

WEST PLAINS R-VII SCHOOL DISTRICT

Audited Financial Statements and Supplementary Information

June 30, 2021 and 2020



SCHULTZ, WOOD & RAPP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS
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WEST PLAINS R-VII SCHOOL DISTRICT

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SCHULTZ, WOOD & RAPP, P.C.

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INDEPENDENT AUDITOR'S REPORT

December 10, 2021

Board of Education
West Plains R-VII School District
610 E. Olden
West Plains, MO 65775

Dear Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, fiduciary activities, and each major fund of the West Plains R-VII School District, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and the fiduciary funds financial statements in accordance with the cash basis of accounting, described in Note 1; this includes determining that these bases of accounting are acceptable bases 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, fiduciary activities, and each major fund of the West Plains R-VII School District, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America, and the cash basis of accounting as described in Note 1 to the financial statements.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Subsequent Events, the District's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The impacts of COVID-19 may have a material adverse effect on the District's results of operations, financial position, and cash flows in 2021-2022.

Bases of Accounting

We draw attention to Note 1 of the financial statements, which describes the bases of accounting. The government-wide financial statements and governmental funds are presented in accordance with accounting principles generally accepted in the United States of America. The fiduciary statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-7), General Fund and Special Revenue Funds budgetary comparison information (pages 36-37), and the District's Schedules of Proportionate Share of Net Pension Liability and Related Ratios and Schedules of Employer Contributions (pages 38-39) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Financial information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Plains R-VII School District's basic financial statements. The accompanying financial information listed as other supplementary information in the table of contents and the Summary of Selected Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis are required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not required part of the basic financial statements.

The Capital Projects Fund budgetary comparison information, the Schedules of Revenues Collected by Source - Per Annual Secretary of the Board Report (ASBR) - Governmental Funds, the Schedules of Expenditures Paid by Object - Per Annual Secretary of the Board Report (ASBR) - Governmental Funds, the Schedule of Transportation Costs Eligible for State Aid, and the Summary of Selected Information were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the West Plains R-VII School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the West Plains R-VII School District's internal control over financial reporting and compliance.

Schultz, Wood & Rapp, P.C.

Springfield, Missouri

WEST PLAINS R-VII SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2021 and 2020

The Management's Discussion and Analysis (MD&A) of the West Plains R-VII School District (the District) provides an overview and analysis of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of the MD&A is to look at the District's financial performance as a whole. Readers should also review the financial statements found in the Financial Section starting on page 8, and the notes thereto to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the fiscal years ended June 30, 2021 and 2020 include the following:

The government-wide net position increased by \$3,884,974 at June 30, 2021 as compared to a decrease of \$712,971 at June 30, 2020. The District's governmental funds increased by \$5,496,234 at June 30, 2021 as compared to a decrease of \$54,317 at June 30, 2020. The difference between the government-wide net position changes and the governmental funds changes reflects the difference in the accrual basis of accounting and the modified accrual basis and is reconciled on page 15. The significant differences are capitalization and depreciation of fixed assets, the method of reporting borrowings and principal payments and interest on debt, and the method of recording pension related items.

Program revenues made up 45.9% and 37.5% of the total revenues for the years ended June 30, 2021 and 2020, respectively, with general revenues making up the balance. These program revenues covered 51.8% and 36.7%, respectively, of the program expenditures leaving 48.2% and 63.3%, respectively, to be covered by general revenues.

Using the Basic Financial Statements

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the operations of the District as a whole, i.e., an entire operating entity. The "Basic Financial Statements" section, includes government-wide financial statements, fund financial statements and notes to financial statements.

The government-wide financial statements, consisting of the Government-Wide Statements of Net Position and the Government-Wide Statements of Activities, provide highly consolidated financial information and render a government-wide perspective of the District's financial condition. They present an aggregate view of the District's finances. These statements seek to answer the question, "How did the District do financially during the 2020-2021 fiscal year?" In short, is the District better or worse financially this year than the prior year? These statements are prepared on the accrual and modified accrual bases of accounting which recognizes revenues when earned and expenditures when incurred.

By showing the change in net position for the years, the reader may ascertain whether the District's financial condition has improved or deteriorated. The changes which are discussed in the MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District's financial condition include increases in or erosion of the property or sales tax base within the District, facilities maintenance, and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in-depth reporting of the District's financial position and changes in financial position, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 11. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for District programs.

Fund financial statements also provide more in-depth data on the District's most significant funds, its General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. These funds are considered "major funds" under GASB Statement No. 34. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements is reconciled in the financial statements on pages 12 and 15.

The financial statements of the fiduciary funds present financial information relative to the fiduciary fund position held by the District on behalf of employees, private organizations, or other governments in a position of trust. Fiduciary funds are excluded from the government-wide financial statements because the assets are not available for District operations and are required to be accounted for separately by in accordance with accounting principles generally accepted in the United States of America.

Government-Wide Financial Analysis

Net position of the District reflects the excess of assets and the deferred outflows of resources over liabilities and the deferred inflows of resources. Net position of the District at June 30, 2021 and 2020 consists of the following:

| | <u>June 30, 2021</u> | <u>% Change 2020 - 2021</u> | <u>June 30, 2020</u> | <u>% Change 2019 - 2020</u> | <u>June 30, 2019</u> |
|------------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Assets | \$ 37,071,339 | 15.45% | \$ 32,111,575 | -4.46% | \$ 33,609,085 |
| Deferred outflows of resources | 8,706,565 | 11.69% | 7,795,246 | -22.75% | 10,091,073 |
| Liabilities | 32,289,658 | 12.23% | 28,770,717 | -6.43% | 30,747,012 |
| Deferred inflows of resources | 2,637,155 | -36.76% | 4,169,987 | -20.93% | 5,274,058 |
| Net Position | | | | | |
| Invested in capital assets, net of | 17,846,564 | 0.56% | 17,747,628 | 26.79% | 13,997,648 |
| Restricted | 3,107,625 | 63.80% | 1,897,185 | 64.73% | 1,151,702 |
| Unrestricted | (10,103,098) | -20.31% | (12,678,696) | 69.72% | (7,470,262) |
| Total net position | <u>\$ 10,851,091</u> | <u>55.77%</u> | <u>\$ 6,966,117</u> | <u>-9.28%</u> | <u>\$ 7,679,088</u> |

Net position at June 30, 2021 and 2020, reflect an increase of \$3,884,974 and a decrease of \$712,971, respectively, from the prior year balances of \$6,966,117 and \$7,679,088. Key elements of these changes consist of the following:

| | <u>June 30, 2021</u> | <u>% Change 2020 - 2021</u> | <u>June 30, 2020</u> | <u>% Change 2019 - 2020</u> | <u>June 30, 2019</u> |
|--|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Revenues: | | | | | |
| Program Revenues | | | | | |
| Charges to services | \$ 5,663,223 | -7.26% | \$ 6,106,820 | -0.53% | \$ 6,139,352 |
| Operating grants and contributions | 11,012,647 | 125.04% | 4,893,709 | 11.45% | 4,390,837 |
| Capital grants and contributions | 103,170 | -46.24% | 191,926 | 55.73% | 123,239 |
| General revenues | | | | | |
| Local taxes and fees | 9,601,538 | 2.84% | 9,336,400 | 2.78% | 9,083,867 |
| State and federal grants not restricted to specific programs | 9,688,356 | 7.14% | 9,042,724 | -6.94% | 9,716,899 |
| Investment earnings and Other | 184,646 | -23.59% | 241,646 | -25.23% | 323,198 |
| Total revenues | <u>36,253,580</u> | <u>21.60%</u> | <u>29,813,225</u> | <u>0.12%</u> | <u>29,777,392</u> |
| Expenses: | | | | | |
| Instruction | 14,722,780 | 10.31% | 13,347,315 | 5.60% | 12,639,496 |
| Vocational instruction | 1,442,168 | -5.94% | 1,533,291 | 7.79% | 1,422,543 |
| Student Activities | 1,526,230 | -15.47% | 1,805,448 | 12.15% | 1,609,891 |
| Administration and support | 10,834,393 | 7.02% | 10,124,155 | 0.13% | 10,111,472 |
| Transportation | 1,069,712 | 1.15% | 1,057,498 | -13.27% | 1,219,267 |
| Food services | 989,482 | -21.83% | 1,265,866 | 1.36% | 1,248,867 |
| Adult education | 1,263,044 | 34.91% | 936,178 | 16.19% | 805,700 |
| Community service | 247,518 | 9.21% | 226,653 | 13.97% | 198,863 |
| Debt service and facility acquisition and construction | 273,279 | 18.92% | 229,792 | 3.81% | 221,358 |
| | <u>32,368,606</u> | <u>6.04%</u> | <u>30,526,196</u> | <u>3.56%</u> | <u>29,477,457</u> |
| Change in Net position | 3,884,974 | -644.90% | (712,971) | -337.71% | 299,935 |
| Net position, beginning of year | 6,966,117 | -9.28% | 7,679,088 | 4.06% | 7,379,153 |
| Net position, end of year | <u>\$ 10,851,091</u> | <u>55.77%</u> | <u>\$ 6,966,117</u> | <u>-9.28%</u> | <u>\$ 7,679,088</u> |

As reflected in the last schedule, the expenses of the District's government-wide activities for the years ended June 30, 2021 and 2020, are not all borne by the taxpayers of the District. Of these amounts \$5,663,223 and \$6,106,820, respectively, were paid by those who used or benefited from the services rendered (e.g., charges for school lunches and school tuition) and \$11,115,817 and \$5,085,635, respectively, were paid through various federal and state grants. Consequently, the net costs of \$15,589,566 and \$19,333,741, respectively, after taking into consideration these fees and grants, were paid from other general revenues, which includes local property taxes paid by taxpayers of the District as well as other taxes and additional state and federal funding.

The table below shows the total cost of programs and the net cost of these programs (after deducting charges for services and grant revenue) of the various categories of expenses for the years ended June 30, 2021 and 2020. The "net cost" presentation allows District taxpayers to determine the remaining cost of the various categories which were borne by them or paid from other general revenues, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

| | June 30, 2021 | | % Change 2020 - 2021 | | June 30, 2020 | | % Change 2019 - 2020 | | June 30, 2019 | |
|--|---------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
| | Total Expenses of Program | Net Expense (Revenue) of Program | Total Expenses of Program | Net Expense (Revenue) of Program | Total Expenses of Program | Net Expense (Revenue) of Program | Total Expenses of Program | Net Expense (Revenue) of Program | Total Expenses of Program | Net Expense (Revenue) of Program |
| Instruction | \$ 14,722,780 | 3,943,396 | 10.31% | -53.35% | \$ 13,347,315 | 8,452,504 | 5.60% | 8.95% | \$ 12,639,496 | 7,757,892 |
| Vocational instruction | 1,442,168 | 5,740,643 | -5.94% | 1.53% | 1,533,291 | 5,654,207 | 7.79% | -0.44% | 1,422,543 | 5,679,389 |
| Student Activities | 1,526,230 | 9,904,377 | -15.47% | 5.98% | 1,805,448 | 9,345,928 | 12.15% | -1.60% | 1,609,891 | 9,497,733 |
| Administration and support | 7,228,327 | 7,034,861 | 0.03% | -0.54% | 7,226,291 | 7,073,332 | 0.37% | 0.64% | 7,199,835 | 7,028,348 |
| Operation of plant | 3,606,066 | 3,606,066 | 24.44% | 24.44% | 2,897,864 | 2,897,864 | -0.47% | -0.47% | 2,911,637 | 2,911,637 |
| Transportation | 1,069,712 | 902,995 | 1.15% | -0.59% | 1,057,498 | 908,365 | -13.27% | -13.65% | 1,219,267 | 1,051,958 |
| Food services | 989,482 | (345,578) | -21.83% | 83.24% | 1,265,866 | (188,590) | 1.36% | -796.88% | 1,248,867 | 27,062 |
| Adult education | 1,263,044 | 560,177 | 34.91% | 48.67% | 936,178 | 376,791 | 16.19% | 50.94% | 805,700 | 249,624 |
| Community service | 247,518 | (385,630) | 9.21% | -7.37% | 226,653 | (416,317) | 13.97% | 8.91% | 198,863 | (382,258) |
| Debt service and facility acquisition and construction | 273,279 | 273,279 | 18.92% | 18.92% | 229,792 | 229,792 | 3.81% | 27.83% | 221,358 | 179,766 |
| | <u>\$ 32,368,606</u> | <u>31,234,586</u> | <u>6.04%</u> | <u>-9.03%</u> | <u>\$ 30,526,196</u> | <u>34,333,876</u> | <u>3.56%</u> | <u>0.98%</u> | <u>\$ 29,477,457</u> | <u>34,001,151</u> |

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (e.g., dedicated taxes and bond proceeds). The fund financial statements allow the District to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial workings of the District, and assess further the District's financial health.

The District completed the fiscal year ended June 30, 2021 with a combined fund balance for governmental funds (as presented in the balance sheet on page 11) of \$12,571,707 as compared to a combined fund balance of \$7,075,473 as of July 1, 2020, an increase of \$5,496,234.

The fund balance of the General Fund increased by \$4,428,694 in 2021 as compared to a decrease of \$687,115 in 2020, due to an increase in revenues of \$3,153,127, an increase in expenses of \$1,114,885 and a decrease in transfers out of \$3,077,567.

The major source of local revenue for operations is local property taxes amounting to \$6,362,570 and \$6,168,987 in 2021 and 2020, respectively. This amount is derived from the District's total levy of \$3.8350 and \$3.8159 per \$100 of assessed valuation, respectively. Other significant local revenues for 2021 and 2020 consist of \$2,391,499 and \$2,293,408, respectively, from sales tax, breakfast and lunch revenues of \$79,279 and \$214,202, respectively, student activity revenue of \$917,175 and \$1,270,992, respectively, payments in lieu of taxes of \$15,077 and \$8,427, respectively, earnings on investments of \$181,864 and \$228,706, respectively, and post-secondary tuition of \$508,282 and \$559,046, respectively.

County revenue of \$349,061 and \$342,934 for 2021 and 2020, respectively, was derived primarily from county fine receipts and state assessed utility taxes.

State funding makes up 31.4% and 35.7% of total revenues for 2021 and 2020, respectively. The Missouri state foundation basic formula increased in 2021 by \$464,223 to \$8,847,334. Other significant state revenues are:

| | June 30, 2021 | % Change 2020 - 2021 | June 30, 2020 | % Change 2019 - 2020 | June 30, 2019 |
|-----------------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| State transportation aid | \$ 166,717 | 11.79% | \$ 149,133 | -10.86% | \$ 167,309 |
| Classroom trust fund | 841,022 | 27.50% | 659,613 | -20.42% | 828,865 |
| Early childhood special education | 508,637 | -5.94% | 540,751 | 14.35% | 472,907 |
| Career education | 664,321 | 9.15% | 608,635 | 0.88% | 603,330 |
| High need fund | 140,813 | 32.73% | 106,087 | 53.75% | 69,001 |

Federal food service reimbursements were \$1,248,415 and \$1,232,066, in 2021 and 2020, respectively. Title I revenues were \$940,067 and \$1,067,761 in 2021 and 2020, respectively. IDEA funding amounted to \$409,654 and \$418,072 for fiscal years 2021 and 2020, respectively. All other federal revenues are designated for special programs, such as instructional improvement, rural education initiative, coronavirus relief, and various other directed grants.

Total governmental funds expenditures were \$30,757,316 and \$29,856,952 for the years ended in 2021 and 2020, respectively. The General Fund accounts for 39.1% and 36.5% of the total expenditures, respectively. The Special Revenue Fund accounts for 54.4% and 55.1%, respectively, of the expenditures and consists of certified salaries,

teacher retirement, and insurance benefits. Capital Projects Fund expenditures for capital equipment and facility repairs and construction projects amounted to \$2,004,593 and \$2,493,589, respectively.

The following table summarizes the governmental fund revenues and expenditures for the years ended June 30, 2021 and 2020.

| | <u>June 30, 2021</u> | <u>% Change 2020 - 2021</u> | <u>June 30, 2020</u> | <u>% Change 2019 - 2020</u> | <u>June 30, 2019</u> |
|--|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| Revenue | | | | | |
| Local | \$ 10,939,077 | -2.91% | \$ 11,266,412 | 2.16% | \$ 11,028,376 |
| County | 349,061 | 1.79% | 342,934 | 5.05% | 326,447 |
| State | 11,376,341 | 7.02% | 10,630,365 | -4.58% | 11,140,172 |
| Federal | 9,427,832 | 169.52% | 3,497,994 | 13.17% | 3,090,803 |
| Other | 2,752 | 17.11% | 2,350 | -76.08% | 9,826 |
| Receipts other Districts | 4,158,487 | 2.36% | 4,062,580 | -2.44% | 4,164,391 |
| Total revenue | <u>\$ 36,253,550</u> | <u>21.65%</u> | <u>\$ 29,802,635</u> | <u>0.14%</u> | <u>\$ 29,760,015</u> |
| Expenditure | | | | | |
| Instruction | \$ 13,550,378 | 10.37% | \$ 12,277,420 | -0.25% | \$ 12,308,401 |
| Vocational instruction | 1,498,507 | -7.13% | 1,613,526 | 7.54% | 1,500,342 |
| Student Activities | 1,394,072 | -19.51% | 1,731,946 | 15.02% | 1,505,722 |
| Administration and support | 9,548,398 | 5.96% | 9,011,035 | -0.88% | 9,091,034 |
| Transportation | 965,487 | -11.08% | 1,085,799 | -4.15% | 1,132,794 |
| Food services | 984,528 | -22.37% | 1,268,212 | 3.92% | 1,220,380 |
| Adult education | 1,156,295 | 35.23% | 855,057 | 12.19% | 762,181 |
| Community service | 230,883 | 6.29% | 217,210 | 13.10% | 192,051 |
| Debt service and facility acquisition and construction | 1,428,768 | -20.48% | 1,796,747 | -12.45% | 2,052,321 |
| Total expenditures | <u>\$ 30,757,316</u> | <u>3.02%</u> | <u>\$ 29,856,952</u> | <u>0.31%</u> | <u>\$ 29,765,226</u> |

General Fund and Total Budgetary Highlights

Over the course of each fiscal year, the School Board revises its budget to take into consideration expected changes in revenues or expenditures. Missouri Statutes for public school finance, Section 67.010, RSMo. requires a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 23, 2020 and the final budget amendment was adopted on June 25, 2021.

A schedule showing the General Fund's original budget and the final budget compared with actual operating results is provided in this report on page 36.

The General Fund's actual revenues reflect an increase of \$2,457,500 which is 16.2% over the original budgeted revenues. Most of this increase was within the local and county revenue categories. The General Fund's final budgeted expenditures reflects a decrease of \$305,391, which is 2.6% under the original budgeted expenditures.

For fiscal year 2021, total actual revenues were more than the total originally budgeted revenues by \$6,317,817, primarily due to increases in local and federal revenues. For fiscal year 2021, total actual expenditures were less than total original budgeted expenditures by \$94,896.

Capital Assets

At June 30, 2021 and 2020, the District had \$23,789,657 and \$24,636,272 (net of accumulated depreciation), respectively, invested in a broad range of capital assets, including land, buildings, furniture, vehicles, and equipment. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation for the year.

Assets which were capitalized as additions totaled \$742,631 and \$4,230,842 for 2021 and 2020, respectively. Depreciation amounted to \$1,589,246 and \$1,522,053 for 2021 and 2020, respectively.

Additional information on the District's capital assets can be found in Note 5 on page 24 of this report.

Long-Term Debt

At June 30, 2021, the District had \$5,943,093 outstanding of capital leases and notes payable compared to \$6,888,644 at June 30, 2020, and \$7,929,835 at June 30, 2019. Principal payments of \$945,551 and caused the decrease in 2021 and principal payments of \$1,041,191 caused the 2020 decrease.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The constitutional debt limitation of \$24,889,622 at June 30, 2021 is an increase of \$228,035 from the June 30, 2020 debt limitation of \$24,661,587. The legal debt margin available to the District at June 30, 2021 was \$24,889,622 compared to \$24,661,587 at June 30, 2020.

Additional information of the District's long-term obligations can be found in Note 6 on pages 25-26 of this report.

Economic Factors and Next Year's Budget

The District's administration is carefully watching developments unfolding at the Missouri legislature, the executive branch, and the judicial system. In the past, the state has had budget cuts and the supporters of public education are seeking to protect the public school sector from even deeper funding cuts. The District's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The impacts of COVID-19 may have a material adverse effect on the District's results of operations, financial position, and cash flows in 2021-2022. The final effects cannot be known until the situation unfolds for the remainder of 2021-2022.

Contacting the District's Financial Management

While this Management's Discussion & Analysis is designed to provide a general overview of the financial condition and operations of the District, citizens groups, taxpayers, parents, students, investors, or creditors may want further details. To obtain such details, please contact Superintendent Dr. Lori Wilson at the District administration offices, 610 E. Olden, West Plains, MO, 65775

WEST PLAINS R-VII SCHOOL DISTRICT
Government-Wide Statements of Net Position
June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---------------|--------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| Assets: | | |
| Cash | \$ 12,276,094 | 6,709,189 |
| Escrowed cash and investments | 45,158 | 45,944 |
| Receivables | 623,537 | 526,176 |
| Prepaid expenses | 324,179 | 186,237 |
| Inventories | 12,714 | 7,757 |
| Capital assets, net of accumulated depreciation | 23,789,657 | 24,636,272 |
| Total assets | 37,071,339 | 32,111,575 |
| Deferred outflows of resources - defined pension plans | 8,706,565 | 7,795,246 |
| Total assets and deferred outflows of resources | \$ 45,777,904 | 39,906,821 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 244,133 | 170,842 |
| Accrued interest | 30,710 | 39,300 |
| Accrued payroll and related benefits | 420,684 | 183,044 |
| Compensated absences payable | 478,885 | 503,580 |
| Long-term debt payable | | |
| Due within one year | 902,766 | 945,384 |
| Due in more than one year | 5,040,327 | 5,943,260 |
| Net pension liability | 25,172,153 | 20,985,307 |
| Total liabilities | 32,289,658 | 28,770,717 |
| Deferred inflows of resources - defined pension plans | 2,637,155 | 4,169,987 |
| Total liabilities and deferred inflows of resources | 34,926,813 | 32,940,704 |
| Net Position: | | |
| Invested in capital assets, net of related debt | 17,846,564 | 17,747,628 |
| Restricted for: | | |
| Prepaid expenses | 324,179 | 186,237 |
| Inventory | 12,714 | 7,757 |
| Capital projects | 2,770,731 | 1,703,191 |
| Unrestricted | (10,103,097) | (12,678,696) |
| Total net position | 10,851,091 | 6,966,117 |
| Total liabilities, deferred inflows of resources and net position | \$ 45,777,904 | 39,906,821 |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Government-Wide Statement of Activities

For the Year Ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---------------------------------------|------------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | |
| Instruction | \$ (14,722,780) | 3,938,379 | 7,720,104 | - | (3,064,297) |
| Vocational instruction | (1,442,168) | 220,108 | 848,846 | 103,170 | (270,044) |
| Student activities | (1,526,230) | 917,175 | - | - | (609,055) |
| Attendance and guidance | (1,082,751) | - | - | - | (1,082,751) |
| Health services | (1,211,035) | - | 193,466 | - | (1,017,569) |
| Improvement of instruction | (401,014) | - | - | - | (401,014) |
| Professional development | (76,034) | - | - | - | (76,034) |
| Media services | (362,167) | - | - | - | (362,167) |
| General administration | (1,445,794) | - | - | - | (1,445,794) |
| Building level administration | (1,649,505) | - | - | - | (1,649,505) |
| Fiscal services | (443,855) | - | - | - | (443,855) |
| Operation of plant | (3,606,066) | - | - | - | (3,606,066) |
| Security services | (222,946) | - | - | - | (222,946) |
| Pupil transportation | (1,037,352) | - | 166,717 | - | (870,635) |
| Transportation - other | (32,360) | - | - | - | (32,360) |
| Food services | (989,482) | 79,279 | 1,255,781 | - | 345,578 |
| Support services | (333,226) | - | - | - | (333,226) |
| Adult education | (1,263,044) | 508,282 | 194,585 | - | (560,177) |
| Community services | (247,518) | - | 633,148 | - | 385,630 |
| Facility acquisition and construction | (69,620) | - | - | - | (69,620) |
| Debt Service | (203,659) | - | - | - | (203,659) |
| Total | \$ (32,368,606) | 5,663,223 | 11,012,647 | 103,170 | (15,589,566) |
| General Revenues | | | | | |
| | | | | | 9,601,538 |
| | | | | | 9,688,356 |
| | | | | | 181,894 |
| | | | | | 2,752 |
| | | | | | <u>19,474,540</u> |
| | | | | | 3,884,974 |
| | | | | | <u>6,966,117</u> |
| | | | | | <u><u>\$ 10,851,091</u></u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Government-Wide Statement of Activities

For the Year Ended June 30, 2020

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--------------------------------|------------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | |
| Instruction | \$ (13,347,315) | 3,776,388 | 2,029,592 | - | (7,541,335) |
| Vocational instruction | (1,533,291) | 286,192 | 678,460 | 191,926 | (376,713) |
| Student activities | (1,805,448) | 1,270,992 | - | - | (534,456) |
| Attendance and guidance | (998,975) | - | - | - | (998,975) |
| Health services | (995,742) | - | 152,959 | - | (842,783) |
| Improvement of instruction | (379,905) | - | - | - | (379,905) |
| Professional development | (85,671) | - | - | - | (85,671) |
| Media services | (359,353) | - | - | - | (359,353) |
| General administration | (1,653,506) | - | - | - | (1,653,506) |
| Building level administration | (1,782,005) | - | - | - | (1,782,005) |
| Fiscal services | (392,997) | - | - | - | (392,997) |
| Operation of plant | (2,897,864) | - | - | - | (2,897,864) |
| Security services | (255,804) | - | - | - | (255,804) |
| Pupil transportation | (1,027,650) | - | 149,133 | - | (878,517) |
| Transportation - other | (29,848) | - | - | - | (29,848) |
| Food services | (1,265,866) | 214,202 | 1,240,254 | - | 188,590 |
| Support services | (322,333) | - | - | - | (322,333) |
| Adult education | (936,178) | 559,046 | 341 | - | (376,791) |
| Community services | (226,653) | - | 642,970 | - | 416,317 |
| Debt Service | (229,792) | - | - | - | (229,792) |
| Total | \$ (30,526,196) | 6,106,820 | 4,893,709 | 191,926 | (19,333,741) |
| General Revenues | | | | | |
| | | | | | 9,336,400 |
| | | | | | 9,042,724 |
| | | | | | 239,296 |
| | | | | | 2,350 |
| | | | | | <u>18,620,770</u> |
| | | | | | Change in Net Position |
| | | | | | (712,971) |
| | | | | | Net Position, beginning of year |
| | | | | | <u>7,679,088</u> |
| | | | | | Net Position, end of year |
| | | | | | <u><u>\$ 6,966,117</u></u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
 Balance Sheets
 Governmental Funds (modified accrual basis)
 June 30, 2021 and 2020

| | General Fund | Special Revenue Fund | Capital Projects Fund | Totals |
|--------------------------------------|----------------------|----------------------------|-----------------------------|-------------------|
| <u>June 30, 2021</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 9,436,534 | 70,485 | 2,769,075 | 12,276,094 |
| Receivables | 293,846 | 321,360 | 8,331 | 623,537 |
| Prepaid expenses | 324,179 | - | - | 324,179 |
| Inventories | 12,714 | - | - | 12,714 |
| Total assets | <u>\$ 10,067,273</u> | <u>391,845</u> | <u>2,777,406</u> | <u>13,236,524</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 226,627 | 10,831 | 6,675 | 244,133 |
| Accrued payroll and related benefits | 39,670 | 381,014 | - | 420,684 |
| Total liabilities | <u>266,297</u> | <u>391,845</u> | <u>6,675</u> | <u>664,817</u> |
| <u>FUND BALANCES</u> | | | | |
| Fund balances: | | | | |
| Nonspendable for inventories | 12,714 | - | - | 12,714 |
| Nonspendable for prepaid expenses | 324,179 | - | - | 324,179 |
| Assigned to capital projects | - | - | 2,770,731 | 2,770,731 |
| Unassigned | 9,464,083 | - | - | 9,464,083 |
| Total fund balances | <u>9,800,976</u> | <u>-</u> | <u>2,770,731</u> | <u>12,571,707</u> |
| | <u>\$ 10,067,273</u> | <u>391,845</u> | <u>2,777,406</u> | <u>13,236,524</u> |
| <u>June 30, 2020</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 5,104,322 | (147,114) | 1,751,981 | 6,709,189 |
| Receivables | 176,496 | 318,015 | 31,665 | 526,176 |
| Prepaid expenses | 169,968 | - | 16,269 | 186,237 |
| Inventories | 7,757 | - | - | 7,757 |
| Total assets | <u>\$ 5,458,543</u> | <u>170,901</u> | <u>1,799,915</u> | <u>7,429,359</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 65,902 | 8,216 | 96,724 | 170,842 |
| Accrued payroll and related benefits | 20,359 | 162,685 | - | 183,044 |
| Total liabilities | <u>86,261</u> | <u>170,901</u> | <u>96,724</u> | <u>353,886</u> |
| <u>FUND BALANCES</u> | | | | |
| Fund balances: | | | | |
| Nonspendable for inventories | 7,757 | - | - | 7,757 |
| Nonspendable for prepaid expenses | 169,968 | - | 16,269 | 186,237 |
| Assigned to capital projects | - | - | 1,686,922 | 1,686,922 |
| Unassigned | 5,194,557 | - | - | 5,194,557 |
| Total fund balances | <u>5,372,282</u> | <u>-</u> | <u>1,703,191</u> | <u>7,075,473</u> |
| | <u>\$ 5,458,543</u> | <u>170,901</u> | <u>1,799,915</u> | <u>7,429,359</u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
Reconciliations of the Balance Sheets - Governmental Funds
to the Government-Wide Statements of Net Position
For the Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------|--------------|
| Amounts reported for governmental activities in the statement of net position are different due to the following: | | |
| Total fund balances - Governmental Funds | \$ 12,571,707 | 7,075,473 |
| Capital assets used in governmental activities are not financial resources and therefore not financial resources and therefore are not reported as assets in governmental funds. | 23,789,657 | 24,636,272 |
| Certain liabilities for compensated absences are recognized as liabilities in the governmental funds only when the amounts are normally expected to be liquidated with expendable available resources. | (478,885) | (503,580) |
| Pension related deferred outflows/inflows and liabilities are not recorded in the governmental funds statements. | | |
| Net pension liability | (25,172,153) | (20,985,307) |
| Deferred outflows of resources | (2,637,155) | (4,169,987) |
| Deferred inflows of resources | 8,706,565 | 7,795,246 |
| Capital leases and notes payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. | | |
| Capital leases | (5,943,093) | (6,888,644) |
| Accrued interest on leases | (30,710) | (39,300) |
| Cash held by fiscal agent | 45,158 | 45,944 |
| | \$ 10,851,091 | 6,966,117 |
| Total net position - Government-Wide Statement of Net Position | | |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
(modified accrual basis)
For the Year Ended June 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Totals |
|--|---------------------|----------------------------|-----------------------------|-------------------|
| REVENUES COLLECTED: | | | | |
| Local | \$ 8,981,700 | 929,133 | 1,028,244 | 10,939,077 |
| County | 253,921 | 79,328 | 15,812 | 349,061 |
| State | 2,894,597 | 7,721,476 | 760,268 | 11,376,341 |
| Federal | 5,284,551 | 4,093,393 | 49,888 | 9,427,832 |
| Other Revenues | - | - | 2,752 | 2,752 |
| Receipts other districts | 253,962 | 3,904,525 | - | 4,158,487 |
| Total Revenues Collected | <u>17,668,731</u> | <u>16,727,855</u> | <u>1,856,964</u> | <u>36,253,550</u> |
| EXPENDITURES PAID: | | | | |
| General instruction | 3,013,649 | 10,526,882 | 9,847 | 13,550,378 |
| Vocational instruction | 238,105 | 1,096,966 | 163,436 | 1,498,507 |
| Student activities | 1,044,767 | 329,694 | 19,611 | 1,394,072 |
| Attendance and guidance | 270,393 | 731,783 | - | 1,002,176 |
| Health services | 374,465 | 771,282 | - | 1,145,747 |
| Improvement of instruction | 92,953 | 280,467 | - | 373,420 |
| Professional development | 71,484 | 4,112 | - | 75,596 |
| Media services | 98,986 | 237,264 | - | 336,250 |
| General administration | 751,738 | 603,051 | 52,440 | 1,407,229 |
| Building level administration | 394,038 | 1,130,470 | - | 1,524,508 |
| Fiscal services | 237,198 | 180,051 | - | 417,249 |
| Operation of plant | 2,591,440 | - | 135,693 | 2,727,133 |
| Security services | 222,946 | - | - | 222,946 |
| Pupil transportation | 801,648 | - | 155,551 | 957,199 |
| Other transportation | 8,288 | - | - | 8,288 |
| Food services | 979,446 | - | 5,082 | 984,528 |
| Other support services | 183,722 | 132,422 | - | 316,144 |
| Adult education | 537,429 | 584,701 | 34,165 | 1,156,295 |
| Community services | 112,173 | 118,710 | - | 230,883 |
| Facility acquisition and construction | - | - | 1,217,335 | 1,217,335 |
| Capital lease payments: | | | | |
| Interest | - | - | 205,073 | 205,073 |
| Other fees | - | - | 6,360 | 6,360 |
| Total Expenditures Paid | <u>12,024,868</u> | <u>16,727,855</u> | <u>2,004,593</u> | <u>30,757,316</u> |
| Revenues collected over (under) expenditures paid | 5,643,863 | - | (147,629) | 5,496,234 |
| Other financing sources (uses): | | | | |
| Transfers in (out) | (1,215,169) | - | 1,215,169 | - |
| Fund balances, beginning of year | <u>5,372,282</u> | <u>-</u> | <u>1,703,191</u> | <u>7,075,473</u> |
| Fund balances, end of year | <u>\$ 9,800,976</u> | <u>-</u> | <u>2,770,731</u> | <u>12,571,707</u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
Statement of Revenues,
Expenditures, and Changes in Fund Balances
Governmental Funds
(modified accrual basis)
For the Year Ended June 30, 2020

| | General Fund | Special Revenue Fund | Capital Projects Fund | Totals |
|--|---------------------|----------------------------|-----------------------------|-------------------|
| REVENUES COLLECTED: | | | | |
| Local | \$ 9,387,420 | 864,522 | 1,014,470 | 11,266,412 |
| County | 254,292 | 72,522 | 16,120 | 342,934 |
| State | 2,700,510 | 7,110,956 | 818,899 | 10,630,365 |
| Federal | 2,173,382 | 1,254,487 | 70,125 | 3,497,994 |
| Other | - | - | 2,350 | 2,350 |
| Receipts other districts | - | 4,062,580 | - | 4,062,580 |
| Total Revenues Collected | <u>14,515,604</u> | <u>13,365,067</u> | <u>1,921,964</u> | <u>29,802,635</u> |
| EXPENDITURES PAID: | | | | |
| General instruction | 1,851,098 | 10,399,616 | 26,706 | 12,277,420 |
| Vocational instruction | 195,786 | 1,215,213 | 202,527 | 1,613,526 |
| Student activities | 1,418,813 | 313,133 | - | 1,731,946 |
| Attendance and guidance | 206,719 | 722,834 | - | 929,553 |
| Health services | 362,509 | 599,401 | - | 961,910 |
| Improvement of instruction | 36,856 | 310,834 | - | 347,690 |
| Professional development | 81,235 | 4,037 | - | 85,272 |
| Media services | 108,390 | 229,085 | - | 337,475 |
| General administration | 999,568 | 577,831 | 94,364 | 1,671,763 |
| Building level administration | 441,636 | 1,208,661 | - | 1,650,297 |
| Fiscal services | 237,841 | 155,156 | - | 392,997 |
| Operation of plant | 1,991,728 | - | 76,131 | 2,067,859 |
| Security services | 255,804 | - | - | 255,804 |
| Pupil transportation | 815,926 | - | 264,097 | 1,080,023 |
| Other transportation | 5,776 | - | - | 5,776 |
| Food services | 1,256,923 | - | 11,289 | 1,268,212 |
| Other support services | 180,429 | 129,986 | - | 310,415 |
| Adult education | 352,921 | 480,408 | 21,728 | 855,057 |
| Community services | 110,025 | 107,185 | - | 217,210 |
| Facility acquisition and construction | - | - | 1,569,462 | 1,569,462 |
| Capital lease payments: | | | | |
| Interest | - | - | 211,207 | 211,207 |
| Other fees | - | - | 16,078 | 16,078 |
| Total Expenditures Paid | <u>10,909,983</u> | <u>16,453,380</u> | <u>2,493,589</u> | <u>29,856,952</u> |
| Revenues collected over (under) expenditures paid | 3,605,621 | (3,088,313) | (571,625) | (54,317) |
| Other financing sources (uses): | | | | |
| Transfers in (out) | (4,292,736) | 3,088,313 | 1,204,423 | - |
| Fund balances, beginning of year | <u>6,059,397</u> | <u>-</u> | <u>1,070,393</u> | <u>7,129,790</u> |
| Fund balances, end of year | <u>\$ 5,372,282</u> | <u>-</u> | <u>1,703,191</u> | <u>7,075,473</u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Reconciliations of the Statements of Revenues, Expenditures, and Changes in Fund
Balances - Governmental Funds to the Government-Wide Statements of Activities
Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|--------------|-------------|
| Amounts reported for governmental activities in the statement of activities are different due to the following: | | |
| Net change in fund balances - Governmental Funds | \$ 5,496,234 | (54,317) |
| Certain capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. | | |
| Depreciation expense | (1,589,246) | (1,522,053) |
| Capital outlays | 742,631 | 4,230,842 |
| Repayment of capital lease and notes payable principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. | 945,551 | 1,041,191 |
| Capital assets purchased through capital leases and notes payable are not recognized on the governmental funds statements but are recognized on the Government-Wide Statement of Net Position. | - | (2,938,968) |
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds, when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. | 8,590 | (14,178) |
| Interest on escrowed cash from the 2019, 2014, 2013, and 2012 series lease certificates | 30 | 10,590 |
| Fees from issuance of lease certificates | - | 12,473 |
| Escrow cash utilized for debt service | (816) | (802) |
| Payments to pension plans are expenditures in the governmental funds, but pension expense in the Government-Wide Statement of Net Position includes the changes in Deferred outflows/inflows of resources and net pension liability, which are not recognized in the Governmental funds statements. | (1,742,695) | (1,454,096) |
| Liabilities for compensated absences are recognized as expenditures in the governmental funds when the amounts are liquidated with expendable available financial resources. They are however reported as expenses in the statement of activities when the liability is incurred. | 24,695 | (23,653) |
| Change in net position - Government-Wide Statement of Activities | \$ 3,884,974 | (712,971) |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
 Statements of Fiduciary Net Position - Financial Aid Fund
 (cash basis)
 June 30, 2021 and 2020

| | 2021 | 2020 |
|----------------------------|------|------|
| <u>Assets</u> | | |
| Cash | \$ - | - |
| | \$ - | - |
| <u>Net Position</u> | | |
| Fiduciary Net Position | \$ - | - |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT
 Statements of Changes in Fiduciary Net Position - Financial Aid Fund
 (cash basis)
 For the Year Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|------------|---------|
| <u>Additions</u> | | |
| Pell and Stafford loans | \$ 622,930 | 697,175 |
| Higher education emergency relief fund | 298,212 | 176,341 |
| Student fee refunds | 9,050 | 9,790 |
| Administrative cost allowances - Pell and Stafford | 275 | 380 |
| | 930,467 | 883,686 |
| <u>Deductions</u> | | |
| Pell and Stafford loans distributed | 621,916 | 697,175 |
| Pell and Stafford loans refunded to Department of Education | 9,772 | 5,691 |
| Higher education emergency relief fund - student relief payments | 88,171 | 115,582 |
| Higher education emergency relief fund - institutional funding to West Plains R-VII | 210,041 | 60,759 |
| Student fees refunded to students | 292 | 4,099 |
| Administrative cost allowances disbursed to West Plains R-VII | 275 | 380 |
| | 930,467 | 883,686 |
| Total additions | 930,467 | 883,686 |
| Change in net position | | |
| | - | - |
| Net position, beginning of year | | |
| | - | - |
| Net position, end of year | | |
| | \$ - | - |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies

A. Principles Used to Determine Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships. Based upon the application of these criteria, there were no component units included in the District's reporting entity.

B. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Fiduciary fund financial statements consist of a statements of net position and statement of activities to report trust or agency transactions.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements report the non-fiduciary activities of the District that are governmental (i.e. generally supported by taxes and intergovernmental revenues). Fiduciary funds, if any, are not included in the government-wide financial statements.

The statement of net position presents the financial position of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and the remaining revenues that are not directly associated with specific programs. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

Governmental Fund Financial Statements - The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a single column. Fiduciary funds, if any, are reported in separate statements, by type of activity.

Governmental Funds - Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - Accounts for general activities of the District not accounted for in other specific funds.

Special Revenue 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 salaries and certain benefits.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on general obligation long-term debt. The debt service fund was inactive for 2021 and 2020.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (continued)

Capital Projects Fund - Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets and other capital outlay purchases required by law or the State of Missouri Department of Elementary and Secondary Education ("DESE") regulations to be reported in the Capital Projects Fund.

Fiduciary Fund Financial Statements - The District utilizes fund accounting to report assets held in a trustee or agency capacity for others. These funds are not incorporated into the government-wide financial statements. During 2021 and 2020, the District's fiduciary funds consist of its Financial Aid Fund.

C. Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles.

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue, the presentation of expenses versus expenditures, the recording of capital assets, the recognition of depreciation and the recording of long-term liabilities. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Property taxes, state and federal grants and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Expenditures are recorded when the liability is incurred, except for compensated absences and interest on long-term debt which are recorded when normally expected to be liquidated with expendable available financial resources. Proceeds from issuance of long-term debt are recognized when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized. Net pension liabilities and deferred outflows and inflows of resources are not recorded.

The fiduciary fund financial statements are prepared using a flow of current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when received and expenditures are recorded when paid.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenues from property taxes are recognized in the period for which the taxes are levied. Revenues from grants, entitlements and donations are recognized when all eligibility requirements imposed by the provider have been satisfied. Eligibility requirements include timing requirements (which specify the year the resources are required to be used or the year when use is first permitted), matching requirements and expenditure requirements when the resources are provided to the District on a reimbursement basis. Under the modified accrual basis of accounting, revenue from nonexchange transactions must also be available before it can be recognized.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 2) The superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on 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) 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 budgetary comparison schedules included in the financial statements. Budgeted amounts are presented both as originally adopted and as finally amended by the Board of Education. Expenditures of a particular fund may not legally exceed the budgeted expenditures for that fund.
- 6) Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when received and expenditures when paid. The actual results of operations presented in the budgetary comparison schedules are presented in accordance with the budget basis to provide a meaningful comparison of actual results with the budget.

E. Cash and Temporary Investments

Cash resources of the individual funds, except the Debt Service Fund, 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 is allocated to contributing funds based on cash and temporary investment balances. The Debt Service Fund cash is statutorily required to be maintained in a separate set of cash and temporary investment accounts.

F. Property Taxes and Other Revenues

Property tax revenue is recognized in the fiscal year for which the taxes have been levied and become available. Property tax revenues are considered available when they become due or past due and receivable within the current period and collected within the current period or expected to be collected within sixty days after year end.

Federal and state grant aid is reported as revenue when the reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

G. Inventories

Inventories are valued at cost and consist of available food supplies. Reported inventories are equally offset by a fund balance designation which indicates they are unavailable for appropriation.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (continued)

H. Capital Assets

In the Government-Wide Financial Statements, capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are recorded at their estimated fair value as of the date received. Land is not depreciated, and other capital assets are depreciated over their useful lives of 5 to 40 years, using the straight-line method.

I. Vacation and Sick Leave

Certificated and non-certificated employees receive 10 sick days annually and the unused portion is accumulated and carried forward. In the Government-Wide Financial Statements, sick leave is accrued at year end, and upon termination, employees receive any accumulated sick leave pay. Accrued sick leave amounted to \$478,885 and \$503,580 at June 30, 2021 and 2020, respectively.

J. Subsequent Events

Subsequent events have been evaluated through December 10, 2021, which is the audit report date. The District's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the District's financial position, operations, and cash flows in 2021-2022. Possible effects may include, but are not limited to disruption to the District's revenue, absenteeism and reductions in force, unavailability of products and supplies used in operations, and a decline in value of assets held by the District.

K. Interfund Transfers

Annually, the District makes transfers between funds to cover disbursements and build fund balances as allowed by DESE and state law.

L. Pension Plans

The District is required by state law to participate in the Public School Retirement System of Missouri and the Public Education Employees Retirement System of Missouri retirement plans. Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS) 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*.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by PSRS and PEERS. The PSRS and PEERS financial statements were prepared using the accrual basis of accounting. The fiduciary net position would be reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense and have been recorded in the District's Government-wide accrual basis financial statements.

M. Fund Balance Classification

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. Proprietary fund equity, if any, is classified the same as in the government-wide statements.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The District has determined that when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds are to be spent first, assigned funds second, and unassigned funds last.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (continued)

The classifications used in the governmental fund financial statements are as follows:

Non-spendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaid) or that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority. Formal action by the Board to commit funds must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in the category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Note 2: Cash and Investments

The District maintains a cash and temporary cash investment pool that is available for use by all funds, except the Debt Service Fund, which is required by statute to be kept separate. Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet as "Cash" under each fund's caption. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Investments - The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase, (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law, (3) bankers' acceptances, and (4) commercial paper.

The District has not invested in any securities at June 30, 2021 and 2020. At June 30, 2021, the District had bank balances of \$13,136,791 which were covered by federal depository insurance and by collateral held at the District's safekeeping bank agent, in the District's name. The District had the following investments held by fiscal agents as of June 30, 2021 and 2020:

| Type of investment | Fair Value | Maturity < 1 Year | Maturity 1-5 Years |
|---|------------------|----------------------|-----------------------|
| <u>June 30, 2021</u> | | | |
| External investment pools: | | | |
| Federated Government Obligation Fund #703 held at UMB Bank, N.A. | \$ 45,158 | 45,158 | - |
| | <u>\$ 45,158</u> | <u>45,158</u> | <u>-</u> |
| <u>June 30, 2020</u> | | | |
| External investment pools: | | | |
| Federated Government Obligation Fund #703 held at UMB Bank, N.A. | \$ 45,944 | 45,944 | - |
| | <u>\$ 45,944</u> | <u>45,944</u> | <u>-</u> |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 2: Cash and Investments (continued)

Interest Rate Risk: The District's investment policy structures its portfolio so that certificates of deposit and other investments mature to meet cash requirements for operations to avoid redeeming investments at a pre-maturity or open market loss. Consequently, the District invests its operating funds in short-term securities.

Credit Risk: The District reduces its credit risk due to the failure of the security issuer or backer by pre-qualifying the financial institutions and intermediaries with which the District will do business and by diversifying the portfolio so that potential loss will be minimized. The District obtains adequate collateralization as to bank depositories and investing in external investment pools that comply with Missouri state law.

Custodial Credit Risk: To minimize custodial credit risk, the District requires investments be perfected in the name of or for the District and if necessary, held by third-party custodians with appropriate safekeeping receipts.

Concentration of Credit Risk: The District's investment policy mandates diversification of the investment portfolio to avoid concentration of assets in specific maturity, specific issuer or specific class of securities. To avoid concentration, the District restricts its investments to short-term bank depositories and external investment pools which manage their investment portfolios in accordance with Missouri state law and State Treasurer guidelines for Missouri school districts.

Note 3: Taxes

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

The assessed valuation of the tangible property for the calendar years 2020 and 2019 for purposes of local taxation was \$165,930,816 and \$164,410,583, respectively.

The tax levies per \$100 of the assessed valuation of taxable property for the calendar years of 2020 and 2019 for purpose of local taxation were:

| | 2020 | | 2019 | |
|-----------------------|-------------------|-----------------|-------------------|-----------------|
| | <u>Unadjusted</u> | <u>Adjusted</u> | <u>Unadjusted</u> | <u>Adjusted</u> |
| General Fund | \$ 3.4850 | 3.4850 | 3.4659 | 3.4659 |
| Capital Projects Fund | 0.3500 | 0.3500 | 0.3500 | 0.3500 |
| Total | \$ 3.8350 | 3.8350 | 3.8159 | 3.8159 |

The receipts of current and delinquent property taxes during the fiscal years ended June 30, 2021 and 2020, aggregated approximately 100.0% and 98.3%, respectively, of the current assessment computed on the basis of the levy as shown above.

In October 2005, The City of West Plains adopted the Redevelopment Plan for the South U.S. Highway 160 Tax Increment Finance Redevelopment Area #2 (Plan #2) to assist the city in the planned, comprehensive development and redevelopment of the southwestern area of the city. The Plan requires the affected taxing districts (including West Plains R-VII School District) to relinquish 50% of the increase in real estate taxes over the 2005 base year assessed valuation of real property located with in the redevelopment area. The amounts not received by the District for 2021 and 2020 amounted to \$1,305 and \$1,270 respectively. The tax abatement plan is scheduled to expire in 2028.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 3: Taxes (continued)

In November 2006, The City of West Plains adopted the Redevelopment Plan for the U.S. Highway 63 Tax Increment Finance Redevelopment Area #3 (Plan #3) to assist the city in the planned, comprehensive development and redevelopment of the southwestern area of the city. The Plan requires the affected taxing districts (including West Plains R-VII School District) to relinquish 50% of the increase in real estate taxes over the 2006 base year assessed valuation of real property located with in the redevelopment area. The amounts not received by the District for 2021 and 2020 amounted to \$13,772 and \$7,156, respectively. The tax abatement plan is scheduled to expire in 2029.

Note 4: Contingencies

From time to time, the District is a defendant in various lawsuits and/or arbitration claims. Although the outcome of such cases of action are not presently determinable, in the opinion of the District's management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 5: Capital Assets and Accumulated Depreciation

A summary of changes in capital assets for the years ended June 30, 2021 and 2020 follows:

| | Balances | | | Balances | | | Balances |
|--|----------------------|------------------|---------------|-------------------|----------------|-----------|-------------------|
| | July 1, 2020 | Additions | Deletions | June 30, 2020 | Additions | Deletions | June 30, 2021 |
| Land | \$ 693,883 | - | - | 693,883 | 15,000 | - | 708,883 |
| Buildings | 36,454,949 | 3,669,935 | - | 40,124,884 | 342,715 | - | 40,467,599 |
| Furniture, Equipment, and vehicles | 7,217,325 | 560,907 | 18,990 | 7,759,242 | 384,916 | - | 8,144,158 |
| | <u>\$ 44,366,157</u> | <u>4,230,842</u> | <u>18,990</u> | <u>48,578,009</u> | <u>742,631</u> | <u>-</u> | <u>49,320,640</u> |

A summary of changes in accumulated depreciation for the years ended June 30, 2021 and 2020 follows:

| | Balances | | | Balances | | | Balances |
|--|----------------------|------------------|---------------|-------------------|------------------|-----------|-------------------|
| | July 1, 2020 | Additions | Deletions | June 30, 2020 | Additions | Deletions | June 30, 2021 |
| Buildings | \$ 17,215,503 | 978,408 | - | 18,193,911 | 1,029,007 | - | 19,222,918 |
| Furniture, Equipment, and vehicles | 5,223,171 | 543,645 | 18,990 | 5,747,826 | 560,239 | - | 6,308,065 |
| | <u>\$ 22,438,674</u> | <u>1,522,053</u> | <u>18,990</u> | <u>23,941,737</u> | <u>1,589,246</u> | <u>-</u> | <u>25,530,983</u> |

A summary of the allocation of depreciation by activity for the years ended June 30, 2021 and 2020 follows:

| | 2021 | 2020 |
|------------------------|---------------------|------------------|
| Instruction | \$ 168,388 | 164,933 |
| Student activities | 113,091 | 102,486 |
| Vocational instruction | 75,177 | 53,954 |
| General administration | 21,002 | 18,067 |
| Operation of plant | 971,176 | 924,641 |
| Transportation | 209,016 | 222,510 |
| Other transportation | 24,072 | 24,072 |
| Food service | 7,324 | 11,390 |
| | <u>\$ 1,589,246</u> | <u>1,522,053</u> |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 6: Long-term Debt

Capital leases

During July 2012, the District issued the Series 2012 lease certificates in the principal amount of \$1,522,000 to provide funds for the remodeling and improvement of the career center. These lease certificates are payable in varying amounts through 2022 and bear interest at varying rates from 1.07% to 3.07%.

During 2013, the District issued the Series 2013 lease refunding certificates in the principal amount of \$5,780,000. The proceeds of these certificates were used to retire previously issued lease certificates, fund additional capital improvements and pay \$109,399 of costs of issuing the refunding certificates. These lease certificates are payable in varying amounts through 2022 and bear interest varying from 0.57% to 2.6%.

On July 8, 2014, the District issued the Series 2015 school bus lease certificates in the principal amount of \$745,332. The proceeds of these certificates were used to purchase nine school buses for use by the District and pay \$2,800 of costs of issuing the certificates. These lease certificates are payable in varying amounts through 2022 and bear interest at 2.15%. These lease certificates were paid in full in 2021.

On July 16, 2014, the District issued the Series 2015 lease certificates in the principal amount of \$825,000. The proceeds of these certificates were used to fund additional capital improvements and pay \$24,713 of costs of issuing the certificates. These lease certificates are payable in varying amounts in 2023-2024 and bear interest at 3.25%.

On July 1, 2017, the District issued the Series 2017 school bus lease certificates in the principal amount of \$720,739. The proceeds of these certificates were used to purchase eight school buses for use by the District. These lease certificates are payable in \$112,768 annual installments through July 2023 and bear interest at 3.10%.

On June 10, 2019, the District issued the Series 2019 lease certificates in the principal amount of \$4,000,000. The proceeds of these certificates are used to fund additional capital improvements. These lease certificates are payable in varying amounts through 2039 and bear interest varying from 3.0% to 3.3%.

The above leases qualify as capital leases for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception. The improvements associated with these projects have been capitalized as capital assets, and unexpended funds of \$45,158 and \$45,944 are held in escrow at UMB Bank, N.A. as of June 30, 2021 and 2020, respectively.

The following is a summary of capital lease and promissory note transactions for the years ended June 30, 2021 and 2020:

| | <u>Series 2012</u> | <u>Series 2013</u> | <u>2015 Bus</u> | <u>Series 2015</u> |
|---------------------------------------|--------------------|----------------------------|--------------------|--------------------|
| Capital leases payable, July 1, 2019 | \$ 485,000 | 1,940,000 | 165,514 | 825,000 |
| Principal payments | <u>(160,000)</u> | <u>(675,000)</u> | <u>(109,596)</u> | <u>-</u> |
| Capital leases payable, June 30, 2020 | 325,000 | 1,265,000 | 55,918 | 825,000 |
| Principal payments | <u>(160,000)</u> | <u>(630,000)</u> | <u>(55,918)</u> | <u>-</u> |
| Capital leases payable, June 30, 2021 | <u>\$ 165,000</u> | <u>635,000</u> | <u>-</u> | <u>825,000</u> |
| | | <u>Series 2017 Bus</u> | <u>Series 2019</u> | <u>Total</u> |
| Capital leases payable, July 1, 2019 | | \$ 514,321 | 4,000,000 | 7,929,835 |
| Principal payments | | <u>(96,595)</u> | <u>-</u> | <u>(1,041,191)</u> |
| Capital leases payable, June 30, 2020 | | 417,726 | 4,000,000 | 6,888,644 |
| Principal payments | | <u>(99,633)</u> | <u>-</u> | <u>(945,551)</u> |
| Capital leases payable, June 30, 2021 | | <u>\$ 318,093</u> | <u>4,000,000</u> | <u>5,943,093</u> |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 6: Long-term Debt (continued)

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

| Fiscal Year Ending June 30: | Series 2012 | | Series 2013 | | Series 2015 | | | Series 2017 Bus | | Series 2019 | | Total |
|------------------------------------|-------------------|---------------|----------------|---------------|-------------|----------|------------------|-----------------|------------------|------------------|---|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| 2022 | \$ 165,000 | 5,065 | 635,000 | 16,510 | - | - | - | - | - | - | - | 1,085,776 |
| | <u>\$ 165,000</u> | <u>5,065</u> | <u>635,000</u> | <u>16,510</u> | | | | | | | | |
| 2023 | 405,000 | 26,812 | 105,997 | 6,771 | - | - | - | - | - | - | - | 669,200 |
| 2024 | 420,000 | 13,650 | 109,330 | 3,438 | - | - | - | - | - | - | - | 671,038 |
| 2025 | - | - | - | - | - | - | 215,000 | - | 215,000 | 124,620 | - | 339,620 |
| 2026 | - | - | - | - | - | - | 220,000 | - | 220,000 | 118,170 | - | 338,170 |
| 2027 - 2031 | - | - | - | - | - | - | 1,210,000 | - | 1,210,000 | 487,200 | - | 1,697,200 |
| 2032 - 2036 | - | - | - | - | - | - | 1,405,000 | - | 1,405,000 | 293,880 | - | 1,698,880 |
| 2037 - 2039 | - | - | - | - | - | - | 950,000 | - | 950,000 | 63,525 | - | 1,013,525 |
| | <u>\$ 825,000</u> | <u>67,275</u> | <u>318,093</u> | <u>20,211</u> | | | <u>4,000,000</u> | | <u>4,000,000</u> | <u>1,461,255</u> | | <u>7,513,409</u> |
| Less amounts representing interest | | | | | | | | | | | | <u>(1,570,316)</u> |
| Net Lease Payments | | | | | | | | | | | | <u>\$ 5,943,093</u> |

Article VI, Section 26 (b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to 15 percent of the assessed valuation of the District (including state-assessed railroad and utilities). The legal debt margin (computed excluding state-assessed railroad and utility) of the District at June 30, 2021 was:

| | |
|---|----------------------|
| Constitutional debt limit | \$ 24,889,622 |
| General obligation bonds payable | - |
| Amount in Debt Service Fund available for payment of principal - balance sheet | <u>-</u> |
| Legal debt margin | <u>\$ 24,889,622</u> |

At June 30, 2021, the District was in compliance with the above article of the Constitution of Missouri.

Note 7: Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; natural disasters, and employee injuries and/or illnesses. The District has transferred its risk by obtaining coverage with commercial insurance companies. There has been no significant reduction in insurance coverage from the prior year.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 8: Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District had the following recurring fair value measurements:

| | Fair Value Measurement Using | | | Total |
|---|---|--|---|--------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Investment in external investment pool: | | | | |
| <u>June 30, 2021</u> | | | | |
| Held at UMB Bank, N.A. | | | | |
| Federated Government Obligation Fund #703 | \$ 45,158 | - | - | 45,158 |
| Investment in external investment pool: | | | | |
| <u>June 30, 2020</u> | | | | |
| Held at UMB Bank, N.A. | | | | |
| Federated Government Obligation Fund #703 | \$ 45,944 | - | - | 45,944 |

Note 9: Healthcare and Other Post-Employment Benefits

Plan Description. The West Plains R-VII School District provides its Healthcare Plan annually through its single employer defined contribution plan, including available health care coverage for the District's retired employees, if so elected. The Plan provides health care coverage for certain persons (and their dependents) who are currently employed or retired from the school district. Current employees' premiums are funded via a combination of payroll contributions from such employees and District contributions. Retiree premiums are generally funded solely via retiree contributions.

Funding Policy. Contribution requirements under the pay-as-you-go plans were actuarially determined each fiscal year ended June 30 by independent health care insurance providers chosen by the District during a formal bidding process. Monthly contribution rates vary depending upon coverage elected for employees and/or their family.

| | 2021 | 2020 | 2019 |
|---|---------------------|------------------|------------------|
| Insurance provider | MEUHP | MEUHP | MEUHP |
| <u>Employee coverage</u> | | | |
| Monthly healthcare contribution rates ranged as follows: | \$480 to \$2,769 | \$416 to \$2,347 | \$366 to \$2,105 |
| Healthcare costs for current employees and dependents is summarized as follows: | | | |
| Employee paid contributions | \$ 591,343 | 672,529 | 397,590 |
| District paid contributions | 1,568,675 | 1,732,723 | 1,546,202 |
| Total employee healthcare costs | <u>\$ 2,160,018</u> | <u>2,405,252</u> | <u>1,943,792</u> |
| <u>Retiree coverage</u> | | | |
| Number of retirees electing coverage | <u>28</u> | <u>39</u> | <u>49</u> |
| Monthly healthcare contribution rates ranged as follows: | \$480 to \$2,769 | \$416 to \$2,772 | \$366 to \$2,105 |
| Healthcare costs for retired employees and dependents is summarized as follows: | | | |
| Retired employee paid contributions | \$ 227,137 | 294,324 | 303,646 |
| District paid contributions | - | - | - |
| Total retiree healthcare costs | <u>\$ 227,137</u> | <u>294,324</u> | <u>303,646</u> |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans

General Information

Introduction. The following information is derived from the audited financial statements of PSRS and PEERS, which can be obtained at www.psr-peers.org. The information presented applies to both PSRS and PEERS unless otherwise indicated.

PSRS Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS members required to contribute to Social Security come under the requirements of Section 169.070(9) RSMo, known as the "2/3's 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.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/ survivor benefits. Members are vested for retirement benefits after accruing five years of service. Individuals who (a) are at least 60 years of age and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is 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 payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary for fiscal years 2019-2021. 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 for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions remitted to PSRS were \$1,904,685, \$1,842,936, and \$1,833,317 for the years ended June 30, 2021, 2020, and 2019, respectively.

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

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Benefits Provided. PEERS is a defined benefit plan providing retirement and disability benefits to its members. Members are vested for retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 years of age 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 .8% benefit multiplier until reaching minimum Social Security age (currently 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than 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 payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019-2021. Employers were required to match the contributions made by the employee. 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 remitted to PEERS were \$314,430, \$302,762, and \$301,774 for the years ended June 30, 2021, 2020 and 2019, respectively.

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 the 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.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

PSRS: At June 30, 2021, the District had a liability of \$22,755,465 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$1,844,666 paid to PSRS for the year ended June 30, 2020 relative to the actual contributions of \$723,970,206 from all participating employers. At June 30, 2020, the District proportionate share was 0.2548%.

For the year ended June 30, 2021, the District recognized pension expense of \$3,457,067 for PSRS, its proportionate share of the net pension expense.

At June 30, 2021, the District had deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS pension benefits:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Balance of Deferred Outflows and Inflows Due to: | | |
| Differences between expected and actual experience | \$ 370,926 | 932,930 |
| Changes of assumptions | 1,869,326 | - |
| Net difference between projected and actual earnings on pension plan investments | 3,597,672 | 1,150,265 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 157,988 | 362,539 |
| Employer contributions subsequent to the measurement date | 1,904,685 | - |
| | \$ 7,900,597 | 2,445,734 |

The District had \$1,904,685 as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2020 that will be recognized as a reduction to the District's net pension liability in the year ended June 30, 2021. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

| Year Ending June 30: | |
|----------------------|--------------|
| 2022 | \$ 449,757 |
| 2023 | 1,300,829 |
| 2024 | 1,126,383 |
| 2025 | 682,521 |
| 2026 | (9,312) |
| Thereafter | - |
| | \$ 3,550,178 |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

PEERS: At June 30, 2021, the District had a liability of \$2,416,688 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$307,381 paid to PEERS for the year ended June 30, 2020 relative to the actual contributions of \$123,440,288 from all participating employers. At June 30, 2020, the District's proportionate share was 0.2490%.

For the year ended June 30, 2021, the District recognized pension expense of \$504,743 for PEERS, its proportionate share of the net pension expense.

At June 30, 2021, the District had deferred outflows of resources and deferred inflows of resources from the following sources related to PEERS pension benefits:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Balance of Deferred Outflows and Inflows Due to: | | |
| Differences between expected and actual experience | \$ - | 36,088 |
| Changes of assumptions | 24,618 | - |
| Net difference between projected and actual earnings on pension plan investments | 435,263 | 132,959 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 31,657 | 22,374 |
| Employer contributions subsequent to the measurement date | 314,430 | - |
| | \$ 805,968 | 191,421 |

The District had \$314,430 as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2020 that will be recognized as a reduction to the District's net pension liability in the year ended June 30, 2021. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

| Year Ending June 30: | |
|----------------------|------------|
| 2022 | \$ 16,032 |
| 2023 | 80,449 |
| 2024 | 108,124 |
| 2025 | 95,513 |
| 2026 | - |
| Thereafter | - |
| | \$ 300,118 |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Actuarial Assumptions:

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net position liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individual represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs the most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with June 30, 2016 valuation. For June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.6% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information please refer to the System's Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021.

Significant actuarial assumptions and other inputs used to measure total pension liability:

| | |
|--------------------------------|--|
| Measurement date | June 30, 2020 |
| Valuation date | June 30, 2020 |
| Expected return on investments | 7.50% net of investment expenses and including 2.25% inflation |
| Inflation | 2.25% |
| Total payroll growth | <p>PSRS: 2.75% per annum, consisting of 2.25% inflation, 0.25% additional inflation due to inclusion of health care costs in pension earnings, and 0.25% for real wage growth due to productivity.</p> <p>PEERS: 3.25% per annum, consisting of 2.25% inflation, 0.50% additional inflation due to inclusion of health care costs in pension earnings, and 0.50% for real wage growth due to productivity.</p> |
| Future salary increases | <p>PSRS: 3.00% - 9.50% depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.25% to 6.75%.</p> <p>PEERS: 4.00% - 11.00% depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.75% to 7.75%.</p> <p>Cost of living increases The annual (COLA) assumed in the valuation increases from 1.35% to 1.65% over nine years, beginning January 1, 2022. The COLA reflected for January 1, 2021 is 2.00% in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the board to grant a COLA on each January 1 as discussed on page 29 under the heading <i>Cost-of-living adjustments</i>.</p> |

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Actuarial Assumptions (Continued):

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

Mortality assumptions:

Actives

PSRS: RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

PEERS: RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

Nondisabled retirees,
beneficiaries and survivors

PSRS: RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

PEERS: RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Disabled retirees

RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in actuarial assumptions:

PSRS & PEERS

There has been no assumption changes since June 30, 2018 valuation.

Fiduciary net position

PSRS and PEERS issues a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Actuarial Assumptions (Continued):

Significant actuarial assumptions and other inputs used to measure total pension liability (continued):

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below along with the long term geometric return.

| Asset Class | Target Asset Allocation | Long-term Expected Real Return Arithmetic Basis |
|------------------------|-------------------------|---|
| U.S. Public Entity | 23.0% | 4.81% |
| Public Credit | 0.0% | 0.80% |
| Hedged Assets | 6.0% | 2.39% |
| Non-U.S. Public Equity | 16.0% | 6.88% |
| U.S. Treasuries | 20.0% | -0.02% |
| U.S. TIPS | 0.0% | 0.29% |
| Private Credit | 8.0% | 5.61% |
| Private Equity | 16.0% | 10.9% |
| Private Real Estate | 11.0% | 7.47% |
| Total | 100.0% | |

Discount rate

The long-term expected rate of return used to measure the total pension liability was 7.50% as of June, 30, 2020, and is consistent with the longterm expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.60% effective with the June 30, 2017 valuation, and to 7.5% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2021 and 2020

Note 10: Pension Plans (continued)

Actuarial Assumptions (continued)

Discount rate sensitivity

The sensitivity of the District's net pension liabilities to changes in the discount rate is presented below. The District's net pension liabilities calculated using the discount rate of 7.50% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

| Discount Rate | 1% Decrease (6.50%) | Current Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------|------------------------|
| Proportionate share of the net pension liability | | | |
| PSRS | \$ 38,614,806 | 22,755,465 | 4,258,902 |
| PEERS | 9,566,390 | 2,416,688 | 870,957 |
| Totals | <u>\$ 48,181,196</u> | <u>25,172,153</u> | <u>5,129,859</u> |

REQUIRED SUPPLEMENTARY INFORMATION

WEST PLAINS R-VII SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2021

| | Original Budget | Final Budget | Actual | Final Budget to Actual Variance |
|---------------------------------|---------------------|-------------------|-------------------|---------------------------------------|
| Revenues: | | | | |
| Local | \$ 9,422,313 | 8,981,700 | 8,981,700 | - |
| County | 235,000 | 253,921 | 253,921 | - |
| State | 2,605,623 | 2,894,597 | 2,894,597 | - |
| Federal | 2,948,295 | 5,284,551 | 5,284,551 | - |
| Receipts other districts | - | 253,962 | 253,962 | - |
| Total Revenues | 15,211,231 | 17,668,731 | 17,668,731 | - |
| Expenditures: | | | | |
| General instruction | 2,593,038 | 3,013,649 | 3,013,649 | - |
| Vocational instruction | 244,313 | 238,105 | 238,105 | - |
| Student activities | 1,194,351 | 1,044,767 | 1,044,767 | - |
| Attendance and guidance | 216,347 | 270,393 | 270,393 | - |
| Health services | 535,197 | 374,465 | 374,465 | - |
| Improvement of instruction | 81,799 | 92,953 | 92,953 | - |
| Professional development | 91,879 | 71,484 | 71,484 | - |
| Media services | 85,019 | 98,986 | 98,986 | - |
| General administration | 1,340,246 | 751,738 | 751,738 | - |
| Building level administration | 450,000 | 394,038 | 394,038 | - |
| Fiscal services | 239,875 | 237,198 | 237,198 | - |
| Operation of plant | 2,091,469 | 2,591,440 | 2,591,440 | - |
| Security services | 244,278 | 222,946 | 222,946 | - |
| Pupil transportation | 533,046 | 801,648 | 801,648 | - |
| Other transportation | - | 8,288 | 8,288 | - |
| Food services | 1,079,892 | 979,446 | 979,446 | - |
| Other support services | 184,598 | 183,722 | 183,722 | - |
| Adult education | 376,269 | 537,429 | 537,429 | - |
| Community services | 137,861 | 112,173 | 112,173 | - |
| Total Expenditures | 11,719,477 | 12,024,868 | 12,024,868 | - |
| Revenues over expenditures | 3,491,754 | 5,643,863 | 5,643,863 | - |
| Other financing (uses): | | | | |
| Transfers | (3,751,132) | (1,215,169) | (1,215,169) | - |
| Fund balance, beginning of year | 5,372,282 | 5,372,282 | 5,372,282 | - |
| Fund balance, end of year | \$ 5,112,904 | 9,800,976 | 9,800,976 | - |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Budgetary Comparison Schedule

Special Revenue Fund

For the Year Ended June 30, 2021

| | Original Budget | Final Budget | Actual | Final Budget to Actual Variance |
|---------------------------------|--------------------|-------------------|-------------------|---------------------------------------|
| Revenues: | | | | |
| Local | \$ 881,517 | 929,133 | 929,133 | - |
| County | 95,000 | 79,328 | 79,328 | - |
| State | 6,989,045 | 7,721,476 | 7,721,476 | - |
| Federal | 1,247,392 | 4,093,393 | 4,093,393 | - |
| Receipts other districts | 4,029,940 | 3,904,525 | 3,904,525 | - |
| Total Revenues | <u>13,242,894</u> | <u>16,727,855</u> | <u>16,727,855</u> | <u>-</u> |
| Expenditures: | | | | |
| General instruction | 10,671,002 | 10,526,882 | 10,526,882 | - |
| Vocational instruction | 1,164,917 | 1,096,966 | 1,096,966 | - |
| Student activities | 335,868 | 329,694 | 329,694 | - |
| Attendance and guidance | 730,742 | 731,783 | 731,783 | - |
| Health services | 760,809 | 771,282 | 771,282 | - |
| Improvement of instruction | 269,590 | 280,467 | 280,467 | - |
| Professional development | 2,319 | 4,112 | 4,112 | - |
| Media services | 237,536 | 237,264 | 237,264 | - |
| General administration | 593,158 | 603,051 | 603,051 | - |
| Building level administration | 1,225,272 | 1,130,470 | 1,130,470 | - |
| Fiscal services | 279,967 | 180,051 | 180,051 | - |
| Other support services | 132,587 | 132,422 | 132,422 | - |
| Adult education | 470,557 | 584,701 | 584,701 | - |
| Community services | 119,702 | 118,710 | 118,710 | - |
| Total Expenditures | <u>16,994,026</u> | <u>16,727,855</u> | <u>16,727,855</u> | <u>-</u> |
| Expenditures over revenues | (3,751,132) | - | - | - |
| Other financing sources: | | | | |
| Transfers | 3,751,132 | - | - | - |
| Fund balance, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ -</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (PSRS)
and Schedule of Employer Contributions
June 30, 2021 and 2020

| District Fiscal 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 |
|-----------------------------|---|--|-------------------------------|--|---|
| 6/30/14 | 0.2668% | \$ 10,945,671 | 11,899,710 | 91.98% | 89.30% |
| 6/30/15 | 0.2636% | 15,217,259 | 12,002,975 | 126.78% | 85.78% |
| 6/30/16 | 0.2605% | 19,382,890 | 12,103,656 | 160.14% | 82.18% |
| 6/30/17 | 0.2563% | 18,508,769 | 12,151,567 | 152.32% | 83.77% |
| 6/30/18 | 0.2534% | 18,859,185 | 12,256,062 | 153.88% | 84.06% |
| 6/30/19 | 0.2573% | 18,988,921 | 12,655,490 | 150.04% | 84.62% |
| 6/30/20 | 0.2548% | 22,755,465 | 12,748,415 | 178.50% | 82.01% |

| PSRS Fiscal Year Ended | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess/ (Deficiency) | Actual Covered Member Payroll | Contributions as a percentage of covered payroll |
|------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|--|
| 6/30/2013 | \$ 1,713,130 | 1,713,130 | - | 11,885,179 | 14.41% |
| 6/30/2014 | 1,717,903 | 1,717,903 | - | 11,899,710 | 14.44% |
| 6/30/2015 | 1,730,990 | 1,730,990 | - | 12,002,975 | 14.42% |
| 6/30/2016 | 1,745,214 | 1,745,214 | - | 12,103,656 | 14.42% |
| 6/30/2017 | 1,753,240 | 1,753,240 | - | 12,151,567 | 14.43% |
| 6/30/2018 | 1,766,924 | 1,766,924 | - | 12,256,062 | 14.42% |
| 6/30/2019 | 1,831,653 | 1,831,653 | - | 12,655,490 | 14.47% |
| 6/30/2020 | 1,844,666 | 1,844,666 | - | 12,748,415 | 14.47% |

Note: These schedules are 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.

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (PEERS)
and Schedule of Employer Contributions
June 30, 2021 and 2020

| District Fiscal 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 |
|-----------------------------|---|--|-------------------------------|--|---|
| 6/30/14 | 0.2687% | \$ 981,201 | 3,918,739 | 25.04% | 91.33% |
| 6/30/15 | 0.2499% | 1,321,736 | 3,747,702 | 35.27% | 88.28% |
| 6/30/16 | 0.2456% | 1,970,535 | 3,793,068 | 51.95% | 83.32% |
| 6/30/17 | 0.2450% | 1,869,230 | 3,936,645 | 47.48% | 85.35% |
| 6/30/18 | 0.2412% | 1,863,782 | 4,013,682 | 46.44% | 86.06% |
| 6/30/19 | 0.2524% | 1,996,386 | 4,313,291 | 46.28% | 86.38% |
| 6/30/20 | 0.2490% | 2,416,688 | 4,413,452 | 54.76% | 84.06% |

| PEERS Fiscal Year Ended | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess/ (Deficiency) | Actual Covered Member Payroll | Contributions as a percentage of covered payroll |
|-------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|--|
| 6/30/2013 | \$ 270,590 | 270,590 | - | 3,920,983 | 6.90% |
| 6/30/2014 | 268,825 | 268,825 | - | 3,918,739 | 6.86% |
| 6/30/2015 | 257,092 | 257,092 | - | 3,747,702 | 6.86% |
| 6/30/2016 | 260,204 | 260,204 | - | 3,793,068 | 6.86% |
| 6/30/2017 | 270,054 | 270,054 | - | 3,936,645 | 6.86% |
| 6/30/2018 | 275,339 | 275,339 | - | 4,013,682 | 6.86% |
| 6/30/2019 | 300,517 | 300,517 | - | 4,313,291 | 6.97% |
| 6/30/2020 | 307,381 | 307,381 | - | 4,413,452 | 6.96% |

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

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

OTHER SUPPLEMENTARY INFORMATION

WEST PLAINS R-VII SCHOOL DISTRICT

Budgetary Comparison Schedule

Capital Projects Fund

For the Year Ended June 30, 2021

| | Original Budget | Final Budget | Actual | Final Budget to Actual Variance |
|---------------------------------------|----------------------------|-------------------------|-------------------------|---------------------------------------|
| Revenues: | | | | |
| Local | \$ 591,448 | 1,028,244 | 1,028,244 | - |
| County | - | 15,812 | 15,812 | - |
| State | 846,535 | 760,268 | 760,268 | - |
| Federal | 43,625 | 49,888 | 49,888 | - |
| Other | - | 2,752 | 2,752 | - |
| Total Revenues | <u>1,481,608</u> | <u>1,856,964</u> | <u>1,856,964</u> | <u>-</u> |
| Expenditures: | | | | |
| General instruction | 12,476 | 9,847 | 9,847 | - |
| Vocational instruction | 210,115 | 163,436 | 163,436 | - |
| Student activities | 19,611 | 19,611 | 19,611 | - |
| General administration | 182,000 | 52,440 | 52,440 | - |
| Operation of plant | 38,000 | 135,693 | 135,693 | - |
| Pupil transportation | 216,384 | 155,551 | 155,551 | - |
| Other transportation | 25,000 | - | - | - |
| Food services | 10,000 | 5,082 | 5,082 | - |
| Adult education | 10,000 | 34,165 | 34,165 | - |
| Community services | 200 | - | - | - |
| Facility acquisition and construction | 1,184,646 | 1,217,335 | 1,217,335 | - |
| Capital lease payments: | | | | |
| Interest | 218,077 | 205,073 | 205,073 | - |
| Other fees | 12,200 | 6,360 | 6,360 | - |
| Total Expenditures | <u>2,138,709</u> | <u>2,004,593</u> | <u>2,004,593</u> | <u>-</u> |
| Expenditures over revenues | (657,101) | (147,629) | (147,629) | - |
| Other financing sources: | | | | |
| Transfers | - | 1,215,169 | 1,215,169 | - |
| Fund balance, beginning of year | <u>1,703,191</u> | <u>1,703,191</u> | <u>1,703,191</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 1,046,090</u></u> | <u><u>2,770,731</u></u> | <u><u>2,770,731</u></u> | <u><u>-</u></u> |

The accompanying notes are an integral part of these financial statements.

WEST PLAINS R-VII SCHOOL DISTRICT

Schedules of Revenues Collected by Source - Per Annual Secretary of Board Report (ASBR) - Governmental Funds
Years ended June 30, 2021 and 2020

| | General Fund | Special Revenue Fund | Capital Projects Fund | 2021 Totals | 2020 Totals |
|--------------------------------------|---------------------|----------------------------|-----------------------------|-------------------|-------------------|
| LOCAL: | | | | | |
| Current taxes | \$ 5,370,620 | - | 539,473 | 5,910,093 | 5,780,223 |
| Delinquent taxes | 415,648 | - | 36,829 | 452,477 | 388,764 |
| School district trust fund (Prop C) | 1,494,687 | 896,812 | - | 2,391,499 | 2,293,408 |
| Financial institution tax | - | - | 25,343 | 25,343 | 44,526 |
| M&M surtax | 4,515 | - | 340,197 | 344,712 | 318,534 |
| In lieu of tax | 15,077 | - | - | 15,077 | 8,427 |
| Tuition - Post Secondary | 481,024 | 27,258 | - | 508,282 | 559,046 |
| Earnings on investments | 170,849 | 5,063 | 5,952 | 181,864 | 228,706 |
| Food service | 79,279 | - | - | 79,279 | 214,202 |
| Student activities | 917,175 | - | - | 917,175 | 1,270,992 |
| Other - from local sources | 32,826 | - | 80,450 | 113,276 | 159,584 |
| Total Local | 8,981,700 | 929,133 | 1,028,244 | 10,939,077 | 11,266,412 |
| COUNTY: | | | | | |
| Fines, escheats, etc. | - | 79,328 | - | 79,328 | 72,522 |
| State assessed utilities | 253,921 | - | 15,812 | 269,733 | 270,412 |
| Total County | 253,921 | 79,328 | 15,812 | 349,061 | 342,934 |
| STATE: | | | | | |
| Basic formula - state monies | 2,211,833 | 6,635,501 | - | 8,847,334 | 8,383,111 |
| Transportation | 166,717 | - | - | 166,717 | 149,133 |
| Early Childhood Special Education | 129,663 | 378,974 | - | 508,637 | 540,751 |
| Basic formula - classroom trust fund | - | 167,441 | 673,581 | 841,022 | 659,613 |
| Educational screening program/PAT | 42,457 | - | - | 42,457 | 18,810 |
| Career education | 41,661 | 535,973 | 86,687 | 664,321 | 608,635 |
| Food service - state | 7,366 | - | - | 7,366 | 8,188 |
| Residential Placement/Excess Cost | 9,590 | - | - | 9,590 | 3,932 |
| High Need Fund | 140,813 | - | - | 140,813 | 106,087 |
| Other - state | 144,497 | 3,587 | - | 148,084 | 152,105 |
| Total State | \$ 2,894,597 | 7,721,476 | 760,268 | 11,376,341 | 10,630,365 |

-continued-

WEST PLAINS R-VII SCHOOL DISTRICT

Schedules of Revenues Collected by Source - Per Annual Secretary of Board Report (ASBR) - Governmental Funds
(continued)
(modified accrual basis)
Years ended June 30, 2021 and 2020

| | General Fund | Special Revenue Fund | Capital Projects Fund | 2021 Totals | 2020 Totals |
|---|----------------------|----------------------------|-----------------------------|-------------------|-------------------|
| FEDERAL: | | | | | |
| Medicaid | \$ 193,466 | - | - | 193,466 | 152,959 |
| CRRSA - ESSER II Fund | 1,755,023 | 2,006,257 | - | 3,761,280 | - |
| CARES - ESSER Fund | - | 798,556 | - | 798,556 | 60,759 |
| CARES - GEER Fund | 98,002 | - | - | 98,002 | - |
| Perkins basic grant, career education | 240,665 | 30,547 | 16,483 | 287,695 | 261,751 |
| Adult Education & Literacy | 158,766 | - | 33,405 | 192,171 | - |
| IDEA Grants | 5,902 | - | - | 5,902 | 6,611 |
| IDEA entitlement funds, Part B IDEA | 51,715 | 352,037 | - | 403,752 | 411,461 |
| Early childhood special education | - | 82,054 | - | 82,054 | 83,409 |
| Child nutrition programs | - | - | - | - | 662,692 |
| Title I - ESEA | 272,514 | 667,553 | - | 940,067 | 1,067,761 |
| Title II, Part A, ESEA | 10,000 | 126,787 | - | 136,787 | 123,980 |
| Title IV, Part A | 108,170 | - | - | 108,170 | 25,522 |
| CARES - School Lunch Program | 31,466 | - | - | 31,466 | - |
| CARES - School Breakfast Program | 16,845 | - | - | 16,845 | - |
| Vocational rehabilitation | 2,414 | - | - | 2,414 | 341 |
| Dept of health food service program | 1,200,104 | - | - | 1,200,104 | 569,374 |
| Title VI, Part B rural education initiative | 58,909 | 6,605 | - | 65,514 | 15,631 |
| Other Federal | 1,080,590 | 22,997 | - | 1,103,587 | 55,743 |
| Total Federal | 5,284,551 | 4,093,393 | 49,888 | 9,427,832 | 3,497,994 |
| OTHER: | | | | | |
| Sale of school buses | - | - | 2,752 | 2,752 | 850 |
| Sale of other property | - | - | - | - | 1,500 |
| Total Other | - | - | 2,752 | 2,752 | 2,350 |
| RECEIPTS OTHER DISTRICTS: | | | | | |
| Tuition from other districts | 253,962 | 3,669,195 | - | 3,923,157 | 3,761,382 |
| Contracted educational services | - | 220,108 | - | 220,108 | 286,192 |
| Area vocational school fees | - | 15,222 | - | 15,222 | 15,006 |
| Total Receipts Other Districts | 253,962 | 3,904,525 | - | 4,158,487 | 4,062,580 |
| TOTAL REVENUES COLLECTED | \$ 17,668,731 | 16,727,855 | 1,856,964 | 36,253,550 | 29,802,635 |

WEST PLAINS R-VII SCHOOL DISTRICT
Schedules of Expenditures Paid By Object -
Per Annual Secretary of Board Report (ASBR) - Governmental Funds
Years Ended June 30, 2021 and 2020

| | General Fund | Special Revenue Fund | Capital Projects Fund | 2021 Total | 2020 Total |
|--------------------|----------------------|----------------------------|-----------------------------|-------------------|-------------------|
| Salaries | \$ 3,223,618 | 13,202,273 | - | 16,425,891 | 15,978,238 |
| Employee benefits | 1,037,051 | 3,424,106 | - | 4,461,157 | 4,486,043 |
| Purchased services | 3,593,111 | 101,476 | - | 3,694,587 | 3,415,013 |
| Supplies | 4,171,088 | - | - | 4,171,088 | 3,484,069 |
| Capital outlay | - | - | 1,793,160 | 1,793,160 | 2,266,304 |
| Other uses | - | - | 211,433 | 211,433 | 227,285 |
| Total | <u>\$ 12,024,868</u> | <u>16,727,855</u> | <u>2,004,593</u> | <u>30,757,316</u> | <u>29,856,952</u> |

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Transportation Costs Eligible for State Aid
Year Ended June 30, 2021

| | Non-Disabled District Operated | Disabled District Operated | Non-Disabled Service Payments to Other Districts | Early Childhood Transportation Service | Total |
|---|--------------------------------------|----------------------------------|---|---|------------------|
| Certified salaries | \$ 40,468 | - | - | - | 40,468 |
| Noncertified salaries | 421,307 | 15,362 | - | - | 436,669 |
| Employee benefits | 137,828 | 7,643 | - | - | 145,471 |
| Purchased services | 35,836 | 309 | 5,867 | 8,288 | 50,300 |
| Supplies | 129,359 | 7,669 | - | - | 137,028 |
| Capital outlay | 155,085 | - | - | - | 155,085 |
| Depreciation | 187,396 | - | - | - | 187,396 |
| | <u>\$ 1,107,279</u> | <u>30,983</u> | <u>5,867</u> | <u>8,288</u> | <u>1,152,417</u> |
| Nonroute contracted transportation | | | | | <u>None</u> |
| Purchase of school bus | | | | | <u>None</u> |
| Transportation revenues from other districts | | | | | <u>None</u> |



SCHULTZ, WOOD & RAPP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

December 10, 2021

Board of Education
West Plains R-VII School District
610 E. Olden
West Plains, MO 65775

Dear Members of the Board:

We have examined management's assertions that the West Plains R-VII School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure of the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2021. Management is responsible for the West Plains R-VII School District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence about the West Plains R-VII School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the West Plains R-VII School District's compliance with specified requirements.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2021.

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

Schultz, Wood & Rapp, P.C.
Springfield, MO

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Selected Statistics

June 30, 2021

County District Number: 046-134

Type of Audit Performed: Yellowbook Single Audit X

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

| <u>School Code</u> | <u>Begin Grade</u> | <u>End Grade</u> | <u>Half Day Indicator</u> | <u>Standard Day Length</u> | <u>Days</u> | <u>Hours in Session</u> |
|--------------------|--------------------|------------------|---------------------------|----------------------------|-------------|-------------------------|
| 1050 | 9 | 12 | N/A | 6.9833 | 156 | 1,057.4200 |
| 1100 | 9 | 12 | N/A | 7.0167 | 156 | 1,062.5800 |
| 3000 | 5 | 6 | N/A | 6.9833 | 155 | 1,049.4300 |
| 3000 | 7 | 8 | N/A | 6.9833 | 156 | 1,057.4200 |
| 4030 | K | 4 | N/A | 6.6833 | 155 | 1,048.8500 |
| 5000 | K | 6 | N/A | 7.2333 | 155 | 1,088.1000 |

Notes: _____

2. Attendance Hours

| <u>School Code</u> | <u>Grade Level</u> | <u>Full-Time Hours</u> | <u>Part-Time Hours</u> | <u>Remedial Hours</u> | <u>Other Hours</u> | <u>Summer School Hours</u> | <u>Total Hours</u> |
|--------------------|--------------------|------------------------|------------------------|-----------------------|--------------------|----------------------------|-----------------------|
| 4030 | K | 126,190.9556 | - | - | - | 11,405.9999 | 137,596.9555 |
| 5000 | K | 17,687.5983 | - | - | - | - | 17,687.5983 |
| 4030 | 1 | 132,656.8317 | - | - | - | 11,141.5667 | 143,798.3984 |
| 5000 | 1 | 24,589.5667 | - | - | - | - | 24,589.5667 |
| 4030 | 2 | 113,899.5703 | - | - | - | 9,023.6334 | 122,923.2037 |
| 5000 | 2 | 26,053.6000 | - | - | - | - | 26,053.6000 |
| 4030 | 3 | 138,038.9746 | 1,915.0500 | - | - | 7,553.7835 | 147,507.8081 |
| 5000 | 3 | 20,299.1399 | - | - | - | - | 20,299.1399 |
| 4030 | 4 | 128,416.4581 | - | - | - | 6,676.4833 | 135,092.9414 |
| 5000 | 4 | 14,486.0667 | - | - | - | - | 14,486.0667 |
| 3000 | 5 | 137,826.6115 | 304.6680 | - | - | 9,498.6500 | 147,629.9295 |
| 5000 | 5 | 16,570.1999 | - | - | - | - | 16,570.1999 |
| 3000 | 6 | 155,852.2167 | 2,367.3666 | - | - | 7,069.3333 | 165,288.9166 |
| 5000 | 6 | 23,143.3764 | - | - | - | - | 23,143.3764 |
| 3000 | 7 | 143,431.5707 | 811.7082 | - | - | 3,803.8667 | 148,047.1456 |
| 3000 | 8 | 155,122.8018 | - | - | - | 1,257.7167 | 156,380.5185 |
| 1050 | 9 | 151,795.1462 | - | - | - | 9,953.4400 | 161,748.5862 |
| 1050 | 10 | 134,042.2609 | 865.5307 | - | - | 13,794.0000 | 148,701.7916 |
| 1050 | 11 | 155,535.8468 | 1,653.8209 | - | - | 12,693.0400 | 169,882.7077 |
| 1050 | 12 | 97,367.6767 | 8,551.0573 | - | - | 7,289.5200 | 113,208.2540 |
| | | <u>1,913,006.4695</u> | <u>16,469.2017</u> | <u>-</u> | <u>-</u> | <u>111,161.0335</u> | <u>2,040,636.7047</u> |

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Selected Statistics

June 30, 2021

3. September Membership

| <u>School Code</u> | <u>Grade Level</u> | <u>Full-Time</u> | <u>Part-Time</u> | <u>Other</u> | <u>Total</u> |
|--------------------|--------------------|------------------|------------------|--------------|-----------------|
| 4030 | PK | 43.00 | - | - | 43.00 |
| 5000 | PK | 7.00 | - | - | 7.00 |
| 4030 | K | 131.00 | - | - | 131.00 |
| 5000 | K | 17.00 | - | - | 17.00 |
| 4030 | 1 | 136.00 | - | - | 136.00 |
| 5000 | 1 | 24.00 | - | - | 24.00 |
| 4030 | 2 | 118.00 | - | - | 118.00 |
| 5000 | 2 | 25.00 | - | - | 25.00 |
| 4030 | 3 | 141.00 | 0.75 | - | 141.75 |
| 5000 | 3 | 20.00 | - | - | 20.00 |
| 4030 | 4 | 133.00 | - | - | 133.00 |
| 5000 | 4 | 15.00 | - | - | 15.00 |
| 3000 | 5 | 143.00 | - | - | 143.00 |
| 5000 | 5 | 17.00 | - | - | 17.00 |
| 3000 | 6 | 165.00 | 2.40 | - | 167.40 |
| 5000 | 6 | 24.00 | - | - | 24.00 |
| 3000 | 7 | 150.00 | - | - | 150.00 |
| 3000 | 8 | 159.00 | 0.50 | - | 159.50 |
| 1050 | 9 | 159.00 | - | - | 159.00 |
| 1050 | 10 | 143.00 | 0.86 | - | 143.86 |
| 1050 | 11 | 163.00 | 0.89 | - | 163.89 |
| 1050 | 12 | 103.00 | 6.28 | - | 109.28 |
| Grand Total | | <u>2,036.00</u> | <u>11.68</u> | <u>-</u> | <u>2,047.68</u> |

Notes: _____

4. Free & Reduced Lunch FTE Count (section 163.011(6), RSMo)

| <u>School Code</u> | <u>Free Lunch</u> | <u>Reduced Lunch</u> | <u>Deseg In Free</u> | <u>Deseg In Reduced</u> | <u>Total</u> |
|--------------------|-------------------|----------------------|----------------------|-------------------------|-----------------|
| N/A | 7.00 | - | - | - | 7.00 |
| 1050 | 250.95 | 35.00 | - | - | 285.95 |
| 3000 | 317.90 | 49.00 | - | - | 366.90 |
| 4030 | 376.50 | 64.25 | - | - | 440.75 |
| 5000 | 58.00 | 15.00 | - | - | 73.00 |
| | <u>1,010.35</u> | <u>163.25</u> | <u>-</u> | <u>-</u> | <u>1,173.60</u> |

Notes: _____

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Selected Statistics

June 30, 2021

5. Finance

| | |
|---|----------|
| A. The district maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported. | True |
| B. The district school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving traditional and virtual instruction. | True |
| C. The district maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations. | True |
| D. The district maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | True |
| E. As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of: | \$50,000 |
| F. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | True |
| G. The District maintained a separate bank account for the Debt Service Fund in accordance with Sections 108.180 and 165.011, RSMo. | N/A |
| H. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. | True |
| I. 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. | N/A |
| J. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. | True |
| K. The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. | True |
| L. The amount spent for approved professional development committee plan activities was: | \$75,596 |
| M. The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo. | True |

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

Finding #: _____

Management Letter Comment #: _____

6. Transportation (Section 163.161, RSMo)

- A. The school transportation allowable costs substantially conforms to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported. True
- C. Based on 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 | <u>874.5</u> |
| Ineligible ADT | <u>-</u> |
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year. True
- E. Actual odometer records show the total district-operated and contracted mileage for the year was: 287,330
- F. 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 | <u>207,309</u> |
| Ineligible Miles (Non-Route/Disapproved) | <u>80,021</u> |
- G. Number of days the District operated the school transportation system during the regular school year: 154
- All above "false" answers must be supported by a finding or management letter comment.
- Finding #: _____
- Management Letter Comment #: _____

Notes: _____



SCHULTZ, WOOD & RAPP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

December 10, 2021

Board of Education
West Plains R-VII School District
610 E. Olden
West Plains, MO 65775

Dear Members of the Board:

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 West Plains R-VII School District, which comprise the District's basic financial statements as listed in the table of contents as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schultz, Wood & Rapp, P.C.
Springfield, MO

WEST PLAINS R-VII SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

| | | | |
|---|-------------------|---------------|----------------------|
| Type of Auditor's report issued: | <u>Unmodified</u> | | |
| Internal control over financial reporting: | | | |
| Material weakness(es) identified | Yes _____ | No | _____ <u>X</u> _____ |
| Significant deficiency(ies) identified | Yes _____ | No | _____ <u>X</u> _____ |
| Control deficiencies identified not considered to be significant deficiency(es) | Yes _____ | None Reported | _____ <u>X</u> _____ |
| Noncompliance material to financial statements noted | Yes _____ | No | _____ <u>X</u> _____ |

Federal Awards

| | | | |
|---|-------------------|---------------|----------------------|
| Internal control over major programs: | | | |
| Material weakness(es) identified | Yes _____ | No | _____ <u>X</u> _____ |
| Significant deficiency(ies) identified | Yes _____ | No | _____ <u>X</u> _____ |
| Control deficiencies identified not considered to be significant deficiency(es) | Yes _____ | None Reported | _____ <u>X</u> _____ |
| Type of auditor's report issued on compliance for major programs: | <u>Unmodified</u> | | |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance | Yes _____ | No | _____ <u>X</u> _____ |

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 84.425 | Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act |
| 21.019 | Coronavirus Relief Fund (CRF) |

| | | | |
|--|------------------|----|----------------------|
| Dollar Threshold used to distinguish between Type A and Type B programs: | <u>\$750,000</u> | | |
| Auditee qualified as a low risk auditee? | Yes _____ | No | _____ <u>X</u> _____ |

WEST PLAINS R-VII SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs (continued)
 Year Ended June 30, 2021

Section II - Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

| <u>Agency/Program/CFDA #</u> | <u>Finding/Noncompliance</u> | <u>Questioned Costs</u> |
|--|------------------------------|-------------------------|
| <u>U.S. Department of Education:</u> | | |
| Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act CFDA#s 84.425 | None | None |
| <u>U.S. Department of Treasury:</u> | | |
| Coronavirus Relief Fund (CRF) CFDA#s 21.019 | None | None |

Summary Schedule of Prior Audit Findings

There are no prior year Audit findings.



SCHULTZ, WOOD & RAPP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 10, 2021

Board of Education
West Plains R-VII School District
610 E. Olden
West Plains, MO 65775

Dear Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited West Plains R-VII School District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, West Plains R-VII School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schultz, Wood & Rapp, P.C.
Springfield, MO

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Federal Award Identification Number | Federal Expenditures |
|--|------------------------|--|-------------------------|
| <u>U.S. Department of Agriculture:</u> | | | |
| Pass-through programs from: | | | |
| Missouri Dept. of Elementary & Secondary Education - | | | |
| COVID-19: School Breakfast Program | 10.555 | 2020N850343 | \$ 16,845 |
| COVID-19: National School Lunch Program | 10.555 | 2020N850343 | 31,466 |
| National School Lunch Program, Non-cash | 10.555 | 2020N850343 | 70,642 |
| Total Pass-through programs from DESE | | | 118,953 |
| Missouri Dept. of Health & Senior Services- | | | |
| Summer Food Service Program for Children | 10.559 | ERS0462211S | 1,125,796 |
| COVID 19 - Summer Food Service Program for Children | 10.559 | ERS0462211S | 74,308 |
| Total Pass-through programs from DHSS | | | 1,200,104 |
| Total U.S. Department of Agriculture and Child Nutrition Cluster | | | 1,319,057 |
| <u>U.S. Department of Education:</u> | | | |
| Pass-through programs from: | | | |
| Missouri Dept. of Elementary & Secondary Education | | | |
| Title I Grants to Local Educational Agencies | 84.010A | S010A190025 | 423,855 |
| Title I Grants to Local Educational Agencies | 84.010A | S010A200025 | 516,212 |
| Total Title I Grants to Local Educational Agencies | | | 940,067 |
| Special Education Preschool Grants | 84.173A | H173A190103 | 6,341 |
| Special Education Preschool Grants | 84.173A | H173A200103 | 3,137 |
| Special Education Grants to States | 84.027A | H027A190040 | 229,533 |
| Special Education Grants to States | 84.027A | H027A200040 | 252,697 |
| Total Special Education Cluster (IDEA) | | | 491,708 |
| Supporting Effective Instruction State Grants | 84.367A | S367A190024 | 72,842 |
| Supporting Effective Instruction State Grants | 84.367A | S367A200024 | 63,945 |
| Total Supporting Effective Instruction State Grants | | | 136,787 |
| Student Support and Academic Enrichment Program | 84.424A | S424A190026 | 90,518 |
| Student Support and Academic Enrichment Program | 84.424A | S424A200026 | 17,652 |
| Total Student Support and Academic Enrichment Program | | | 108,170 |
| Rural Education | 84.358 | S358B190025 | 54,312 |
| Rural Education | 84.358 | S358B200025 | 11,202 |
| Total Rural Education | | | 65,514 |
| Career and Technical Education -- Basic Grants to States | 84.048 | S424A190026 | 87,015 |
| Career and Technical Education -- Basic Grants to States | 84.048 | S424A200026 | 177,641 |
| Total Student Support and Academic Enrichment Program | | | 264,656 |
| COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | 84.425C | S425C200016 | 98,002 |
| COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | 84.425D | S425D200021 | 3,761,280 |
| Total pass-through from Missouri Dept. of Elementary & Secondary Education | | | 5,866,184 |

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Federal Award Identification Number | Federal Expenditures |
|--|------------------------|---|----------------------------|
| Passthru from Three Rivers Community College: | | | |
| Career and Technical Education -- Basic Grants to States | 84.048 | N/A | <u>23,039</u> |
| Direct Grants | | | |
| COVID-19 - Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act | 84.425N | P425N200756 | <u>205,510</u> |
| Federal Pell grant program | 84.063 | P063Q192674, P063P182674, P063P192674 | 325,435 |
| Federal Direct Loan | 84.268 | P268K192674, P268K202674 | <u>287,723</u> |
| Total Student Financial Assistance Cluster | | | <u>613,158</u> |
| Total U.S. Department of Education | | | <u>6,707,891</u> |
| <u>U.S. Department of Treasury</u> | | | |
| Pass-through programs from Howell County, Missouri | | | |
| Coronavirus Relief Fund (CRF) | 21.019 | N/A | 784,697 |
| Pass-through programs from Missouri Dept. of Elementary & Secondary Education | | | |
| Coronavirus Relief Fund (CRF) | 21.019 | N/A | <u>192,171</u> |
| Total U.S. Department of Treasury, and Coronavirus Relief Fund | | | <u>976,868</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 9,003,816</u></u> |

West Plains R-VII School District
Schedule of Expenditures of Federal Awards (continued)
June 30, 2021

Notes to the Schedule of Expenditures of Federal Awards:

1. This schedule is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.
2. The District uses the cash basis of accounting and does not account for non-cash or cash-expended inventories.
3. No federal awards received by the District were provided to any sub-recipient during the fiscal year.
4. Commodities received and expended were valued by the Food Service Section of the Missouri Department of Elementary and Secondary Education.
5. The District elected not to use the 10% de minimus indirect cost rate.



SCHULTZ, WOOD & RAPP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS
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**INDEPENDENT AUDITOR'S COMMUNICATION
WITH THOSE CHARGED WITH GOVERNANCE**

December 10, 2021

Board of Education
West Plains R-VII School District
610 E. Olden
West Plains, MO 65775

Dear Members of the Board:

We have audited the financial statements of the West Plains R-VII School District as of June 30, 2021 and for the year then ended, and have issued our report thereon dated December 10, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to the District dated June 1, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 1, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the bases of accounting as described in Note 1 to the financial statements. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the West Plains R-VII School District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the West Plains R-VII School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates, if any, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of long-term debt, including capital leases, loans, and general obligation bonds, if any, in Note 6 to the financial statements. Financial statement users need to be aware of debt obligations in future periods as this is not reflected in the Balance Sheets-Governmental Funds, since such statements are presented in accordance with the modified accrual basis of accounting.

The disclosure of the District's defined benefit pension plans, in Note 10 to the financial statements. Financial statement users need to be aware of unfunded pension obligations due to cost-sharing multiple employer retirement plans as of June 30, 2021, as this is not reflected in the Balance Sheets-Governmental Funds, since such statements are presented in accordance with the modified accrual basis of accounting.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as West Plains R-VII School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the General Fund and Special Revenue Fund budgetary comparison information and the District's Schedules of Proportionate Share of Net Pension Liability and Related Ratios and Schedules of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Debt Service Fund and Capital Projects Fund budgetary comparison information, Schedules of Revenue Collected by Source – Per Annual Secretary of Board Report (ASBR) – Governmental

Funds, Schedules of Expenditures Paid by Object – Per Annual Secretary of Board Report (ASBR) – Governmental Funds, and Schedule of Transportation Costs Eligible for State Aid, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with auditing standards generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We were not engaged to report on the Summary of Selected Information, which accompany the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurances on it.

Restriction of Use

This information is intended solely for the use of the Board of Education and management of the West Plains R-VII School District and is not intended to be and should not be used by anyone other than those specified parties.

Schultz, Wood & Rapp, P.C.

Springfield, Missouri

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Selected Data
For Ten Years Ended June 30, 2021

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GOVERNMENTAL FUNDS | | | | | | | | | | |
| Total Fund Balances | \$12,571,707 | 7,075,473 | 7,129,790 | 7,135,001 | 6,693,845 | 6,351,024 | 6,274,696 | 6,513,672 | 7,472,571 | 8,103,946 |
| Total Revenues Collected | \$36,253,550 | 29,802,635 | 29,760,015 | 29,444,550 | 27,691,348 | 26,479,240 | 25,804,867 | 24,894,243 | 26,102,303 | 25,574,570 |
| Less Expenditures Paid | 30,757,316 | 29,856,952 | 29,765,226 | 29,003,394 | 27,348,527 | 26,402,912 | 26,043,843 | 25,737,111 | 26,727,678 | 25,090,232 |
| Revenues Collected over (under) Expenditures paid | \$ 5,496,234 | (54,317) | (5,211) | 441,156 | 342,821 | 76,328 | (238,976) | (842,868) | (625,375) | 484,338 |
| OTHER SELECTED DATA | | | | | | | | | | |
| Long term debt outstanding | \$ 5,943,093 | 6,888,644 | 7,929,835 | 4,950,893 | 5,368,024 | 6,140,935 | 7,021,668 | 6,385,000 | 7,150,000 | 4,935,000 |
| Calendar Hours | 1,057.42 | 888.45 | 1,114.23 | 1,103.77 | 1,098.20 | 1,115.06 | 1,073.50 | 949.00 | 1,090.75 | 1,104.25 |
| Eligible Puplis/ADA | 1,936.82 | 2,026.66 | 2,015.36 | 2,003.79 | 1,975.45 | 1,903.47 | 1,863.99 | 1,862.70 | 1,897.46 | 1,897.46 |
| September Resident Membership | 2,047.68 | 2,042.93 | 2,036.90 | 2,039.61 | 1,985.00 | 1,941.00 | 1,772.00 | 1,866.00 | 1,985.00 | 1,985.00 |
| Operating Fund Balances/Expenditures Ratio | 34.09% | 20.96% | 22.25% | 23.63% | 20.68% | 20.40% | 17.90% | 20.10% | 21.90% | 21.60% |