

NORTHWESTERN R-I SCHOOL DISTRICT
MENDON, MISSOURI

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY DATA
AND INDEPENDENT AUDITORS' REPORTS

June 30, 2022

NORTHWESTERN R-I SCHOOL DISTRICT
MENDON, MISSOURI

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NORTHWESTERN R-I SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Northwestern R-I School District
Mendon, MO 64660

Opinions

We have audited the accompanying modified-cash basis financial statements of the governmental activities and each major fund of the Northwestern R-I School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Northwestern R-I School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified-cash basis financial position of the governmental activities and each major fund of the Northwestern R-I School District, as of June 30, 2022, and the respective changes in modified-cash basis financial position and, thereof for the year then ended in accordance with the modified-cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Governmental 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 the Northwestern R-I School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwestern R-I School District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information and retirement reports on pages 20-24 and 29-32, respectively, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Responsibilities of Management for the Financial Statements

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

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Northwestern R-I School District's internal control. Accordingly, no such opinion is expressed.

* Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

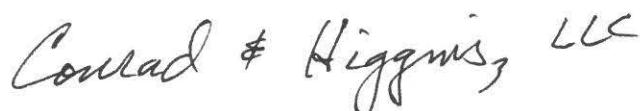
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwestern R-I School District's basic financial statements. The accompanying Supplementary Information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2022 on our consideration of the Northwestern R-I School District's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Northwestern R-I School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Northwestern R-I School District's internal control over financial reporting and compliance.



Conrad and Higgins, LLC
Chillicothe, Missouri
November 15, 2022

BASIC FINANCIAL STATEMENTS

Northwestern R-I School District
Statement of Net Position Arising From Modified
Cash Basis Transactions-Governmental Activities
For the Year Ended June 30, 2022

| | |
|---|--------------|
| ASSETS: | |
| Cash | \$ 929,929 |
| Investments | 197,131 |
| Land, buildings and equipment, net of accumulated depreciation | 4,322,244 |
| Total Assets | \$ 5,449,304 |
| | |
| LIABILITIES: | |
| Bonds payable | \$ 1,940,000 |
| Total Liabilities | \$ 1,940,000 |
| | |
| NET POSITION: | |
| Net investment in capital assets | \$ 2,382,244 |
| | |
| Restricted for: | |
| Special revenue | 210,720 |
| Debt service | 144,030 |
| Capital projects | 332,578 |
| Unrestricted | 439,732 |
| Total Net Position | \$ 3,509,304 |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
Statement of Activities Arising From Modified
Cash Basis Transactions-Governmental Activities
For the Year Ended June 30, 2022

| | Expenditures | Program Receipts | | | Net Expenses and Changes in Net Position |
|--|---------------------|----------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Instruction | \$ 1,473,376 | \$ 79,981 | \$ 421,971 | \$ 170,534 | \$ (800,890) |
| Student services | 138,567 | - | - | - | (138,567) |
| Instructional staff support | 94,002 | - | - | - | (94,002) |
| General administration | 273,946 | - | - | - | (273,946) |
| Building level administration | 137,820 | - | - | - | (137,820) |
| Operation of plant | 347,090 | - | - | - | (347,090) |
| Pupil transportation | 201,865 | - | 35,666 | - | (166,199) |
| Food services | 147,173 | 7,406 | 76,494 | - | (63,273) |
| Adult education and community services | 144,388 | 1,290 | - | - | (143,098) |
| Interest and fees | 82,388 | - | - | - | (82,388) |
| Total | <u>\$ 3,040,615</u> | <u>\$ 88,677</u> | <u>\$ 534,131</u> | <u>\$ 170,534</u> | <u>(2,247,273)</u> |
| General Revenues: | | | | | |
| | | | | | 1,562,263 |
| | | | | | 180,419 |
| | | | | | 479,012 |
| | | | | | 8,081 |
| | | | | | 59,292 |
| | | | | | <u>41,794</u> |
| | | | | | Increase/(decrease) in net position |
| | | | | | 3,467,510 |
| | | | | | Net Position, July 1, 2021 |
| | | | | | <u>\$ 3,509,304</u> |
| | | | | | Net Position, June 30, 2022 |

The accompanying notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Northwestern R-I School District
 Combined Statement of Assets and Fund Balance
 Arising from Modified Cash Transactions - All Fund Types
 June 30, 2022

| | General (Incidental) Fund | Special Revenue (Teachers') Fund | Debt Service Fund | Capital Projects (Building) Fund | Totals (Governmental Funds) |
|---------------------|---------------------------------|---|-------------------------|---|-----------------------------------|
| ASSETS | | | | | |
| Cash | \$ 303,241 | \$ 210,720 | \$ 83,390 | \$ 332,578 | \$ 929,929 |
| Investments | 136,491 | - | 60,640 | - | 197,131 |
| Total Assets | <u>\$ 439,732</u> | <u>\$ 210,720</u> | <u>\$ 144,030</u> | <u>\$ 332,578</u> | <u>\$ 1,127,060</u> |
| FUND BALANCE | | | | | |
| Restricted for: | | | | | |
| Special revenue | \$ - | \$ 210,720 | \$ - | \$ - | \$ 210,720 |
| Capital projects | - | - | - | 332,578 | 332,578 |
| Debt service | - | - | 144,030 | - | 144,030 |
| Unassigned: | 439,732 | - | - | - | 439,732 |
| Total Fund Balance | <u>\$ 439,732</u> | <u>\$ 210,720</u> | <u>\$ 144,030</u> | <u>\$ 332,578</u> | <u>1,127,060</u> |

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds. 4,322,244

Long term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. (1,940,000)

Fund Balance of governmental activities \$ 3,509,304

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
 Combined Statement of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - All Governmental Fund Types
 for the Year Ended June 30, 2022

| | General (Incidental) Fund | Special Revenue (Teachers') Fund | Debt Service Fund | Capital Projects (Building) Fund | Totals (Governmental Funds) |
|---|---------------------------------|---|-------------------------|---|-----------------------------------|
| REVENUES COLLECTED: | | | | | |
| Local | \$ 796,135 | \$ 180,440 | \$ 69,754 | \$ 37,496 | \$ 1,083,825 |
| County | 707,856 | 6,661 | 94,140 | - | 808,657 |
| State | 114,643 | 479,012 | - | 55,536 | 649,191 |
| Federal | 192,421 | 227,065 | - | 64,999 | 484,485 |
| Other | 6,250 | - | - | 49,999 | 56,249 |
| Total Revenues Collected | <u>1,817,305</u> | <u>893,178</u> | <u>163,894</u> | <u>208,030</u> | <u>3,082,407</u> |
| EXPENDITURES PAID: | | | | | |
| Instruction | 195,770 | 1,279,032 | - | - | 1,474,802 |
| Guidance | 3,617 | 59,195 | - | - | 62,812 |
| Health services | 26,983 | 48,772 | - | - | 75,755 |
| Improvement of instruction | 26,649 | - | - | - | 26,649 |
| Professional development | 4,789 | - | - | - | 4,789 |
| Media services | 6,883 | 55,681 | - | - | 62,564 |
| Executive administration | 83,649 | 119,777 | - | - | 203,426 |
| Building level administration | 131,132 | 77,208 | - | - | 208,340 |
| Operation of plant | 236,868 | - | - | 13,674 | 250,542 |
| Pupil transportation | 189,391 | - | - | - | 189,391 |
| Food services | 135,574 | - | - | 11,599 | 147,173 |
| Adult/community programs | 9,938 | - | - | - | 9,938 |
| Early childhood | 14,579 | 69,872 | - | - | 84,451 |
| Building acq., constr. and improvements | - | - | - | 49,999 | 49,999 |
| Debt service | | | | | |
| Principal | - | - | 100,000 | - | 100,000 |
| Interest & fees | - | - | 82,388 | - | 82,388 |
| Total Expenditures Paid | <u>1,065,822</u> | <u>1,709,537</u> | <u>182,388</u> | <u>75,272</u> | <u>3,033,019</u> |
| REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | <u>751,483</u> | <u>(816,359)</u> | <u>(18,494)</u> | <u>132,758</u> | <u>49,388</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers | <u>(1,027,079)</u> | <u>1,027,079</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,027,079)</u> | <u>1,027,079</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | (275,596) | 210,720 | (18,494) | 132,758 | 49,388 |
| FUND BALANCE, JULY 1, 2021 | <u>715,328</u> | <u>-</u> | <u>162,524</u> | <u>199,820</u> | |
| FUND BALANCE, JUNE 30, 2022 | <u>\$ 439,732</u> | <u>\$ 210,720</u> | <u>\$ 144,030</u> | <u>\$ 332,578</u> | |

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities capital costs are allocated over their estimated useful lives through depreciation expense.

(107,594)

This is the amount by which depreciation was exceeded by capital outlays.

100,000

Issuance and repayment of long term debt provides and consumes current financial resources but has no effect on net position.

CHANGES IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES

\$ 41,794

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northwestern R-I School District was established in 1865 under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education as described in RSMo Chapter 162).

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

* The financial statements include:

** Financial statements prepared using modified-cash basis for government-wide financial statements and for the fund financial statements for all of the District's activities.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, no additional component units should be included in the reporting entity.

B. Basis of Presentation - Fund Accounting

The District's financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's General, Special Revenue and Capital Projects funds are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column (b) and are reported on a modified-cash basis of accounting, which recognizes all long-term assets as well as long-term debt and obligations. The District's net position is reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operation and capital grants. Program revenues must be directly associated with the function (food services, instruction, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. Financial Statements-Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, reserves, fund balances, revenues collected, and expenditures paid, arising from cash transactions.

The following governmental fund types are used by the District.

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.

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

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its government-wide financial statements on the modified-cash basis of accounting which recognizes all long-term assets and long-term debt obligations. The District's policy is to prepare its fund financial statements on the modified-cash basis of accounting, which is modified to present investments; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. 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 of the political subdivision.
- 2) Prior to July the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4) Prior to July 1 the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. Unused appropriations lapse at the end of each fiscal year.

The final budget amendment was made at the June 2022 board meeting.

- 6) Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

G. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the district treasurer. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. Government securities, carried at cost, which approximates market. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|--------------|----------|
| Buildings | 40 years |
| Equipment | 7 years |
| Improvements | 20 years |

I. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts unused and which are vested in the employee are payable upon termination. Total vested and unpaid sick leave at June 30, 2022 amounted to \$0.

J. Teachers' Salaries

Payroll checks, written and dated in June 2022 for July and August 2022 payrolls, from 2021-2022 contracts in the amount of \$215,720 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

K. Post Employment Benefits

COBRA Benefits: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration charge is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2022.

L. Inventories

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

M. Public School Retirement System of Missouri

Financial reporting information pertaining to our participation in the Public School Retirement System of Missouri ("PSRS") and the Public Education Employee Retirement System of Missouri ("PEERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Public School Retirement System of Missouri (Continued)

The fiduciary net position, as well as additions to and deductions from the fiduciary net positions, of PSRS and PEERS have been determined on the same basis as they are reported by PSRS and PEERS. The financial statements were prepared using the modified cash basis of accounting. Members and employer contributions are recognized when paid, pursuant to formal commitments and statutory requirements. Expenses are recognized when the payment is made.

N. Restricted Assets

Restricted assets of the District consist of checking, certificates of deposit and investments which have been set aside based on 1) certain debt covenants, 2) taxing authority guidelines and 3) state statutory compliance. Debt covenants provide for the redemption of debt in future years and to service outstanding debt. Taxing authority guidelines provide for the taxes collected to be disbursed in accordance with the terms that the patrons of the District approved when they voted. State statutory compliance restricts transfers from the Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund. It is the District's policy to first use restricted net position prior to the use of unrestricted net position when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

2 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Missouri State Statutes authorize the Board of Education, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposits. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the District or a disinterested third party and must be the kind prescribed by State Statutes and approved by the State. At June 30, 2021, the carrying amount of deposits and investments was \$929,929 and \$197,131 and the bank balance was \$1,159,187 and \$197,131. All of the bank balances were covered by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the District's name.

Bond covenants authorize the District to invest in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States, or in other obligations in which public funds are permitted to be invested under Missouri law.

Interest Rate Risk - The District has no formal investment policy regarding interest rate risk.

Credit Risk - The District has no investment policy that limits in investment choice other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Investment Credit Risk - The District places no limit on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk.

A reconciliation of cash and investments as shown on the Balance Sheet was as follows:

| | Carrying Amount |
|-------------------------------|--------------------|
| Cash on hand | \$ - |
| Carrying amount of deposits | 929,929 |
| Carrying amount of investment | 197,131 |
| Total | \$ 1,127,060 |
| Cash | \$ 929,929 |
| Cash - restricted | - |
| Investments | 53,101 |
| Investments - restricted | 144,030 |
| Total | \$ 1,127,060 |

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

2 DEPOSITS AND INVESTMENTS (Continued)

The District has the following investments at June 30, 2022:

| Investment Type | Maturity | Total |
|--|----------|------------|
| Certificates of Deposit | Various | \$ 136,491 |
| Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program | N/A | \$ 60,640 |

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all certificates of deposit are entirely insured or collateralized with securities.

Investment Contracts with BOK Financial

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

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2021 for purposes of local taxation were:

| | |
|--------------------|----------------------|
| Real Estate: | |
| Residential | \$ 6,074,930 |
| Agriculture | 5,287,720 |
| Commercial | 995,200 |
| Personal Property: | 6,974,240 |
| Total | <u>\$ 19,332,090</u> |

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

| | Unadjusted | Adjusted |
|----------------------|------------------|------------------|
| General Fund | \$ 3.5225 | \$ 3.5225 |
| Special Revenue Fund | - | - |
| Debt Service Fund | 0.3700 | 0.3700 |
| Capital Project Fund | - | - |
| Total | <u>\$ 3.8925</u> | <u>\$ 3.8925</u> |

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

3 TAXES (Continued)

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 96.86 percent of the current assessment computed on the basis of the levy as shown above.

4 CONTINGENCIES

Grant Audit - The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

5 INTERFUND TRANSFERS

During the year ended June 30, 2022, \$1,027,079 was transferred from the General Fund to the Special Revenue Fund.

6 GASB STATEMENT NO. 54 - FUND BALANCE REPORTING

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with scholarships.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation such as taxes levied by a vote of the public.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|-------------|---------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Total capital assets not being depreciated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other capital assets: | | | | |
| Buildings and improvements | 5,297,743 | 52,699 | - | 5,350,442 |
| Equipment | 803,870 | 22,574 | - | 826,444 |
| School buses | 444,407 | - | - | 444,407 |
| Total other capital assets at historical cost | <u>6,546,020</u> | <u>75,273</u> | <u>-</u> | <u>6,621,293</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 972,125 | 149,248 | - | 1,121,373 |
| Equipment | 729,784 | 21,147 | - | 750,931 |
| School buses | 414,271 | 12,474 | - | 426,745 |
| Total accumulated depreciation | <u>2,116,180</u> | <u>182,869</u> | <u>-</u> | <u>2,299,049</u> |
| Other capital assets, net | <u>4,429,840</u> | <u>(107,596)</u> | <u>-</u> | <u>4,322,244</u> |
| Governmental activities capital assets, net | <u>\$ 4,429,840</u> | <u>\$ (107,596)</u> | <u>\$ -</u> | <u>\$ 4,322,244</u> |

Depreciation expense was charged to functions as follows:

| | |
|--|-------------------|
| Governmental activities: | |
| Instruction | \$ 21,147 |
| Operation of plant | 149,248 |
| Pupil transportation | 12,474 |
| Total governmental activities depreciation expense | <u>\$ 182,869</u> |

8 POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 11, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

9 RISK MANAGEMENT

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

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

10 GENERAL OBLIGATION BONDS

On July 28, 2021, the Northwestern R-I School District issued general obligation bonds of \$2,040,000 with an interest rate of 3.00% to 5.00%.

| | <u>Bonds Payable</u> |
|-------------------------------------|-------------------------|
| Bonds/leases payable, July 1, 2021 | \$ - |
| Bonds/leases issued | 2,040,000 |
| Bonds/Leases retired | <u>(100,000)</u> |
| Bonds/leases payable, June 30, 2022 | <u><u>1,940,000</u></u> |

The schedule of future maturities of General Obligation School Bonds of the Northwestern R-I School District is as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|-----------------------------|---------------------|-------------------|----------------------|
| 2023 | \$ 100,000 | \$ 51,600 | \$ 151,600 |
| 2024 | 100,000 | 50,900 | 150,900 |
| 2025 | 100,000 | 50,100 | 150,100 |
| 2026 | 100,000 | 49,200 | 149,200 |
| 2027 | 100,000 | 46,200 | 146,200 |
| 2028-2032 | 500,000 | 186,000 | 686,000 |
| 2033-2037 | 555,000 | 106,200 | 661,200 |
| 2028-2040 | 385,000 | 23,250 | 408,250 |
| | <u>\$ 1,940,000</u> | <u>\$ 563,450</u> | <u>\$ 2,503,450</u> |

Interest paid for the fiscal year ended June 30, 2022 was \$82,070.

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

11 PENSION PLANS

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

Summary of Significant Accounting Policies

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

Plan Description PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of 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.

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

Benefits Provided PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 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 have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Benefits Provided PEERS is a defined benefit plan providing retirement, disability and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifelong 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.

Northwestern R-I School District
Notes to Financial Statements
Year Ended June 30, 2022

11 PENSION PLANS (Continued)

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

-If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2% at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

-If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

-If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

-If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2020, 2021, and 2022. Employers were required to match the contributions made by the employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2020, 2021, and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$185,210 and \$28,490, respectively, for the year ended June 30, 2022.

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

SUPPLEMENTARY INFORMATION

Northwestern R-I School District
 General (Incidental) Fund
 Statement of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Original Budget Actual Expenditures Variance |
|---|---------------------|-------------------|----------------|--|
| REVENUES COLLECTED: | | | | |
| Local | \$ 1,208,468 | \$ 796,135 | \$ 796,135 | \$ (412,333) |
| County | 662,806 | 707,856 | 707,856 | 45,050 |
| State | 132,415 | 114,643 | 114,643 | (17,772) |
| Federal | 211,079 | 192,421 | 192,421 | (18,658) |
| Other | - | - | 6,250 | 6,250 |
| Total Revenues Collected | 2,214,768 | 1,811,055 | 1,817,305 | (397,463) |
| EXPENDITURES PAID: | | | | |
| Instruction | 294,427 | 195,770 | 195,770 | 98,657 |
| Guidance | 5,269 | 3,617 | 3,617 | 1,652 |
| Health services | 22,132 | 26,983 | 26,983 | (4,851) |
| Improvement of instruction | 27,616 | 26,649 | 26,649 | 967 |
| Professional development | 599 | 4,789 | 4,789 | (4,190) |
| Media services | 8,493 | 6,883 | 6,883 | 1,610 |
| Executive administration | 85,347 | 83,649 | 83,649 | 1,698 |
| Building level administration | 117,196 | 124,260 | 124,260 | (7,064) |
| Operation of plant | 239,424 | 236,868 | 236,868 | 2,556 |
| Pupil transportation | 161,293 | 189,391 | 189,391 | (28,098) |
| Food services | 115,460 | 142,446 | 142,446 | (26,986) |
| Early childhood | 10,809 | 14,579 | 14,579 | (3,770) |
| Adult/community programs | 9,694 | 9,938 | 9,938 | (244) |
| Fees/bonded indebtedness | 39,220 | - | - | - |
| Total Expenditures Paid | 1,136,979 | 1,065,822 | 1,065,822 | 71,157 |
| REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | | | | |
| | \$ 1,077,789 | \$ 745,233 | 751,483 | \$ (326,306) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers | | | (1,027,079) | |
| Total other financing sources (uses) | | | (1,027,079) | |
| REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | | | | |
| | | | (275,596) | |
| FUND BALANCE, JULY 1, 2021 | | | 715,328 | |
| FUND BALANCE, JUNE 30, 2022 | | | \$ 439,732 | |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
Special Revenue (Teachers') Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Original Budget Actual Expenditures Variance |
|---|--------------------|-----------------|------------|--|
| REVENUES COLLECTED: | | | | |
| Local | \$ 138,914 | \$ 180,440 | \$ 180,440 | \$ 41,526 |
| County | 3,847 | 6,661 | 6,661 | 2,814 |
| State | 447,538 | 479,012 | 479,012 | 31,474 |
| Federal | 169,968 | 227,065 | 227,065 | 57,097 |
| Total Revenues Collected | 760,267 | 893,178 | 893,178 | 132,911 |
| EXPENDITURES PAID: | | | | |
| Instruction | 1,284,287 | 1,279,032 | 1,279,032 | 5,255 |
| Guidance | 43,299 | 59,195 | 59,195 | (15,896) |
| Health | 45,445 | 48,772 | 48,772 | (3,327) |
| Media services | 53,299 | 55,681 | 55,681 | (2,382) |
| Executive administration | 116,378 | 119,777 | 119,777 | (3,399) |
| Building level administration | 85,159 | 77,208 | 77,208 | 7,951 |
| Early childhood programs | 52,372 | 69,872 | 69,872 | (17,500) |
| Total Expenditures Paid | 1,680,239 | 1,709,537 | 1,709,537 | (29,298) |
| REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | | | | |
| | \$ (919,972) | \$ (816,359) | (816,359) | \$ 103,613 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers | | | 1,027,079 | |
| Total other financing sources (uses) | | | 1,027,079 | |
| REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | | | | |
| | | | 210,720 | |
| FUND BALANCE, JULY 1, 2021 | | | | |
| | | | - | |
| FUND BALANCE, JUNE 30, 2022 | | | | |
| | | | \$ 210,720 | |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
Debt Service Fund
Statements of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Original Budget Actual Expenditures Variance</u> |
|---|----------------------------|-------------------------|-------------------|---|
| REVENUES COLLECTED: | | | | |
| Local | \$ 66,547 | \$ 69,754 | \$ 69,754 | \$ 3,207 |
| County | 95,976 | 94,140 | 94,140 | (1,836) |
| Total Revenues Collected | <u>162,523</u> | <u>163,894</u> | <u>163,894</u> | <u>1,371</u> |
| EXPENDITURES PAID: | | | | |
| Debt service: | | | | |
| Principal | - | 100,000 | 100,000 | (100,000) |
| Interest and fees | - | 82,388 | 82,388 | (82,388) |
| Total Expenditures Paid | <u>-</u> | <u>182,388</u> | <u>182,388</u> | <u>(182,388)</u> |
| REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | | | | |
| | <u>\$ 162,523</u> | <u>\$ (18,494)</u> | <u>(18,494)</u> | <u>\$ (181,017)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers | | | <u>-</u> | |
| Total other financing sources (uses) | | | <u>-</u> | |
| REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | | | | |
| | | | (18,494) | |
| FUND BALANCE, JULY 1, 2021 | | | <u>162,524</u> | |
| FUND BALANCE, JUNE 30, 2022 | | | <u>\$ 144,030</u> | |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
 Capital Projects (Building) Fund
 Statements of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Original Budget Actual Expenditures Variance |
|---|--------------------|-----------------|------------|--|
| REVENUES COLLECTED: | | | | |
| Local | \$ 241,077 | \$ 37,496 | \$ 37,496 | \$ (203,581) |
| State | 81,826 | 55,536 | 55,536 | (26,290) |
| Federal | - | 64,999 | 64,999 | 64,999 |
| Other | 2,040,000 | 49,999 | 49,999 | (1,990,001) |
| Total Revenues Collected | 2,362,903 | 208,030 | 208,030 | (2,154,873) |
| EXPENDITURES PAID: | | | | |
| Instruction | 11,219 | - | - | - |
| Operation of plant | 665,935 | 13,674 | 13,674 | 652,261 |
| Food service | - | 11,599 | 11,599 | (11,599) |
| Facilities acquisition & construction | 2,305,224 | 49,999 | 49,999 | 2,255,225 |
| Total Expenditures Paid | 2,982,378 | 75,272 | 75,272 | 2,907,106 |
| REVENUES COLLECTED OVER (UNDER) | | | | |
| EXPENDITURES PAID | | | | |
| | \$ (619,475) | \$ 132,758 | 132,758 | \$ 752,233 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers | | | - | |
| Total other financing sources (uses) | | | - | |
| REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | | | | |
| | | | 132,758 | |
| FUND BALANCE, JULY 1, 2021 | | | 199,820 | |
| FUND BALANCE, JUNE 30, 2022 | | | \$ 332,578 | |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
 Combined Funds
 Statement of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Original Budget Actual Expenditures Variance |
|--|--------------------|-----------------|--------------|--|
| REVENUES COLLECTED: | | | | |
| Local | \$ 1,655,006 | \$ 1,083,825 | \$ 1,083,825 | \$ (571,181) |
| County | 762,629 | 808,657 | 808,657 | 46,028 |
| State | 661,779 | 649,191 | 649,191 | (12,588) |
| Federal | 381,047 | 484,485 | 484,485 | 103,438 |
| Other | 2,040,000 | 56,249 | 56,249 | (1,983,751) |
| Total Revenues Collected | 5,500,461 | 3,082,407 | 3,082,407 | (2,418,054) |
| EXPENDITURES PAID: | | | | |
| Instruction | 1,589,933 | 1,474,802 | 1,474,802 | 115,131 |
| Guidance | 48,568 | 62,812 | 62,812 | (14,244) |
| Health services | 67,577 | 75,755 | 75,755 | (8,178) |
| Improvement of instruction | 27,616 | 26,649 | 26,649 | 967 |
| Professional development | 599 | 4,789 | 4,789 | (4,190) |
| Media services | 61,792 | 62,564 | 62,564 | (772) |
| Executive administration | 201,725 | 203,426 | 203,426 | (1,701) |
| Building level administration | 202,355 | 201,468 | 201,468 | 887 |
| Operation of plant | 905,359 | 250,542 | 250,542 | 654,817 |
| Pupil transportation | 161,293 | 189,391 | 189,391 | (28,098) |
| Food services | 115,460 | 154,045 | 154,045 | (38,585) |
| Adult/community programs | 9,694 | 9,938 | 9,938 | (244) |
| Early childhood | 63,181 | 84,451 | 84,451 | (21,270) |
| Facilities acquisition and construction | 2,344,444 | 49,999 | 49,999 | 2,294,445 |
| Debt service | | | | |
| Principal | - | 100,000 | 100,000 | (100,000) |
| Interest and fees | - | 82,388 | 82,388 | (82,388) |
| Total Expenditures Paid | 5,799,596 | 3,033,019 | 3,033,019 | 2,766,577 |
| REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | | | | |
| | \$ (299,135) | \$ 49,388 | 49,388 | \$ 348,523 |
| FUND BALANCE, JULY 1, 2021 | | | 1,077,672 | |
| FUND BALANCE, JUNE 30, 2022 | | | \$ 1,127,060 | |

The accompanying notes to financial statements are an integral part of this statement.

1 SUMMARY OF SIGNIFICANT BUDGETARY ACCOUNTING POLICIES

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 of the political subdivision.
- 2) Prior to July the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4) Prior to July 1 the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. Unused appropriations lapse at the end of each fiscal year.

The final budget amendment was made at the June 2022 board meeting.

- 6) Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

Northwestern R-I School District
Schedule of Revenues Collected by Source
Year Ended June 30, 2022

| | General (Incidental) Fund | Special Revenue (Teachers') Fund | Debt Service Fund | Capital Projects (Building) Fund | Totals (Governmental Funds) |
|---|---------------------------------|---|-------------------------|---|-----------------------------------|
| <u>Local</u> | | | | | |
| Current property taxes | \$ 638,169 | \$ - | \$ 67,029 | \$ - | \$ 705,198 |
| Delinquent property taxes | 21,396 | - | 2,247 | - | 23,643 |
| Sales tax | - | 180,419 | - | - | 180,419 |
| Financial institution tax | 224 | - | - | - | 224 |
| M & M in lieu and city sales taxes | 24,540 | - | - | - | 24,540 |
| Tuition from individuals | 375 | - | - | - | 375 |
| Earnings on investments | 7,584 | 21 | 478 | - | 8,083 |
| Food service - program | 5,426 | - | - | - | 5,426 |
| Food service - non-program | 1,980 | - | - | - | 1,980 |
| Student activities | 79,605 | - | - | - | 79,605 |
| Community services | 1,290 | - | - | - | 1,290 |
| Gifts | - | - | - | 37,496 | 37,496 |
| Other | 21,796 | - | - | - | 21,796 |
| Total Local | <u>802,385</u> | <u>180,440</u> | <u>69,754</u> | <u>37,496</u> | <u>1,090,075</u> |
| <u>County</u> | | | | | |
| Fines and escheats | - | 6,661 | - | - | 6,661 |
| State assessed utility taxes | 702,626 | - | 94,140 | - | 796,766 |
| Total County | <u>702,626</u> | <u>6,661</u> | <u>94,140</u> | <u>-</u> | <u>803,427</u> |
| <u>State</u> | | | | | |
| Basic formula | - | 479,012 | - | - | 479,012 |
| Transportation | 35,666 | - | - | - | 35,666 |
| Small schools grant | 57,094 | - | - | - | 57,094 |
| Basic formula - classroom trust fund | 6,500 | - | - | 55,536 | 62,036 |
| Career education | 7,522 | - | - | - | 7,522 |
| Food service | 1,130 | - | - | - | 1,130 |
| Educational screening program | 6,731 | - | - | - | 6,731 |
| Total State | <u>114,643</u> | <u>479,012</u> | <u>-</u> | <u>55,536</u> | <u>649,191</u> |
| <u>Federal</u> | | | | | |
| Food service | 72,364 | - | - | - | 72,364 |
| IDEA Part B | 39,154 | 2,984 | - | - | 42,138 |
| Title I-ESEA | 6,250 | 12,160 | - | - | 18,410 |
| Title II | 3,298 | - | - | - | 3,298 |
| Title IV.A | 10,000 | - | - | - | 10,000 |
| ECSE | - | 1,201 | - | - | 1,201 |
| ARP - ESSER III | 26,000 | 210,720 | - | 64,999 | 301,719 |
| CARES - ESSER fund | 88 | - | - | - | 88 |
| Child nutrition program EOC reimbursement | 3,631 | - | - | - | 3,631 |
| Other restricted federal revenue | 31,636 | - | - | - | 31,636 |
| Total Federal | <u>192,421</u> | <u>227,065</u> | <u>-</u> | <u>64,999</u> | <u>484,485</u> |
| <u>Other</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,999</u> | <u>49,999</u> |
| Total Revenues | <u>\$ 1,812,075</u> | <u>\$ 893,178</u> | <u>\$ 163,894</u> | <u>\$ 208,030</u> | <u>\$ 3,077,177</u> |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
Schedule of Expenditures Paid by Object
Year Ended June 30, 2022

| | General (Incidental) Fund | Special Revenue (Teachers') Fund | Debt Service Fund | Capital Projects (Building) Fund | Totals (Governmental Funds) |
|--------------------|---------------------------------|---|-------------------------|---|-----------------------------------|
| Salaries | \$ 322,244 | \$ 1,239,362 | \$ - | \$ - | \$ 1,561,606 |
| Employee benefits | 119,001 | 399,576 | - | - | 518,577 |
| Purchased services | 159,099 | 70,598 | - | - | 229,697 |
| Supplies | 465,479 | - | - | - | 465,479 |
| Capital outlay | - | - | - | 75,272 | 75,272 |
| Debt service | - | - | 182,388 | - | 182,388 |
| | <u>\$ 1,065,823</u> | <u>\$ 1,709,536</u> | <u>\$ 182,388</u> | <u>\$ 75,272</u> | <u>\$ 3,033,019</u> |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
 Summary Schedule of Revenues Collected, Expenditures Paid and
 Changes in Fund Balance
 Year Ended June 30, 2022

| | General (Incidental) Fund | Special Revenue (Teachers') Fund | Debt Service Fund | Capital Projects (Building) Fund | Totals (Governmental Funds) |
|---|---------------------------------|---|-------------------------|---|-----------------------------------|
| REVENUES COLLECTED | \$ 1,812,075 | \$ 893,178 | \$ 163,894 | \$ 208,030 | \$ 3,077,177 |
| EXPENDITURES PAID | <u>1,065,822</u> | <u>1,709,537</u> | <u>182,388</u> | <u>75,272</u> | <u>3,033,019</u> |
| EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID | <u>746,253</u> | <u>(816,359)</u> | <u>(18,494)</u> | <u>132,758</u> | <u>44,158</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers | <u>(1,027,079)</u> | <u>1,027,079</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,027,079)</u> | <u>1,027,079</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES | (280,826) | 210,720 | (18,494) | 132,758 | (88,600) |
| FUND BALANCE, JULY 1, 2021 | <u>715,328</u> | <u>-</u> | <u>162,524</u> | <u>199,820</u> | <u>1,077,672</u> |
| FUND BALANCE, JUNE 30, 2022 | <u>\$ 434,502</u> | <u>\$ 210,720</u> | <u>\$ 144,030</u> | <u>\$ 332,578</u> | <u>\$ 1,121,830</u> |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
 Public School Retirement System of Missouri
 Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
 Year Ended June 30, 2022

| Year Ended* | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Actual Covered Member Payroll | Net Pension Liability (Asset) as a Percentage of Covered Payroll | Fiduciary Net Position as a Percentage of Total Pension Liability |
|-------------|---|--|----------------------------------|---|---|
| 6/30/2014 | 0.0231% | \$ 947,695 | \$ 1,025,859 | 92.38% | 89.34% |
| 6/30/2015 | 0.0236% | \$ 1,362,395 | \$ 1,069,507 | 127.39% | 85.78% |
| 6/30/2016 | 0.0218% | \$ 1,622,061 | \$ 1,012,829 | 160.15% | 82.18% |
| 6/30/2017 | 0.0224% | \$ 1,617,622 | \$ 1,058,553 | 152.81% | 83.77% |
| 6/30/2018 | 0.0213% | \$ 1,585,243 | \$ 1,024,488 | 154.74% | 84.06% |
| 6/30/2019 | 0.0206% | \$ 1,520,295 | \$ 1,010,311 | 150.48% | 84.62% |
| 6/30/2020 | 0.0220% | \$ 1,964,758 | \$ 1,099,993 | 178.62% | 82.01% |
| 6/30/2021 | 0.0233% | \$ 515,810 | \$ 1,215,101 | 42.45% | 95.81% |

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

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

Northwestern R-I School District
Public School Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2022

| Year Ended* | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess/(Deficiency) (Deficiency) | Actual Covered Member Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|--------------------------------------|----------------------------------|---|----------------------------------|--|
| 6/30/2013 | \$ 142,214 | \$ 142,214 | \$ - | \$ 980,784 | 14.50% |
| 6/30/2014 | \$ 148,749 | \$ 148,749 | \$ - | \$ 1,025,859 | 14.50% |
| 6/30/2015 | \$ 155,079 | \$ 155,079 | \$ - | \$ 1,069,507 | 14.50% |
| 6/30/2016 | \$ 146,085 | \$ 146,085 | \$ - | \$ 1,012,829 | 14.42% |
| 6/30/2017 | \$ 153,490 | \$ 153,490 | \$ - | \$ 1,058,553 | 14.50% |
| 6/30/2018 | \$ 148,551 | \$ 148,551 | \$ - | \$ 1,024,488 | 14.50% |
| 6/30/2019 | \$ 146,495 | \$ 146,495 | \$ - | \$ 1,010,311 | 14.50% |
| 6/30/2020 | \$ 159,499 | \$ 159,499 | \$ - | \$ 1,099,993 | 14.50% |
| 6/30/2021 | \$ 173,580 | \$ 173,580 | \$ - | \$ 1,215,101 | 14.29% |

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

Northwestern R-I School District
 Public Education Employee Retirement System of Missouri
 Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
 Year Ended June 30, 2022

| <u>Year Ended*</u> | <u>Proportion of the Net Pension Liability (Asset)</u> | <u>Proportionate Share of the Net Pension Liability (Asset)</u> | <u>Actual Covered Member Payroll</u> | <u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Fiduciary Net Position as a Percentage of Total Pension Liability</u> |
|--------------------|--|---|--|---|--|
| 6/30/2014 | 0.0149% | \$ 54,410 | \$ 217,594 | 25.01% | 91.33% |
| 6/30/2015 | 0.0175% | \$ 92,559 | \$ 262,494 | 35.26% | 88.28% |
| 6/30/2016 | 0.0173% | \$ 138,804 | \$ 267,781 | 51.83% | 83.32% |
| 6/30/2017 | 0.0165% | \$ 125,887 | \$ 265,495 | 47.42% | 85.35% |
| 6/30/2018 | 0.0213% | \$ 164,588 | \$ 354,992 | 46.36% | 86.06% |
| 6/30/2019 | 0.0228% | \$ 180,339 | \$ 394,776 | 45.68% | 86.38% |
| 6/30/2020 | 0.0241% | \$ 233,904 | \$ 433,834 | 53.92% | 84.06% |
| 6/30/2021 | 0.0233% | \$ 25,092 | \$ 427,428 | 5.87% | 98.36% |

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

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

Northwestern R-I School District
Public Education Employee Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2022

| Year Ended* | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess/(Deficiency) (Deficiency) | Actual Covered Member Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|--------------------------------------|----------------------------------|---|----------------------------------|--|
| 6/30/2013 | \$ 13,541 | \$ 13,541 | \$ - | \$ 197,383 | 6.86% |
| 6/30/2014 | \$ 14,927 | \$ 14,927 | \$ - | \$ 217,594 | 6.86% |
| 6/30/2015 | \$ 18,007 | \$ 18,007 | \$ - | \$ 262,494 | 6.86% |
| 6/30/2016 | \$ 18,370 | \$ 18,370 | \$ - | \$ 267,781 | 6.86% |
| 6/30/2017 | \$ 18,213 | \$ 18,213 | \$ - | \$ 265,495 | 6.86% |
| 6/30/2018 | \$ 24,353 | \$ 24,353 | \$ - | \$ 354,992 | 6.86% |
| 6/30/2019 | \$ 27,172 | \$ 27,172 | \$ - | \$ 394,776 | 6.88% |
| 6/30/2020 | \$ 29,761 | \$ 29,761 | \$ - | \$ 433,834 | 6.86% |
| 6/30/2021 | \$ 29,322 | \$ 29,322 | \$ - | \$ 427,428 | 6.86% |

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

STATE COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
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Princeton, MO 64673
(660) 748-4423
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INDEPENDENT AUDITORS' REPORT

Board of Education
Northwestern R-I School District
Mendon, MO 64660

We have audited the financial statements of the Northwestern R-I School District as of and for the year ended June 30, 2022 and have issued our report thereon dated November 15, 2022. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the Northwestern R-I School District, taken as a whole. The accompanying Schedules of Transportation Costs Eligible for State Aid and State Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. The information in those schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

Conrad & Higgins, LLC

Conrad & Higgins, LLC

Chillicothe, Missouri

November 15, 2022

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Northwestern R-I School District
Mendon, MO 64660

We have examined management of Northwestern R-I School District's assertions that Northwestern R-I School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of attendance, resident membership on the last Wednesday of September and the free and reduced lunch count on the last Wednesday of January; and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2022. Northwestern R-I School District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion 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 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.

In our opinion, management's assertion that Northwestern R-I School District complied with the aforementioned requirements for the year ended June 30, 2022 is fairly stated, in all material respects.

Conrad & Higgins, LLC

Conrad & Higgins, LLC
Chillicothe, Missouri
November 15, 2022

Northwestern R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2022

Type of Audit Performed:

Yellow Book: X

Single Audit:

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

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033 RSMo.

| School Code | Begin Grade | End Grade | Half Day Indicator | Standard Day Length | Days | Hours in Session |
|-------------|-------------|-----------|--------------------|---------------------|------|------------------|
| | K | 12 | | 7.3500 | 148 | 1,082.0000 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Notes:

2 Attendance Hours

Report the total attendance hours of PK-12 student 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 | 12,287.7900 | - | - | - | - | 12,287.7900 |
| 4020 | 1 | 19,377.3900 | - | - | - | - | 19,377.3900 |
| 4020 | 2 | 14,341.6200 | - | - | 11.0000 | - | 14,352.6200 |
| 4020 | 3 | 10,004.1000 | - | - | - | - | 10,004.1000 |
| 4020 | 4 | 8,304.3300 | - | - | - | - | 8,304.3300 |
| 4020 | 5 | 6,997.4400 | - | - | - | - | 6,997.4400 |
| 4020 | 6 | 14,536.8400 | - | - | 9.0000 | - | 14,545.8400 |
| 1050 | 7 | 6,374.4200 | - | - | - | - | 6,374.4200 |
| 1050 | 8 | 18,568.5200 | - | - | - | - | 18,568.5200 |
| 1050 | 9 | 12,253.0400 | - | - | - | - | 12,253.0400 |
| 1050 | 10 | 9,996.9100 | - | - | - | - | 9,996.9100 |
| 1050 | 11 | 14,522.6400 | - | - | - | - | 14,522.6400 |
| 1050 | 12 | 11,454.9900 | - | - | - | - | 11,454.9900 |
| Grand Total | | 159,020.0300 | - | - | 20.0000 | - | 159,040.0300 |

Notes:

Northwestern R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2022

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 | 12.00 | - | - | 12.00 |
| 4020 | 1 | 19.00 | - | - | 19.00 |
| 4020 | 2 | 13.00 | - | - | 13.00 |
| 4020 | 3 | 9.00 | - | - | 9.00 |
| 4020 | 4 | 8.00 | - | - | 8.00 |
| 4020 | 5 | 6.00 | - | - | 6.00 |
| 4020 | 6 | 14.00 | - | - | 14.00 |
| 1050 | 7 | 6.00 | - | - | 6.00 |
| 1050 | 8 | 18.00 | - | - | 18.00 |
| 1050 | 9 | 12.00 | - | - | 12.00 |
| 1050 | 10 | 10.00 | - | - | 10.00 |
| 1050 | 11 | 14.00 | - | - | 14.00 |
| 1050 | 12 | 11.00 | - | - | 11.00 |
| Grand Total | | 152.00 | - | - | 152.00 |

Notes:

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

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

| School Code | Free Lunch | Reduced Lunch | Deseg In Free | Deseg In Reduced | Total |
|-------------|------------|---------------|---------------|------------------|-------|
| 1050 | 18.00 | 8.00 | - | - | 26.00 |
| 4020 | 30.00 | 7.00 | - | - | 37.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Grand Total | 48.00 | 15.00 | - | - | 63.00 |

Notes:

Northwestern R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2022

5 Finance

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

- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------------------------|------------|---|------------|--|------------|-----------------|------------|-----------------------|------------|------------------|------------|--|------------|-------------|------------|----------------------------------|------------|---|------------|---|-------------|---|------------|--|------------|--|
| 1 | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | <p>The district/charter school 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:</p> <table border="0" style="width: 100%; margin-left: 20px;"> <tr><td>Academic Programs Off Campus</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Career Exploration Program - Off Campus</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Cooperative Occupational Education (COE) or Supervised Occupational Experience</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Dual Enrollment</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Homebound instruction</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Missouri Options</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Prekindergarten eligible to be claimed for state aid</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Remediation</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Sheltered Workshop participation</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Students participating in the school flex program</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Traditional instruction (full and part-time students)</td><td style="text-align: right;"><u>TRUE</u></td></tr> <tr><td>Virtual instruction (MOCAP or other option)</td><td style="text-align: right;"><u>N/A</u></td></tr> <tr><td>Work Experience for Students with Disabilities</td><td style="text-align: right;"><u>N/A</u></td></tr> </table> | Academic Programs Off Campus | <u>N/A</u> | Career Exploration Program - Off Campus | <u>N/A</u> | Cooperative Occupational Education (COE) or Supervised Occupational Experience | <u>N/A</u> | Dual Enrollment | <u>N/A</u> | Homebound instruction | <u>N/A</u> | Missouri Options | <u>N/A</u> | Prekindergarten eligible to be claimed for state aid | <u>N/A</u> | Remediation | <u>N/A</u> | Sheltered Workshop participation | <u>N/A</u> | Students participating in the school flex program | <u>N/A</u> | Traditional instruction (full and part-time students) | <u>TRUE</u> | Virtual instruction (MOCAP or other option) | <u>N/A</u> | Work Experience for Students with Disabilities | <u>N/A</u> | |
| Academic Programs Off Campus | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Career Exploration Program - Off Campus | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cooperative Occupational Education (COE) or Supervised Occupational Experience | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dual Enrollment | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Homebound instruction | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Missouri Options | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prekindergarten eligible to be claimed for state aid | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remediation | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sheltered Workshop participation | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Students participating in the school flex program | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traditional instruction (full and part-time students) | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Virtual instruction (MOCAP or other option) | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Experience for Students with Disabilities | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of: | <u>\$ 50,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | The district maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools). | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Northwestern R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2021

5 Finance (continued)

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

- | | |
|---|---|
| <p>9 If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools).</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>N/A</p> |
| <p>10 The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>TRUE</p> |
| <p>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).</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>TRUE</p> |
| <p>12 The amount spent for approved professional development committee plan activities was:</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>\$ 4,789</p> |
| <p>13 The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document of 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.</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>TRUE</p> |

Notes:

Finding #2021-5.13: The district failed to post, at least quarterly, a searchable expenditure and revenue document of 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.

Management Letter Comment: Prior years administration failed to publish. Administration will ensure the documents are published.

6 Transportation (Section 163.161, RSMo)

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

- | | |
|---|---|
| <p>1 The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>TRUE</p> |
| <p>2 The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects that average number of regular riders transported.</p> | <hr style="border: 0; border-top: 1px solid black;"/> <p>TRUE</p> |

Northwestern R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2021

6 Transportation (Section 163.161, RSMo) (continued)

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

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 | 110.00 |
| • Ineligible ADT | - |

4 The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.

TRUE

5 Actual odometer records show the total district/charter-operated and contracted mileage for the year was:

78,978

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 | 51,842 |
| * Ineligible Miles (Non-Route/Disapproved) | 27,136 |

7 Number of days the district/charter school operated the school transportation system during the regular school year:

148

Notes: _____

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

Findings: _____

Management Letter Comment #: _____

Northwestern R-I School District
Schedule of Transportation Costs Eligible for State Aid
Year Ended June 30, 2022

| | District Owned | Total |
|--|-------------------|------------|
| Salaries | \$ 97,664 | \$ 97,664 |
| Employee benefits | 25,744 | 25,744 |
| Purchased services | 19,837 | 19,837 |
| Supplies | 46,147 | 46,147 |
| Total | \$ 189,392 | \$ 189,392 |
| Nonroute contracted transportation | \$ - | |
| School buses purchased | \$ - | |
| School buses leased/purchased: | | |
| Principal | \$ - | |
| Interest | \$ - | |
| Transportation revenues from other districts | \$ - | |

The accompanying notes to financial statements are an integral part of this statement.

Northwestern R-I School District
Schedule of State Financial Assistance
Year Ended June 30, 2022

| State Grantor/Program Title | Balance June 30, 2021 | Receipts | Disbursements | Balance June 30, 2022 |
|--|-----------------------------|-------------------|-------------------|-----------------------------|
| Department of Elementary and Secondary Education: | | | | |
| Basic Formula | \$ - | \$ 479,012 | \$ 479,012 | \$ - |
| Transportation | - | 35,666 | 35,666 | - |
| Basic Formula - Classroom Trust Fund | - | 62,036 | 62,036 | - |
| Career Education | - | 7,522 | 7,522 | - |
| Food Service | - | 1,130 | 1,130 | - |
| Small Schools Grant | - | 57,094 | 57,094 | - |
| Educational Screening | - | 6,731 | 6,731 | - |
| Total State Financial Assistance | <u>\$ -</u> | <u>\$ 649,191</u> | <u>\$ 649,191</u> | <u>\$ -</u> |

The accompanying notes to financial statements are an integral part of this statement.

FEDERAL COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

706 Grant
Princeton, MO 64673
(660) 748-4423
Fax - (660) 748-4422

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Northwestern R-I School District
Mendon, MO 64660

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Northwestern R-I School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Northwestern R-I School District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

1 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 related accounting records, or all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

Management Response

The size and budget of the Northwestern R-I School District limits the application of adequate segregation of

Report on Compliance and Other Matters

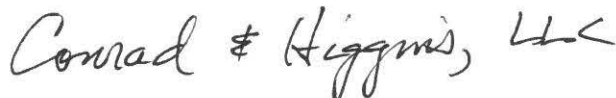
As part of obtaining reasonable assurance about whether Northwestern R-I School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Northwestern R-I School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Northwestern R-I School District's response to the findings identified in our audit are described previously. The Northwestern R-I School District's response was not subjected to the audit procedures applied in that audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of that 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.



Conrad and Higgins, LLC

Chillicothe, Missouri

November 15, 2022