activities – all of the District’s basic services are included here, such as regular and special education, support services including operation of plant, pupil transportation, food service operations, and administration. These activities are primarily financed by property taxes, sales tax, State formula aid and grants.

Fund Financial Statement

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. All funds are required by state law and by bond covenants.

Governmental funds: All of the District's services are included in governmental funds which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balance left at year end that is available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Financial Analysis of the District as a Whole

The net position of the District is summarized as follows in Table MDA-2

Table MDA - 2		
Net Position		
	Governmental Activities	
	2022	2021
Cash and cash equivalents - pooled	\$ 1,692,358	\$ 1,463,112
Restricted assets:		
Cash - nonpooled	73,578	60,176
Cash - pooled	19,149	15,090
Cash equivalents held by fiscal agent	43,927	45,028
Total assets	<u>\$ 1,829,012</u>	<u>\$ 1,583,406</u>
Net position		
Restricted for:		
Debt service	106,523	103,544
Student activity funds	16,289	15,090
Technology	2,860	-
Unrestricted	<u>1,703,340</u>	<u>1,464,772</u>
Total net position	<u>\$ 1,829,012</u>	<u>\$ 1,583,406</u>

The District's total net position was \$1,829,012 as of June 30, 2022. The unrestricted net position consists of Capital Projects fund balance of \$23,416 and General Fund balance of \$1,703,340. Total net position increased by \$245,606 from the prior year.

Governmental Activities

The financial activities of the District for the year ended June 30, 2022, are compared with the change in net position from the year ended June 30, 2021, in Table MDA-3 below:

Table MDA - 3 Change in Net Position						
Functions	2022			2021		
	Disbursements	Program Receipts	Net Disbursements	Disbursements	Program Receipts	Net Disbursements
Regular instruction	\$ 1,063,016	\$ 211,826	\$ 851,190	\$ 973,032	\$ 59,726	\$ 913,306
Special education instruction	69,694	2,255	67,439	69,387	23,836	45,551
Career education	67,412	4,812	62,600	60,218	6,335	53,883
Student activities	215,813	151,709	64,104	145,401	64,553	80,848
Other instruction	77,311	35,450	41,861	69,995	32,622	37,373
Student services	83,780	2,678	81,102	83,015	6,255	76,760
Instructional staff support	27,684	8,348	19,336	41,865	9,397	32,468
Building administration	135,986	-	135,986	145,396	-	145,396
General administration	212,707	36,513	176,194	213,973	13,541	200,432
Operation of plant	169,139	-	169,139	162,376	9,337	153,039
Transportation	88,910	16,145	72,765	155,640	67,262	88,378
Food services	136,348	134,024	2,324	88,888	104,824	(15,936)
Early childhood	53,600	6,911	46,689	49,120	17,581	31,539
Facilities acquisition and construction	451	-	451	2,833	-	2,833
Principal	90,000	-	90,000	1,405,000	-	1,405,000
Interest and other fees	22,885	-	22,885	86,425	-	86,425
Total governmental activities	<u>\$ 2,514,736</u>	<u>\$ 610,671</u>	<u>1,904,065</u>	<u>\$ 3,752,564</u>	<u>\$ 415,269</u>	<u>3,337,295</u>
General receipts:						
Taxes:						
Property			916,417			892,053
School District Trust Fund (Prop C)			152,775			131,576
Financial institutions tax			100			
Surtax			12,219			10,643
In lieu of			344			343
Fines, escheats, etc.			7,077			6,847
State assessed utilities			81,898			82,853
Basic formula - state monies			826,470			825,360
Basic formula - classroom trust fund			53,869			51,889
Small schools grant			60,147			62,336
Earnings on temporary deposits			5,716			3,696
Premium on bonds sold			-			43,192
Proceeds of refunding bonds sold			-			1,330,000
Contributions			30,124			-
Other			2,515			965
Total general receipts			<u>2,149,671</u>			<u>3,441,753</u>
Change in net position			245,606			104,458
Net position, beginning of year			<u>1,583,406</u>			<u>1,478,948</u>
Net position, end of year			<u>\$ 1,829,012</u>			<u>\$ 1,583,406</u>

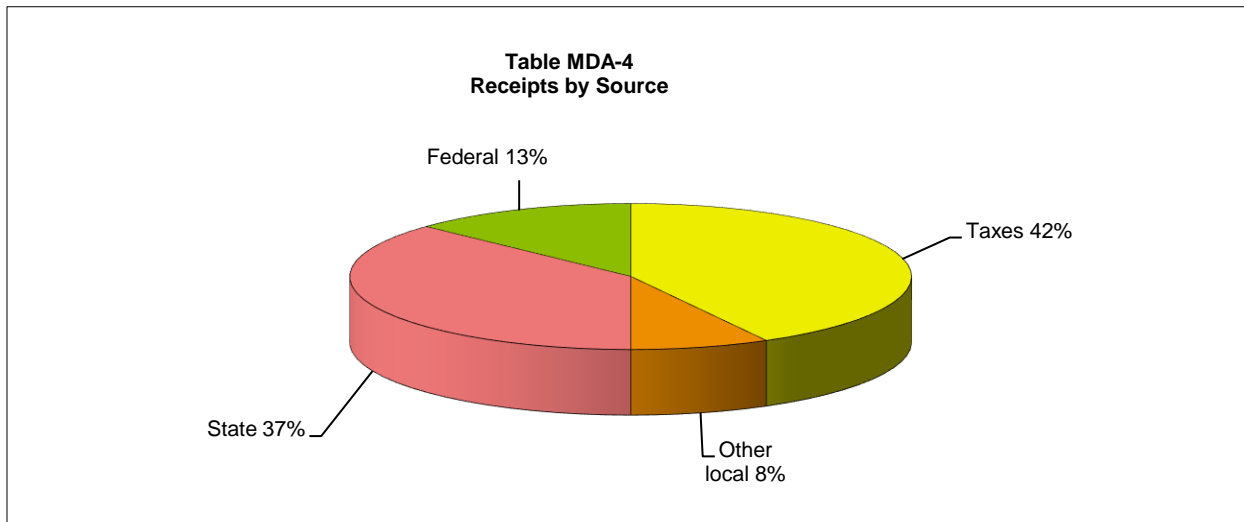
The District's net position increased \$245,606 for the year:

Expenditures were down \$1,237,828. Expenses on Bond principal payments were approximately \$1,300,000 less. This decrease was due to the expense shown of the bond refinance from the previous year.

Total receipts decreased \$1,096,680. During the previous budget year, the district refinanced the bonds that were used in the most recent building project. The amount of the refinance resulted in an increase in revenue of \$1,373,191. This accounts for the revenue decrease. Revenue would have decreased more if not for ESSER funds of approximately \$130,000 being collected. Tax revenue increased by \$25,000. A donation of \$30,000 was received. Another \$30,000 of revenue was received from the Vocation Enhancement grant.

Jefferson C-123 School primarily relies on local property taxes, sales tax, state aid, and federal and state grant programs for funding its governmental activities. In 2021-2022, 37% came from state programs, 50% from local property taxes, sales tax, county taxes and fines and other local receipts, and 13% coming from federal programs.

See Table MDA-4 below:

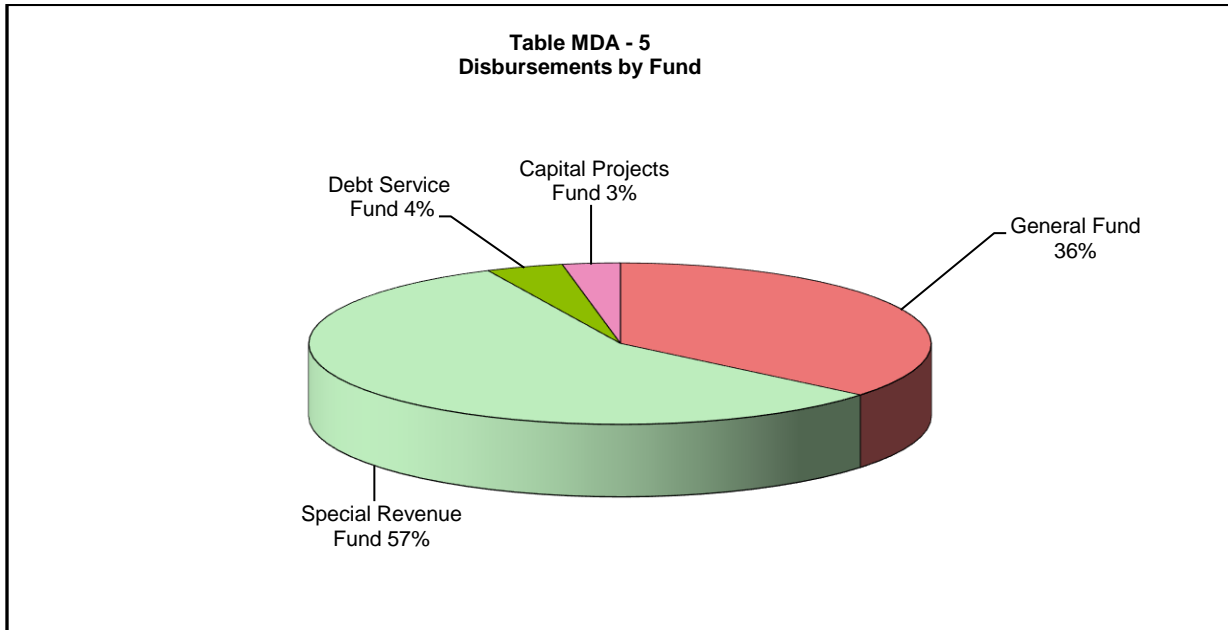


Program specific receipts consist of: receipts for services of \$166,305; operating grants and contributions of \$410,409; and capital grants of \$33,957.

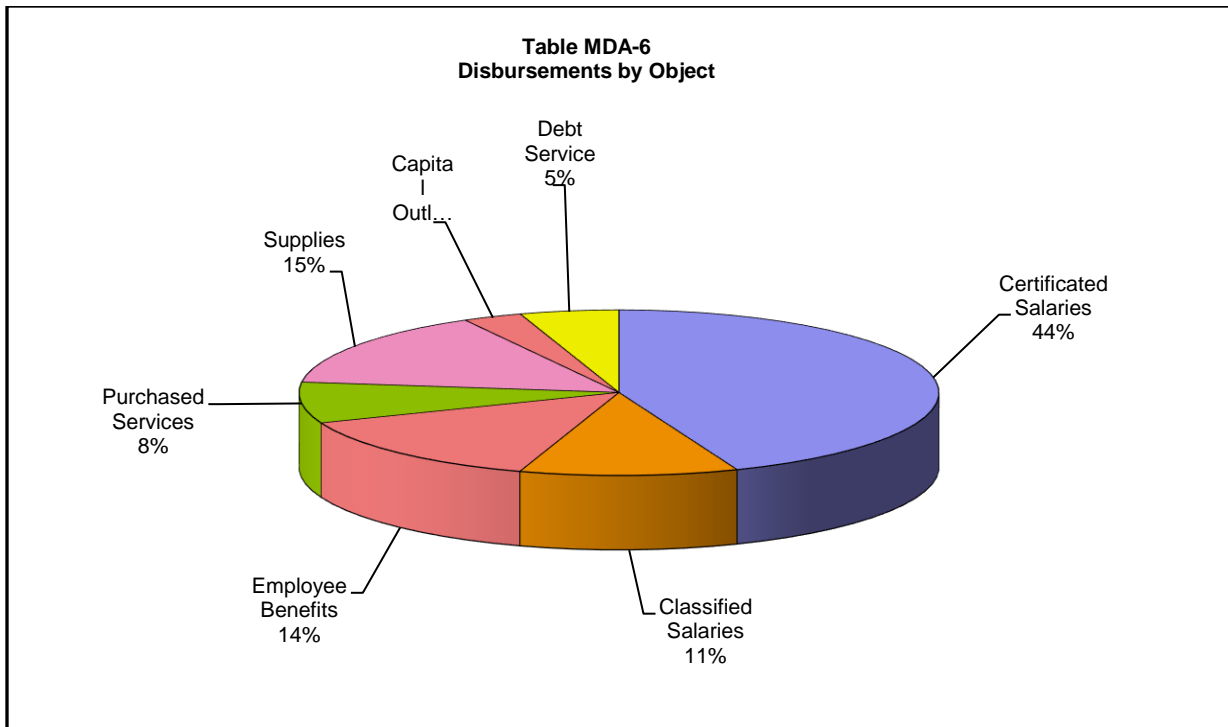
The District's major governmental activities include: instruction, instruction support, and administration.

- * The cost for all governmental activities for the year decreased to \$2,514,736 from \$3,752,564. All costs were financed by receipts generated by governmental activities.

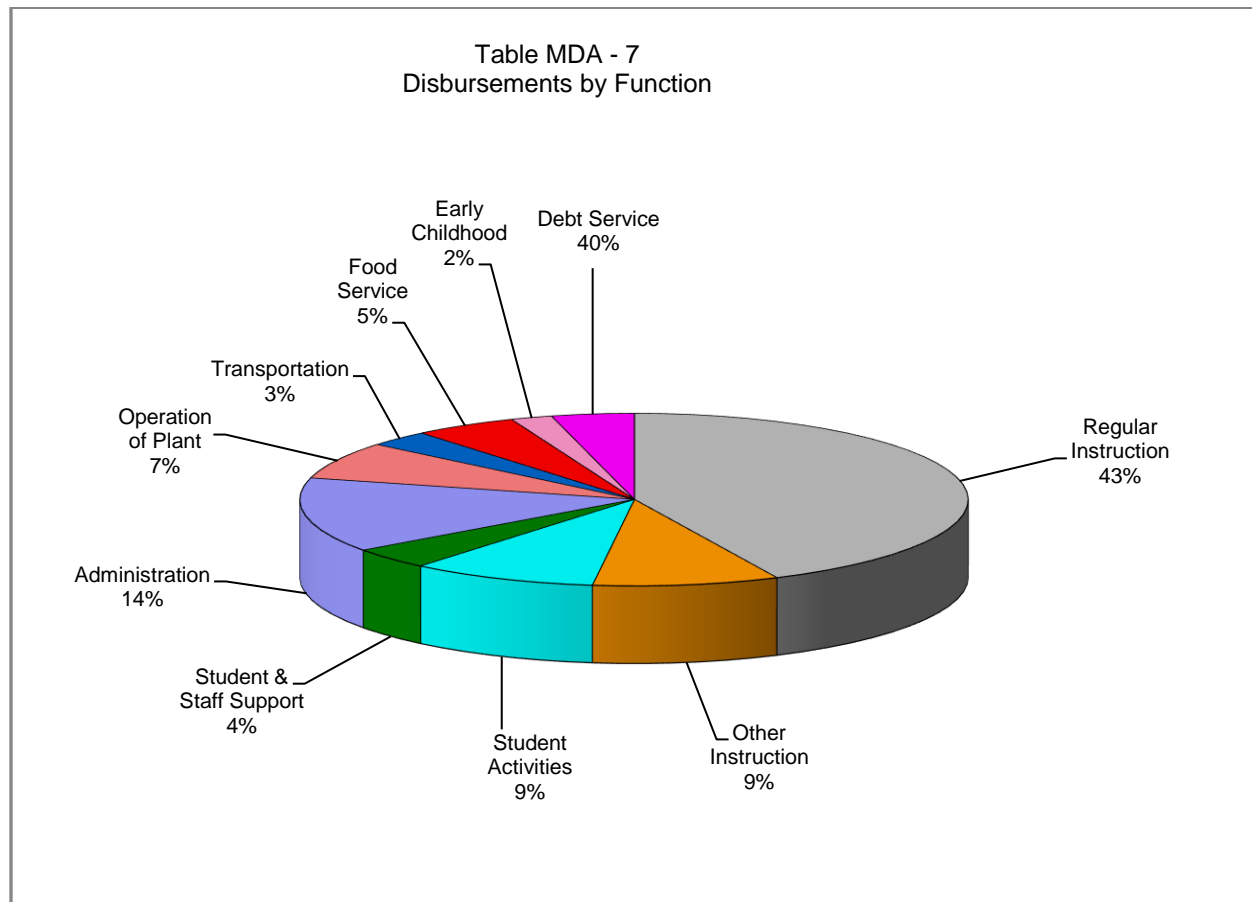
See Table MDA-5 below for disbursements by fund.



See Table MDA-6 below for disbursements by object.



See Table MDA-7 for disbursements by function.



Financial Analysis of the District's Funds

At June 30, 2022, the District's governmental funds reported combined fund balances of \$1,829,012 which is an increase of \$245,606 from last year's ending fund balances of \$1,583,406. Many sources of one-time revenue flowed into the district through Covid-19 relief funds. ESSER II and III funds contributed \$130,000 in one-time revenue. Food service revenue increased as reimbursement was increased through Covid funds. Prop C revenues significantly increased. The district participated in a Vocational Enhancement Grant through the state. A donation from a former alumnus was received. Expenses incurred reflected close to budgeted amounts. The district continues to make payments on the Series 2021 General Obligation Bonds. The district made bond interest payments in the amount of \$55,905. A principal payment of \$90,000 was made. The district ended the year with a \$106,523 balance in the debt service fund.

The general (incidental) fund ended the year with an increase in carryover of \$284,742. ESSER funding of \$130,000 was collected and used to free up incidental funds. Increased Prop C, State Formula money, lunch and breakfast reimbursements, and Student Activity revenue account for the rest of the increase.

General Fund Budgetary Highlights

There were two budget amendments made during the budget year. The first amendment was to amend the incidental expenditure budget by \$40,000 to account for the increased food service expenditures. The second amendment again amended the incidental expenditure budget. The second amendment was in the amount of \$30,200 to account for increased student activity expenses.

Capital Assets and Debt Administration

Capital Assets

The District operates on a modified cash basis of accounting; therefore, capital asset purchases are recorded as an expenditure. Capital assets and depreciation are not recognized in the financial statements. The buildings, land, and equipment are kept clean and well maintained.

The District's Capital Project fund (Fund 4) decreased its fund balance by \$42,115. The decreased balance is due to the district not placing Classroom Trust Funds into Fund 4. The district did not anticipate any immediate Fund 4 needs, therefore CTF funds were placed in Fund 1 during the budget year.

Debt

At June 30, 2022, the District had \$1,240,000 of Series 2021 General Obligation Bonds. The District's constitutional debt limit for outstanding general obligation bonds is \$2,235,004. See Note 2.B of the notes to financial statements for a more detailed description of transactions and other details for the District's long-term debt.

Economic Factors and Next Year's Budget

Budget highlights include:

- The district operating tax levy slightly decreased by \$.0315. Assessed valuation increased by \$834,214
- The debt service levy of 75 cents remains the same. The district will be in a position to pay early on some bonds or to run a ballot issue to extend the bond issue in the near future.
- Total receipts are projected to decrease by \$368,075. Revenues from state and local funding should remain the same. Federal revenues will significantly decrease as ESSER funds will no longer be available
- Current tax receipts are budgeted to increase by \$39,000.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to: Tim Jermain, Office of the Superintendent, Jefferson C-123 Schools, 37614 US Highway 136, Conception Junction, Missouri, 64434, phone: 660-944-2316, email: timjermain@jc123.k12.mo.us.

Government-Wide Financial Statements

Jefferson C-123 School District of Nodaway County, Missouri
Statement of Net Position - Modified Cash Basis
June 30, 2022

	Governmental Activities
Assets	
Cash - pooled	\$ 125,910.74
Cash equivalents - pooled	1,566,447.85
Restricted assets:	
Cash - nonpooled	73,577.88
Cash - pooled	19,148.83
Cash equivalents held by fiscal agent	43,926.61
Total assets	1,829,011.91
 Net Position	
Restricted for:	
Student activities	16,288.83
Technology	2,860.00
Debt service - taxes levied to retire debt	106,523.49
Unrestricted	1,703,339.59
Total net position	\$ 1,829,011.91

See accompanying notes to financial statements.

Jefferson C-123 School District of Nodaway County, Missouri
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2022

Functions	Disbursements	Program Receipts			Net (Disbursements)
		Receipts for Services	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
Regular instruction	\$ 1,063,015.87	\$ 5,050.00	\$ 175,819.04	\$ 30,956.69	\$ (851,190.14)
Special education instruction	69,694.16	-	2,255.00	-	(67,439.16)
Career education programs	67,411.73	-	4,812.00	-	(62,599.73)
Student activities	215,812.70	148,709.19	-	3,000.00	(64,103.51)
Other instruction	77,310.80	-	35,450.00	-	(41,860.80)
Student services support	83,780.34	-	2,678.57	-	(81,101.77)
Instructional staff support	27,683.43	-	8,347.84	-	(19,335.59)
Building administration	135,986.43	-	-	-	(135,986.43)
General administration	212,706.93	-	36,513.06	-	(176,193.87)
Operation of plant	169,139.49	-	-	-	(169,139.49)
Transportation	88,909.73	-	16,144.75	-	(72,764.98)
Food service	136,347.65	12,545.70	121,478.63	-	(2,323.32)
Early Childhood Program	53,600.20	-	6,910.63	-	(46,689.57)
Facilities acquisition & construction	451.40	-	-	-	(451.40)
Principal	90,000.00	-	-	-	(90,000.00)
Interest and fees	22,885.39	-	-	-	(22,885.39)
Total governmental activities	<u>\$ 2,514,736.25</u>	<u>\$ 166,304.89</u>	<u>\$ 410,409.52</u>	<u>\$ 33,956.69</u>	<u>\$ (1,904,065.15)</u>
General receipts:					
Taxes:					
Property					916,416.75
School district trust fund (Proposition C)					152,775.22
Financial institution tax					100.27
M&M surtax					12,219.16
In lieu of					343.48
Fines, escheats, etc.					7,076.64
State assessed utilities					<u>81,898.45</u>
Total taxes					1,170,829.97
Basic formula - state monies					826,470.05
Basic formula - classroom trust fund					53,869.48
Small schools grant					60,147.00
Earnings on temporary deposits					5,716.12
Contributions					30,124.00
Other					<u>2,514.60</u>
Total general receipts					<u>2,149,671.22</u>
Change in net position					245,606.07
Net position, beginning of year					<u>1,583,405.84</u>
Net position, end of year					<u>\$ 1,829,011.91</u>

See accompanying notes to financial statements.

**Fund Financial Statements –
Governmental Funds**

Jefferson C-123 School District of Nodaway County, Missouri
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
All Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash - pooled	\$ 125,910.74	\$ -	\$ -	\$ -	\$ 125,910.74
Cash equivalents - pooled	1,543,032.04	-	-	23,415.81	1,566,447.85
Restricted assets:					
Cash - nonpooled	-	-	73,577.88	-	73,577.88
Cash - pooled	19,148.83	-	-	-	19,148.83
Cash equivalents held by fiscal agent	-	-	43,926.61	-	43,926.61
Due from other funds	<u>10,981.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,981.00</u>
Total assets	<u>1,699,072.61</u>	<u>-</u>	<u>117,504.49</u>	<u>23,415.81</u>	<u>1,839,992.91</u>
Liabilities and Fund Balances					
Liabilities:					
Due to other funds	<u>-</u>	<u>-</u>	<u>10,981.00</u>	<u>-</u>	<u>10,981.00</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>10,981.00</u>	<u>-</u>	<u>10,981.00</u>
Fund Balances					
Restricted for:					
Student activities	16,288.83	-	-	-	16,288.83
Technology	2,860.00	-	-	-	2,860.00
Debt service - taxes levied to retire debt	-	-	106,523.49	-	106,523.49
Assigned to:					
Capital projects	-	-	-	23,415.81	23,415.81
Appropriations	175,419.00	-	-	-	175,419.00
Unassigned	<u>1,504,504.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,504,504.78</u>
Total fund balances	<u>1,699,072.61</u>	<u>-</u>	<u>106,523.49</u>	<u>23,415.81</u>	<u>1,829,011.91</u>
Total liabilities and fund balances	<u>\$ 1,699,072.61</u>	<u>\$ -</u>	<u>\$ 117,504.49</u>	<u>\$ 23,415.81</u>	<u>\$ 1,839,992.91</u>

See accompanying notes to financial statements.

Jefferson C-123 School District of Nodaway County, Missouri
Statement of Receipts, Disbursements and Changes in
Fund Balances - Modified Cash Basis - Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 1,024,782.66	\$ 157,825.22	\$ 107,789.03	\$ 5,077.58	\$ 1,295,474.49
County	73,822.79	7,076.64	8,075.66	-	88,975.09
State	118,658.97	882,819.39	-	28,956.69	1,030,435.05
Federal	133,769.63	211,688.06	-	-	345,457.69
Total receipts	<u>1,351,034.05</u>	<u>1,259,409.31</u>	<u>115,864.69</u>	<u>34,034.27</u>	<u>2,760,342.32</u>
Disbursements					
Current:					
Instruction:					
Regular instruction	74,447.72	935,842.90	-	52,725.25	1,063,015.87
Special education instruction	40,987.61	28,706.55	-	-	69,694.16
Career education programs	-	67,411.73	-	-	67,411.73
Student activities	169,646.37	40,963.94	-	5,202.39	215,812.70
Other instruction	20,094.44	57,216.36	-	-	77,310.80
Student services support	26,429.19	57,351.15	-	-	83,780.34
Instructional staff support	10,648.56	17,034.87	-	-	27,683.43
Building administration	45,426.72	88,443.71	-	2,116.00	135,986.43
General administration	132,445.28	79,203.65	-	1,058.00	212,706.93
Operation of plant	169,139.49	-	-	-	169,139.49
Transportation	83,595.60	5,314.13	-	-	88,909.73
Food service	121,751.81	-	-	14,595.84	136,347.65
Early Childhood	3,902.78	49,697.42	-	-	53,600.20
Facilities acquisition & construction	-	-	-	451.40	451.40
Debt service:					
Principal	-	-	90,000.00	-	90,000.00
Interest and fees	-	-	22,885.39	-	22,885.39
Total disbursements	<u>898,515.57</u>	<u>1,427,186.41</u>	<u>112,885.39</u>	<u>76,148.88</u>	<u>2,514,736.25</u>
Excess (deficit) of receipts over disbursements	<u>452,518.48</u>	<u>(167,777.10)</u>	<u>2,979.30</u>	<u>(42,114.61)</u>	<u>245,606.07</u>
Other financing sources (uses)					
Operating transfers in	-	167,777.10	-	-	167,777.10
Operating transfers out	(167,777.10)	-	-	-	(167,777.10)
Total other financing sources (uses)	<u>(167,777.10)</u>	<u>167,777.10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	284,741.38	-	2,979.30	(42,114.61)	245,606.07
Fund balances, beginning of year	<u>1,414,331.23</u>	<u>-</u>	<u>103,544.19</u>	<u>65,530.42</u>	<u>1,583,405.84</u>
Fund balances, end of year	<u>\$ 1,699,072.61</u>	<u>\$ -</u>	<u>\$ 106,523.49</u>	<u>\$ 23,415.81</u>	<u>\$ 1,829,011.91</u>

See accompanying notes to financial statements.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies

As discussed further in Note 1.C, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of this modified cash basis of accounting.

1.A. Financial Reporting Entity

The District's financial reporting entity comprises the following:

Primary Government: Jefferson C-123 School District of Nodaway County, Missouri
Blended Component Units: None
Discretely Presented Component Units: None

Primary Government

Jefferson C-123 School District of Nodaway County, Missouri (the District) was established under the Statutes of the State of Missouri. The District operates as a "seven director" district as described in Revised Statutes of Missouri (RSMo), Chapter 162.

1.B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of this modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts, and other nonexchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, net position or fund balance, receipts, and disbursements. The District's funds are organized into the governmental activities category. The District presently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category.

All four of the District's governmental funds are considered "major funds" since state law established these funds and certain restrictions on the transfers between them require the Missouri Department of Elementary and Secondary Education to obtain financial data on each fund.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.B. Basis of Presentation (continued)

The governmental funds of the financial reporting entity are described subsequently:

General Fund – Accounts for and reports general activities of the District which are not required to be accounted for and reported in another fund.

Special Revenue Funds – Account for and report the proceeds of specific revenue sources that are either restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District’s only special revenue fund is the Teachers Fund.

Teachers Fund – accounts for the proceeds of moneys derived from the County School Fund; taxation for teachers wages; school district trust fund (Prop C), federal grants, and state moneys received under RSMo section 163.031 that are legally restricted to expenditures for the purpose of teachers salaries and benefits and tuition payments to other districts or private agencies.

Debt Service Fund – accounts for and reports the proceeds of property taxes and other receipts restricted, committed, or assigned to expenditure for principal and interest or being accumulated for principal and interest maturing in future years.

Capital Projects Fund – accounts for and reports the proceeds of long-term debt, taxes and other receipts restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

1.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or other events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or other events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported, within the limitations of the modified cash basis.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to this modified cash basis of accounting, is used as appropriate. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their statements of assets and fund balances. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting

The financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or statement of assets and fund balances cash transactions or other events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or other event occurred. Such reported balances include nonnegotiable certificates of deposit, investments, and interfund receivables and payables arising from cash transactions or other events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables, inventory, and capital assets) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities and long-term debt) are *not recorded* in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not arise from a cash transaction or other event (such as postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

1.D. Financial Position

Cash Equivalents – For the purpose of financial reporting, cash equivalents includes nonnegotiable certificates of deposit or short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund shares are also considered cash equivalents.

Pooled Cash and Cash Equivalents – The District maintains pooled cash and investment accounts that are available to all funds with the exception of the Debt Service Fund, which is kept in separate bank and investment accounts. Earnings received are allocated to the contributing funds based on cash and investment balances. When a fund overdraws its share of pooled cash, the overdraft is reported as an interfund payable in that fund.

Restricted Assets – assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The amounts reported as restricted assets comprise amounts set aside for debt service payments, technology improvements, and student activities.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.D. Financial Position (continued)

Compensated Absences – Vacation time, personal business days, and sick leave are considered as disbursements in the year paid and are *not reported* as a liability in the government-wide or fund financial statements. The District's policy allows employees to earn eight to ten sick days annually. The maximum accumulation is fifty days for non-certificated employees and sixty days for certificated employees. The sick leave vests and is payable to employees upon termination.

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

Net Position/Fund Balance Classifications

Government-Wide Financial Statements

Net position is classified and displayed in two components:

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

Unrestricted – consists of all other net position that does not meet the “restricted” definition.

It is the District's policy to first use restricted resources prior to the use of unrestricted resources when a disbursement is made for purposes for which both restricted and unrestricted resources are available.

Fund Financial Statements

The difference among assets and liabilities of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable – amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts constrained regarding use from restrictions externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or by restrictions imposed by law through constitutional provisions or enabling legislation.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.D. Financial Position (continued)

Net Position/Fund Balance Classifications (continued)

Fund Financial Statements (continued)

Committed – amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action (resolution) of the Board of Education, the District’s highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has not taken formal action that commits fund balance to a specific purpose prior to the end of the reporting period.

Assigned – amounts constrained by the District’s intent to be used for specific purposes but that are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the District administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The “unassigned” classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of “assigned” fund balance amounts.

It is the District’s policy to first use restricted fund balances prior to the use of unrestricted fund balances when a disbursement is made for purposes for which both restricted and unrestricted fund balances are available. It is also District policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when a disbursement is made for purposes for which amounts in those classifications are available to be used, unless the Board of Education has provided otherwise in its commitment or assignment actions.

The District has no formal minimum fund balance policies or any formal stabilization arrangements in place.

1.E. Receipts and Disbursements

Program Receipts – in the Statement of Activities, receipts that are derived directly from each activity or from parties outside the District’s taxpayers are reported as program receipts. These include tuition; student activities and food service receipts; early childhood special education and career education state aid; contributions; operating and capital grants from the Missouri Department of Elementary and Secondary Education (DESE); and receipts from other sources.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.E. Receipts and Disbursements (continued)

General Receipts – all other governmental receipts are reported as general receipts and include property and other taxes, basic formula–state aid, basic formula–classroom trust fund, small schools grant, earnings on investments, unrestricted contributions, proceeds from issuance of long-term debt for acquisition and construction of facilities, and all other local receipts not classified as program receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

Disbursements – in the government-wide financial statements, governmental fund disbursements are classified by function.

In the fund financial statements, governmental fund disbursements are classified by character, and further classified by function. In the fund financial statements, governmental funds report disbursements of financial resources.

1.F. Internal and Interfund Balances and Activities

Government–Wide Financial Statements

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified as follows.

Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the "Governmental Activities" column of the Statement of Net Position.

Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

Fund Financial Statements

Interfund activity resulting from cash transactions and other events, if any, within the governmental funds is reported as follows in the fund financial statements:

Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.

Interfund services – sales or purchases of goods and services between funds are reported as receipts and disbursements.

Interfund reimbursements – repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

Interfund transfers – flows of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

1.G. Teachers Salaries

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

1.H. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the disclosure of compensated absences payable; accordingly, actual results could differ from those estimates.

Note 2. Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the financial statements for various assets, liabilities, net position, receipts and disbursements.

2.A. Deposits and Investments

Deposits and Investments Laws and Regulations – Missouri State Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of state and local government entities, and deposit accounts with insured financial institutions, provided those accounts are entirely insured by the FDIC or collateralized by certain U.S. Government or Governmental Agency securities, certain State or political subdivision debt obligations, surety bonds, or certain letters of credit that have a fair value exceeding the deposit amount. As required by 12 U.S.C.A., Section 1823(e), all financial institutions must have a written collateral agreement approved by the board of directors or loan committee.

Deposits

Deposits – for purposes of GASB No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by GASB No. 40, *Deposit and Investment Risk Disclosures*, deposits consist of deposit accounts (demand and money market) and nonnegotiable certificates of deposit.

Custodial Credit Risk – the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's custodial credit risk policy is to require that all deposits in financial institutions be fully collateralized. The bank balances on June 30, 2022, totaled \$513,440.27. The District's deposits were entirely covered by federal deposit insurance (FDIC) or by collateral held by the District's agent in the District's name.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.A. Deposits and Investments (continued)

Investments

Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits the weighted average maturity to not exceeding 3 years and requires a portion of the portfolio should be continuously invested in readily available funds to ensure appropriate liquidity is maintained.

Concentration of Credit Risk – the risk of loss attributed to the magnitude of a government’s investment in specific maturity, specific issuer, or specific class of securities. As a means of limiting its exposure to fair value losses arising from overconcentration of investments, the District’s investment policy 1) limits the amount of investments in certain issuers including U.S. Treasury Securities, collateralized time and demand deposits, U.S. Government Agencies, collateralized repurchase agreements and commercial paper and bankers’ acceptances and 2) establishes maximum maturities by security type.

Credit Risk – the risk that the District will not recover its investments due to the ability of the counterparty to fulfill their obligation. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s investment policy limits investment types to securities issued by the State of Missouri, United States Treasury Securities, United States Agency Securities, Repurchase Agreements, collateralized Certificates of Deposit, and Bankers’ Acceptances and Commercial Paper issued by domestic commercial banks possessing the highest rating issued by Moody’s Investor Service or Standard and Poor’s.

During the year ended June 30, 2022, the District’s investments consisted of: (1) a pro-rata share of an open-ended money-market mutual fund in a financial institution’s trust department relating to a debt trust account and (2) Missouri Securities Investment Program (MOSIP) Liquid Series, which the District utilizes as a pooled investment account. At June 30, 2022, the carrying value and fair value of the pro-rata share of the money-market mutual fund investment totaled \$43,926.21, and the carrying value and fair value of the MOSIP Liquid Series investment totaled \$1,566,447.85. For purposes of financial reporting, both investments are classified as cash equivalents. A further discussion of each investment follows.

Money Market Mutual Fund

Funds on deposit with BOK Financial are invested in Cavanal Hill U.S. Treasury Money Market Fund administrative class shares of which the District has a pro-rata share of the investment. The District is participating in the Missouri School District Direct Deposit Program (the Program). The Program was established in accordance with the provisions of Section 165.051 and Section 360 of the Revised Statutes of Missouri. The Program intercepts a portion of state aid and deposits those funds in the escrow account at BOK Financial (as Direct Deposit Trustee) to provide for payment of principal and interest on the Series 2016 Bonds when due. As of June 30, 2022, the fund was rated AAAM by Standard & Poor’s and Aaa-mf by Moody’s.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.A. Deposits and Investments (continued)

Investments (continued)

Missouri Securities Investment Program

MOSIP is an instrumentality of Missouri public school districts and other political subdivisions established under the authority of Article VI, Section 16 of the Constitution of Missouri and Sections 70.210 to 70.320, Revised Statutes of Missouri, as amended. Management of the affairs of MOSIP is the responsibility of the Board of Directors which has engaged PFM Asset Management LLC as administrator and investment adviser. U.S. Bank, N.A. serves as custodian bank for MOSIP. All assets contained in MOSIP are invested in accordance with Missouri Revised Statutes. Each School District owns shares of the MOSIP Liquid Series, which invests the pooled assets. Local Government Investment Pool shares are valued at their net asset value as of the last day of the statement period. The Fund seeks to maintain a stable net asset value of \$1.00 per share. As of June 30, 2022, MOSIP Liquid Series was rated AAAM by Standard & Poor's.

2.B. Long-Term Obligations

(a) Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	Beginning balance	Additions	Reductions	Ending balance	Amount due within one year
Governmental Activities:					
General obligation bonds	\$ 1,330,000.00	\$ -	\$ (90,000.00)	\$ 1,240,000.00	\$ 90,000.00
Lease liability	<u>26,600.00</u>	<u>-</u>	<u>(8,400.00)</u>	<u>18,200.00</u>	<u>8,400.00</u>
Total	<u>\$ 1,356,600.00</u>	<u>\$ -</u>	<u>\$ (98,400.00)</u>	<u>\$ 1,258,200.00</u>	<u>\$ 98,400.00</u>

(b) General Description of the Individual Long-Term Obligations

On January 20, 2021, the District issued \$1,330,000 of General Obligation Refunding Bonds, Series 2021 (Missouri Direct Deposit Program) for the purpose of refinancing \$1,340,000 of the Series 2016 General Obligation Bonds. The bonds are due in annual installments through March 1, 2035, with interest rate from 0.50% to 2.00% due March 1 and September 1. The bonds are a general obligation of the District payable from ad valorem taxes. The full faith, credit and resources of the District are pledged to the payment of the Bonds. Amount outstanding on June 30, 2022, was \$1,240,000.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.B. Long-Term Obligations (continued)

(c) Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term obligations as of June 30, 2022, are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2023	\$ 90,000.00	\$ 19,810.00
2024	95,000.00	19,360.00
2025	95,000.00	18,695.00
2026	90,000.00	18,030.00
2027	90,000.00	17,400.00
2028-2032	465,000.00	59,900.00
2033-2035	315,000.00	12,800.00
Totals	\$ 1,240,000.00	\$ 165,995.00

(d) Constitutional Debt Limit

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

Constitutional debt limit	\$ 2,235,003.51
General obligation bonds payable	(1,240,000.00)
Amount available in debt service fund	106,523.49
Legal debt margin	\$ 1,101,527.00

(e) Lease liability

The District leases copier equipment under an agreement entered into in July 2019. The lease requires monthly payments of \$700.00 and is for a term of 60 months that expires in August 2024. Payments for the year ended June 30, 2022, totaled \$8,400.00 and are reported in “regular instruction” on the State of Activities. Future minimum lease payments for the lease are as follows:

Year Ending June 30,	Amount
2023	\$ 8,400.00
2024	8,400.00
2025	1,400.00
Total	\$ 18,200.00

2.C. Interfund Balances

Interfund balances result from the time lag between the dates of intercept of state aid under the Missouri School District Direct Deposit Program and payments between funds are made.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 2. Detail Notes on Transaction Classes/Accounts (continued)

2.D. Interfund Transfers

Transfers between major funds for the year ended June 30, 2022, was as follows:

Transfer to:	Transfer from:
Special revenue- teachers' fund	General fund
	\$ 167,777.10

Transfers are used to move receipts collected in the general fund to finance disbursements in the special revenue and capital projects funds, as authorized in Section 165.011, RSMo.

2.E. Property Taxes

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

The District also receives sales tax collected by the State and remitted based on eligible prior year weighted average daily attendance calculation. 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 assessed valuation of the tangible taxable property for the calendar year 2021 for purposes of local taxation was \$14,900,023.

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 6.0066	\$ 5.6365
Debt service fund	0.7500	0.7500
Total levy	\$ 6.7566	\$ 6.3865

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 96.30% of the current assessment computed on the basis of the levy as shown above.

Note 3. Other Notes

3.A. Employee Pension Plans

Jefferson C-123 School District of Nodaway County, Missouri contributes to two separate pension plans as described below:

Summary of Significant Accounting Policies

The financial statements of the District are presented in accordance with a modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability and deferred outflows and inflows of resources related to pensions are *not reported* in the financial statements and GAAP disclosures related to actuarial calculations for determining total pension liability are *not presented* in the notes to financial statements.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(1) Public School Retirement System of Missouri (PSRS)

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 PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the “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. PSRS was established as an independent trust fund by an Act of the Missouri General Assembly effective August 1, 1945. Statutes governing the System are found in Sections 169.010-169.141 and Sections 169.560-169.595 RSMo. The statutes assign responsibility for the administration of the system to a seven member Board of Trustees.

Benefits Provided – PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement. 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.

Cost-of-Living Adjustments (COLA) – Under the funding policies adopted by the Board of Trustees, a 0.00% COLA will be given for years in which the change in CPI for the previous fiscal year is between 0.00% and 2.00%, a 2.00% COLA will be given when the change is between 2% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(1) Public School Retirement System of Missouri (PSRS) (continued)

Contributions – PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. The District's contributions to PSRS for the year ended June 30, 2022, were \$155,791.96, which represents 100% of the required contributions for the year.

A “Summary Plan Description” detailing the provisions of the plan, as well as additional information regarding the District’s net pension liability and deferred inflows and deferred outflows of resources, and a “Annual Comprehensive Financial Report (ACFR)” can be found on PSRS' website at www.psr-peers.org.

(2) Public Education Employee Retirement System of Missouri (PEERS)

Plan Description – PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of PSRS 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 – PEERS is a defined benefit plan providing service retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary 0.8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 3. Other Notes (continued)

3.A. Employee Pension Plans (continued)

(2) Public Education Employee Retirement System of Missouri (PEERS) (continued)

Cost-of-Living Adjustments (COLA) – Under the funding policies adopted by the Board of Trustees, a 0.00% COLA will be given for years in which the change in CPI for the previous fiscal year is between 0.00% and 2.00%, a 2.00% COLA will be given when the change is between 2% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any PEERS member, 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 – PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay. The District's contributions to PEERS for the year ended June 30, 2022, were \$15,785.88, which represents 100% of the required contributions for the year.

A “Summary Plan Description” detailing the provisions of the plan, as well as additional information regarding the District’s net pension liability and deferred inflows and deferred outflows of resources, and a “Annual Comprehensive Financial Report (ACFR)” can be found on PSRS’ website at www.psr-peers.org.

3.B. Other Post-Employment Benefits (OPEB)

In addition to the pension benefits described in Note 3.A, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection of the future cost of the existing health care benefit plan in relation to retirees.

3.C. Commitments and Contingencies

Construction contract – on June 22, 2022, the District approved a \$14,000 contract for construction of a fence for the athletic field. The project is expected to be completed by August 2022.

Compensated Absences Payable – Total payable at June 30, 2022, was \$11,660.00. Compensated absences payable are liquidated by the general and special revenue funds.

Grant Program Involvement – the District participates in various Federal or State grant or loan programs from year to year. The grant or loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material. For the year ended June 30, 2022, the District expended approximately \$371,035 of federal awards.

Jefferson C-123 School District of Nodaway County, Missouri
Notes to Financial Statements
June 30, 2022

Note 3. Other Notes (continued)

3.D. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by participation in a public entity risk pool. There has been no significant reduction in insurance coverage from the previous year.

The District, along with various other local school districts, participates in the Missouri United School Insurance Council (“MUSIC”), an insurance association, for property, crime, general liability, auto liability, workers' compensation, public officials liability, and treasurer’s bond. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual assessment payment to cover estimated claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities, or fund balances of the insurance association. However, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. No supplemental assessments were required by MUSIC during 2022. Settled claims have not exceeded insurance coverage in any of the past three years.

The District is a member of Missouri Educators Unified Health Plan (MEUHP), a non-profit corporation formed for the purpose of providing its member District’s with accident, health, dental and vision insurance through a self-funded pooled health plan. Additionally, stop loss reinsurance for the benefit of members is provided by a commercial insurance company. Premiums are set by MEUHP and are paid monthly.

3.E. Implementation of New Guidance

The District implemented GASB Statement No. 87, Leases. This Statement modifies standards of accounting and financial reporting for leases by requiring recognition of certain lease liabilities for leases that previously were classified as operating leases and recognized as outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The District had one lease subject to GASB 87 which is described in Note 2.B.(e).

**Supplementary
Information**

Jefferson C-123 School District of Nodaway County, Missouri
Supplementary Information
Schedule of Receipts by Source - Modified Cash Basis
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Local					
Current taxes	\$ 804,764.85	\$ -	\$ 107,046.68	\$ -	\$ 911,811.53
Delinquent taxes	4,064.70	-	540.52	-	4,605.22
School district trust fund (Prop C)	-	152,775.22	-	-	152,775.22
Financial institution tax	100.27	-	-	-	100.27
M & M surtax	12,219.16	-	-	-	12,219.16
In lieu of tax	343.48	-	-	-	343.48
Reg day school tuition (K-12) from individuals	-	5,050.00	-	-	5,050.00
Earnings from temporary deposits	5,436.71	-	201.83	77.58	5,716.12
Sales to adults for adult meals-non-program food	7,407.85	-	-	-	7,407.85
Nonreimbursable meal sales-non-program food	5,137.85	-	-	-	5,137.85
Admissions-student activities	148,709.19	-	-	-	148,709.19
Gifts	30,124.00	-	-	5,000.00	35,124.00
Miscellaneous local receipts	6,474.60	-	-	-	6,474.60
Total local	<u>1,024,782.66</u>	<u>157,825.22</u>	<u>107,789.03</u>	<u>5,077.58</u>	<u>1,295,474.49</u>
County					
Fines, escheats, etc.	-	7,076.64	-	-	7,076.64
State assessed utilities	73,822.79	-	8,075.66	-	81,898.45
Total county	<u>73,822.79</u>	<u>7,076.64</u>	<u>8,075.66</u>	<u>-</u>	<u>88,975.09</u>
State					
Basic formula - state monies	-	834,817.89	-	-	834,817.89
Transportation	14,824.00	-	-	-	14,824.00
Basic formula - classroom trust fund	53,869.48	-	-	-	53,869.48
Educational screening program/PAT	6,910.63	-	-	-	6,910.63
Small schools grant	30,073.50	30,073.50	-	-	60,147.00
Career education	2,183.75	4,812.00	-	28,956.69	35,952.44
Food service - state	1,417.57	-	-	-	1,417.57
Other - Department of Natural Resources: eDGE grant	9,380.04	13,116.00	-	-	22,496.04
Total state	<u>118,658.97</u>	<u>882,819.39</u>	<u>-</u>	<u>28,956.69</u>	<u>1,030,435.05</u>
Federal					
Medicaid	2,678.57	-	-	-	2,678.57
ARP-ESSER III	8,150.00	83,747.00	-	-	91,897.00
CRRSA-ESSER II	-	40,844.00	-	-	40,844.00
CARES-ESSER fund	-	29.00	-	-	29.00
IDEA entitlement funds, Part B IDEA	-	44,013.06	-	-	44,013.06
Early childhood special education	-	2,255.00	-	-	2,255.00
School lunch program	91,420.65	-	-	-	91,420.65
School breakfast program	26,048.78	-	-	-	26,048.78
Title I - ESEA	-	14,773.00	-	-	14,773.00
Title IV.A student support and and academic enrichment	-	10,000.00	-	-	10,000.00
Title II, Part A&B, ESEA - teacher and principal training	-	3,177.00	-	-	3,177.00
Child nutrition program EOC reimbursement	2,591.63	-	-	-	2,591.63
Title VI, Part B rural education initiative	2,880.00	12,850.00	-	-	15,730.00
Total federal	<u>133,769.63</u>	<u>211,688.06</u>	<u>-</u>	<u>-</u>	<u>345,457.69</u>
Total receipts	<u>\$ 1,351,034.05</u>	<u>\$ 1,259,409.31</u>	<u>\$ 115,864.69</u>	<u>\$ 34,034.27</u>	<u>\$ 2,760,342.32</u>

Jefferson C-123 School District of Nodaway County, Missouri
Supplementary Information
Schedule of Disbursements by Object - Modified Cash Basis
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Salaries:					
Certificated	\$ 1,396.74	\$ 1,107,992.96	\$ -	\$ -	\$ 1,109,389.70
Classified	273,452.23	-	-	-	273,452.23
Total salaries	<u>274,848.97</u>	<u>1,107,992.96</u>	<u>-</u>	<u>-</u>	<u>1,382,841.93</u>
Employee benefits:					
Teacher's retirement	105.46	155,686.50	-	-	155,791.96
Non-teacher retirement	15,785.88	-	-	-	15,785.88
Old age survivor and disability (OASDI)	15,978.93	11,246.47	-	-	27,225.40
Medicare	3,747.50	14,951.38	-	-	18,698.88
Employee insurance	15,639.60	114,759.10	-	-	130,398.70
Workers' compensation insurance	9,371.00	-	-	-	9,371.00
Total employee benefits	<u>60,628.37</u>	<u>296,643.45</u>	<u>-</u>	<u>-</u>	<u>357,271.82</u>
Purchased services:					
Purchased instructional services - tuition	-	22,525.00	-	-	22,525.00
Instructional program improvement service	40,210.54	-	-	-	40,210.54
Audit services	7,900.00	-	-	-	7,900.00
Other professional services	33,128.67	-	-	-	33,128.67
Cleaning services	5,827.77	-	-	-	5,827.77
Repairs and maintenance	25,552.54	-	-	-	25,552.54
Rentals - equipment	9,676.96	-	-	-	9,676.96
Water and sewer	5,238.10	-	-	-	5,238.10
Trash removal	2,100.00	-	-	-	2,100.00
Travel	2,895.90	-	-	-	2,895.90
Property insurance	13,566.00	-	-	-	13,566.00
Liability insurance	11,000.00	-	-	-	11,000.00
Fidelity bond premiums	100.00	-	-	-	100.00
Communication	6,957.96	-	-	-	6,957.96
Advertising	2,216.49	-	-	-	2,216.49
Dues and memberships	4,793.00	-	-	-	4,793.00
Other purchased services	147.75	-	-	-	147.75
Other expenses	4,906.16	25.00	-	-	4,931.16
Total purchased services	<u>176,217.84</u>	<u>22,550.00</u>	<u>-</u>	<u>-</u>	<u>198,767.84</u>
Supplies:					
General	223,095.58	-	-	-	223,095.58
Technology related	15,619.78	-	-	-	15,619.78
Textbook	9,019.78	-	-	-	9,019.78
Library books	2,760.50	-	-	-	2,760.50
Resource materials	35.00	-	-	-	35.00
Food supplies - exclude non-food supplies	70,018.54	-	-	-	70,018.54
Electric	30,830.76	-	-	-	30,830.76
Gas - natural	16,678.69	-	-	-	16,678.69
Gasoline/diesel	18,761.76	-	-	-	18,761.76
Total supplies	<u>386,820.39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,820.39</u>
Improvements other than buildings	-	-	-	451.40	451.40
Regular equipment	-	-	-	7,318.39	7,318.39
Classroom instructional apparatus	-	-	-	68,379.09	68,379.09
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,148.88</u>	<u>76,148.88</u>
Debt service:					
Principal - bonded indebtedness	-	-	90,000.00	-	90,000.00
Interest	-	-	22,567.39	-	22,567.39
Other (fin. fees, etc.)	-	-	318.00	-	318.00
Total debt service	<u>-</u>	<u>-</u>	<u>112,885.39</u>	<u>-</u>	<u>112,885.39</u>
Total disbursements	<u>\$898,515.57</u>	<u>\$ 1,427,186.41</u>	<u>\$ 112,885.39</u>	<u>\$ 76,148.88</u>	<u>\$ 2,514,736.25</u>

**Other
Information**

Jefferson C-123 School District of Nodaway County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 893,740.00	\$ 893,740.00	\$ 1,024,782.66	\$ 131,042.66
County	71,000.00	71,000.00	73,822.79	2,822.79
State	102,388.00	102,388.00	118,658.97	16,270.97
Federal	63,940.00	63,940.00	133,769.63	69,829.63
Total receipts	<u>1,131,068.00</u>	<u>1,131,068.00</u>	<u>1,351,034.05</u>	<u>219,966.05</u>
Disbursements				
Instruction:				
Regular instruction	51,881.00	51,881.00	74,447.72	(22,566.72)
Special education instruction	42,931.00	42,931.00	40,987.61	1,943.39
Student activities	139,500.00	169,700.00	169,646.37	53.63
Other instruction	14,750.00	14,750.00	20,094.44	(5,344.44)
Student services support	27,168.00	27,168.00	26,429.19	738.81
Instructional staff support	11,400.00	11,400.00	10,648.56	751.44
Building administration	43,747.00	43,747.00	45,426.72	(1,679.72)
General administration	141,821.00	141,821.00	132,445.28	9,375.72
Operation of plant	177,138.00	177,138.00	169,139.49	7,998.51
Transportation	83,292.00	83,292.00	83,595.60	(303.60)
Food service	89,762.00	129,762.00	121,751.81	8,010.19
Early Childhood Program	7,735.00	7,735.00	3,902.78	3,832.22
Total disbursements	<u>831,125.00</u>	<u>901,325.00</u>	<u>898,515.57</u>	<u>2,809.43</u>
Excess (deficit) of receipts over disbursements	<u>299,943.00</u>	<u>229,743.00</u>	<u>452,518.48</u>	<u>222,775.48</u>
Other financing sources (uses)				
Operating transfers out	<u>(286,622.00)</u>	<u>(286,622.00)</u>	<u>(167,777.10)</u>	<u>118,844.90</u>
Total other financing sources (uses)	<u>(286,622.00)</u>	<u>(286,622.00)</u>	<u>(167,777.10)</u>	<u>118,844.90</u>
Net change in fund balance	13,321.00	(56,879.00)	284,741.38	341,620.38
Fund balance, beginning of year	<u>1,414,331.23</u>	<u>1,414,331.23</u>	<u>1,414,331.23</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,427,652.23</u>	<u>\$ 1,357,452.23</u>	<u>\$ 1,699,072.61</u>	<u>\$ 341,620.38</u>

Jefferson C-123 School District of Nodaway County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 137,440.00	\$ 137,440.00	\$ 157,825.22	\$ 20,385.22
County	6,000.00	6,000.00	7,076.64	1,076.64
State	842,312.00	842,312.00	882,819.39	40,507.39
Federal	197,174.00	197,174.00	211,688.06	14,514.06
Total receipts	<u>1,182,926.00</u>	<u>1,182,926.00</u>	<u>1,259,409.31</u>	<u>76,483.31</u>
Disbursements				
Instruction:				
Regular instruction	929,842.00	929,842.00	935,842.90	(6,000.90)
Special education instruction	5,831.00	5,831.00	28,706.55	(22,875.55)
Career education programs	72,515.00	72,515.00	67,411.73	5,103.27
Student activities	44,270.00	44,270.00	40,963.94	3,306.06
Other instruction	53,191.00	53,191.00	57,216.36	(4,025.36)
Student services support	57,280.00	57,280.00	57,351.15	(71.15)
Instructional staff support	21,077.00	21,077.00	17,034.87	4,042.13
Building administration	87,518.00	87,518.00	88,443.71	(925.71)
General administration	107,424.00	107,424.00	79,203.65	28,220.35
Transportation	-	-	5,314.13	(5,314.13)
Early Childhood Program	49,475.00	49,475.00	49,697.42	(222.42)
Total disbursements	<u>1,428,423.00</u>	<u>1,428,423.00</u>	<u>1,427,186.41</u>	<u>1,236.59</u>
Excess (deficit) of receipts over disbursements	<u>(245,497.00)</u>	<u>(245,497.00)</u>	<u>(167,777.10)</u>	<u>77,719.90</u>
Other financing sources (uses)				
Operating transfers in	<u>245,497.00</u>	<u>245,497.00</u>	<u>167,777.10</u>	<u>(77,719.90)</u>
Total other financing sources (uses)	<u>245,497.00</u>	<u>245,497.00</u>	<u>167,777.10</u>	<u>(77,719.90)</u>
Net change in fund balance	-	-	0.00	0.00
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Jefferson C-123 School District of Nodaway County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Debt Service Fund
For the Year Ended June 30, 2022

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 101,200.00	\$ 101,200.00	\$ 107,789.03	\$ 6,589.03
County	7,000.00	7,000.00	8,075.66	1,075.66
Total receipts	<u>108,200.00</u>	<u>108,200.00</u>	<u>115,864.69</u>	<u>7,664.69</u>
Disbursements				
Debt service:				
Principal	90,000.00	90,000.00	90,000.00	-
Interest	23,000.00	23,000.00	22,567.39	432.61
Other fees	400.00	400.00	318.00	82.00
Total disbursements	<u>113,400.00</u>	<u>113,400.00</u>	<u>112,885.39</u>	<u>514.61</u>
Net change in fund balance	(5,200.00)	(5,200.00)	2,979.30	8,179.30
Fund balance, beginning of year	<u>103,544.19</u>	<u>103,544.19</u>	<u>103,544.19</u>	<u>-</u>
Fund balance, end of year	<u>\$ 98,344.19</u>	<u>\$ 98,344.19</u>	<u>\$ 106,523.49</u>	<u>\$ 8,179.30</u>

Jefferson C-123 School District of Nodaway County, Missouri
Other Information
Budgetary Comparison Schedule - Modified Cash Basis
Capital Projects Fund
For the Year Ended June 30, 2022

	Original Budget	Final Approved Budget	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Local	\$ 50.00	\$ 50.00	\$ 5,077.58	\$ 5,027.58
State	18,044.58	18,044.58	28,956.69	10,912.11
Federal	-	-	-	-
Total receipts	<u>18,094.58</u>	<u>18,094.58</u>	<u>34,034.27</u>	<u>15,939.69</u>
Disbursements				
Instruction:				
Regular instruction	64,750.00	64,750.00	52,725.25	12,024.75
Student activities	3,000.00	3,000.00	5,202.39	(2,202.39)
Instructional staff support	-	-	-	-
Building administration	5,000.00	5,000.00	2,116.00	2,884.00
General administration	6,000.00	6,000.00	1,058.00	4,942.00
Operation of plant	3,000.00	3,000.00	-	3,000.00
Transportation	-	-	-	-
Food service	3,000.00	3,000.00	14,595.84	(11,595.84)
Facilities acquisition & construction	<u>40,000.00</u>	<u>40,000.00</u>	<u>451.40</u>	<u>39,548.60</u>
Total disbursements	<u>124,750.00</u>	<u>124,750.00</u>	<u>76,148.88</u>	<u>48,601.12</u>
Excess (deficit) of receipts over disbursements	<u>(106,655.42)</u>	<u>(106,655.42)</u>	<u>(42,114.61)</u>	<u>64,540.81</u>
Other financing sources (uses)				
Operating transfers in	41,125.00	41,125.00	-	(41,125.00)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>41,125.00</u>	<u>41,125.00</u>	<u>-</u>	<u>(41,125.00)</u>
Net change in fund balance	(65,530.42)	(65,530.42)	(42,114.61)	23,415.81
Fund balance, beginning of year	<u>65,530.42</u>	<u>65,530.42</u>	<u>65,530.42</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,415.81</u>	<u>\$ 23,415.81</u>

Jefferson C-123 School District of Nodaway County, Missouri
Other Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2022

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by 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.
6. Budgets for the District's funds are prepared in accordance with the modified cash basis (budget basis).

Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year. Total actual disbursements may not legally exceed total budgeted disbursements. Appropriations lapse at year-end.

Section II

Other Reporting Required by *Government Auditing Standards*

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**Independent Auditor's 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
Jefferson C-123 School District of Nodaway County, Missouri
Conception Junction, Missouri

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 Jefferson C-123 School District of Nodaway County, Missouri as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise Jefferson C-123 School District of Nodaway County, Missouri's financial statements, and have issued our report thereon dated December 6, 2022.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson C-123 School District of Nodaway County, Missouri'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*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson C-123 School District of Nodaway County, Missouri'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 Jefferson C-123 School District of Nodaway County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson C-123 School District of Nodaway County, Missouri'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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a material weakness.

Jefferson C-123 School District of Nodaway County, Missouri's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Jefferson C-123 School District of Nodaway County, Missouri's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Jefferson C-123 School District of Nodaway County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
December 6, 2022

Jefferson C-123 School District of Nodaway County, Missouri
Schedule of Findings and Responses
For the Year Ended June 30, 2022

Finding 2022-001

Material Weakness in Internal Control over Financial Reporting – Inadequate Segregation of Duties

Criteria – The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the entity’s assets and ensure accurate financial reporting.

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

Context – We reviewed District policies and procedures and performed inquiries of management.

Cause - Adequate segregation of duties is limited by the number of available personnel and the cost to implement required changes in a cost-effective manner.

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

Recommendation – The District should segregate duties wherever possible and implement other controls to compensate for the lack of segregation of duties.

View of Responsible Officials – The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Section III

State Compliance

Information

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**Independent Practitioner's Report on Management's Assertion about Compliance
With Specified Requirements of Missouri Laws and Regulations**

To the Board of Education
Jefferson C-123 School District of Nodaway County, Missouri
Conception Junction, Missouri

We have examined management of Jefferson C-123 School District of Nodaway County, Missouri's assertion that Jefferson C-123 School District of Nodaway County, Missouri complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; disclosure in the District's attendance records of standard day length, calendar days and hours in session, average daily attendance, resident membership on the last Wednesday of September, and free and reduced price lunch count on the last Wednesday of January; and disclosure in the District's transportation records of average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state transportation aid, and the allowable costs of pupil transportation; and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2022. Jefferson C-123 School District of Nodaway County, Missouri's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about Jefferson C-123 School District of Nodaway County, Missouri'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 assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. 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 assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of Jefferson C-123 School District of Nodaway County, Missouri and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Jefferson C-123 School District of Nodaway County, Missouri's compliance with the specified requirements.

In our opinion, management's assertion that Jefferson C-123 School District of Nodaway County, Missouri complied with the specified compliance requirements referred to above is fairly stated in all material respects.

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

Marsh, Espey & Merrill, P.C.

Maryville, Missouri
December 4, 2022

Jefferson C-123 School District of Nodaway County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2022

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district 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
	K	12		6.5000	167	1080.7000

2. Average Daily Attendance (ADA)

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4020	K-6	73,675.3996	0.0000	1,126.2502	0.0000	0.0000	74,801.6498
1050	7-12	57,246.1004	0.0000	49.2500	0.0000	0.0000	57,295.3504
Grand Total		130,921.5000	0.0000	1,175.5002	0.0000	0.0000	132,097.0002

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	K	7.00	0.00	0.00	7.00
4020	1	11.00	0.00	0.00	11.00
4020	2	11.00	0.00	0.00	11.00
4020	3	12.00	0.00	0.00	12.00
4020	4	8.00	0.00	0.00	8.00
4020	5	11.00	0.00	0.00	11.00
4020	6	10.00	0.00	0.00	10.00
Subtotal	K - 6	70.00	0.00	0.00	70.00
1050	7	3.00	0.00	0.00	3.00
1050	8	12.00	0.00	0.00	12.00
1050	9	7.00	0.00	0.00	7.00
1050	10	12.00	0.00	0.00	12.00
1050	11	11.00	0.00	0.00	11.00
1050	12	10.00	0.00	0.00	10.00
Subtotal	7 - 12	55.00	0.00	0.00	55.00
Grand Total		125.00	0.00	0.00	125.00

Jefferson C-123 School District of Nodaway County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2022

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	16.00	4.00	0.00	0.00	20.00
1050	6.00	8.00	0.00	0.00	14.00
Grand Total	22.00	12.00	0.00	0.00	34.00

5. Finance

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

Section	Question	Answer
5.1	The district 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	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	N/A
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

**Jefferson C-123 School District of Nodaway County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2022**

5. Finance (continued)

Section	Question	Answer
5.4	The district maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of:	\$50,000
5.6	The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., 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. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$9,316.43
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 or school website or other form of social media as required by Section 160.066, RSMo.	True

**Jefferson C-123 School District of Nodaway County, Missouri
Schedule of Selected Statistics
For the Year Ended June 30, 2022**

5. Finance (continued)

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

Finding:	None
Management Letter Comment:	N/A

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district’s pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	77.0
	Ineligible ADT	0.0
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:	54,539
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	22,788
	Ineligible Miles (Non-Route/Disapproved)	31,751
6.7	Number of days the district operated the school transportation system during the regular school year:	167

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

Finding:	None
Management Letter Comment:	N/A