

WEST PLAINS R-VII SCHOOL DISTRICT

Audited Financial Statements and Supplementary Information

June 30, 2023 and 2022



SCHULTZ, WOOD & RAPP, P.C.

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

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WEST PLAINS R-VII SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

October 31, 2023

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 Opinions

We have audited the accompanying financial statements of the governmental and fiduciary activities and each major fund of the West Plains R-VII School District, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental and fiduciary activities and each major fund of the West Plains R-VII School District, as of June 30, 2023 and 2022, 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 fiduciary funds financial statements in accordance with the cash basis of accounting, described in Note 1

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the West Plains R-VII School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Plains R-VII School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Plains R-VII School District's ability to continue as a going concern for a reasonable period of time.

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

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 Supplementary 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management is responsible for the other supplementary information included in the annual report. The information comprises the Capital Projects Fund budgetary comparison schedule, 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 but does not include the basic

financial statements and or auditor's report thereon. Our opinions on the basic financial statements do not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, 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, 2023 and 2022

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, 2023 and 2022. 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 9, 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, 2023 and 2022 include the following:

The government-wide net position increased by \$7,018,877 at June 30, 2023 as compared to an increase of \$4,448,761 at June 30, 2022. The District's governmental funds increased by \$2,204,547 at June 30, 2023 as compared to a decrease of \$337,068 at June 30, 2022. 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 16. 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 42.5% and 33.6% of the total revenues for the years ended June 30, 2023 and 2022, respectively, with general revenues making up the balance. These program revenues covered 51.8% and 37.2%, respectively, of the program expenditures leaving 48.2% and 62.8%, 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 2022-2023 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 12. 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 13 and 16.

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 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, 2023 and 2022 consists of the following:

	<u>June 30, 2023</u>	<u>% Change 2022 - 2023</u>	<u>June 30, 2022</u>	<u>% Change 2021 - 2022</u>	<u>June 30, 2021</u>
Assets	\$ 45,126,182	11.11%	\$ 40,615,176	9.56%	\$ 37,071,339
Deferred outflows of resources	18,641,820	135.07%	7,930,318	-8.92%	8,706,565
Liabilities	26,703,236	102.20%	13,206,318	-59.10%	32,289,658
Deferred inflows of resources	14,746,037	-26.41%	20,039,324	659.88%	2,637,155
Net Position					
Invested in capital assets, net of related debt	25,797,610	19.74%	21,544,976	20.72%	17,846,564
Restricted	(14,374,297)	-10.13%	(15,995,119)	3.44%	(15,462,863)
Unrestricted	10,895,416	11.75%	9,749,995	15.15%	8,467,390
Total net position	<u>\$ 22,318,729</u>	<u>45.88%</u>	<u>\$ 15,299,852</u>	<u>41.00%</u>	<u>\$ 10,851,091</u>

Net position at June 30, 2023 and 2022, reflect an increase of \$7,018,877 and an increase of \$4,448,761, respectively, from the prior year balances of \$15,299,852 and \$10,851,091. Key elements of these changes consist of the following:

	<u>June 30, 2023</u>	<u>% Change 2022 - 2023</u>	<u>June 30, 2022</u>	<u>% Change 2021 - 2022</u>	<u>June 30, 2021</u>
Revenues:					
Program Revenues					
Charges to services	\$ 6,164,024	5.63%	\$ 5,835,553	3.04%	\$ 5,663,223
Operating grants and contributions	5,850,690	0.04%	5,848,563	-40.98%	9,909,060
Capital grants and contributions	4,738,245	1829.26%	245,599	138.05%	103,170
General revenues					
Local taxes and fees	10,840,322	5.52%	10,273,598	7.00%	9,601,538
State and federal grants not restricted to specific programs	11,146,305	-14.17%	12,987,098	20.34%	10,791,943
Investment earnings and Other	645,460	135.65%	273,909	48.34%	184,646
Total revenues	<u>39,385,046</u>	<u>11.06%</u>	<u>35,464,320</u>	<u>-2.18%</u>	<u>36,253,580</u>
Expenses:					
Instruction	14,446,765	4.76%	13,790,149	0.56%	13,713,682
Vocational instruction	1,418,330	2.87%	1,378,792	3.27%	1,335,071
Student Activities	1,845,933	3.63%	1,781,318	19.75%	1,487,552
Administration and support	11,118,718	1.97%	10,903,775	5.30%	10,355,085
Transportation	1,338,394	24.02%	1,079,146	3.46%	1,043,024
Food services	961,630	-18.55%	1,180,671	19.65%	986,770
Adult education	1,115,160	-0.93%	1,125,667	-6.24%	1,200,565
Community service	360,672	26.66%	284,765	23.34%	230,883
Debt service and facility acquisition and construction	306,869	-44.46%	552,508	102.18%	273,279
	<u>32,912,471</u>	<u>2.61%</u>	<u>32,076,791</u>	<u>4.74%</u>	<u>30,625,911</u>
Special Item:					
Restricted pension income (expense)	546,302	-48.52%	1,061,232	-160.90%	(1,742,695)
Change in Net position	7,018,877	57.77%	4,448,761	14.51%	3,884,974
Net position, beginning of year	15,299,852	41.00%	10,851,091	55.77%	6,966,117
Net position, end of year	<u>\$ 22,318,729</u>	<u>45.88%</u>	<u>\$ 15,299,852</u>	<u>41.00%</u>	<u>\$ 10,851,091</u>

As reflected in the last schedule, the expenses of the District's government-wide activities for the years ended June 30, 2023 and 2022, are not all borne by the taxpayers of the District. Of these amounts \$6,164,024 and \$5,835,553, respectively, were paid by those who used or benefited from the services rendered (e.g., charges for school lunches and school tuition) and \$10,588,935 and \$6,094,162, respectively, were paid through various federal and state grants. Consequently, the net costs of \$16,159,512 and \$20,147,076, 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, 2023 and 2022. 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, 2023		% Change 2022 - 2023		June 30, 2022		% Change 2021 - 2022		June 30, 2021	
	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	\$ 14,446,765	7,385,524	4.76%	9.51%	\$ 13,790,149	6,743,941	0.56%	154.47%	\$ 13,713,682	2,650,149
Vocational instruction	1,418,330	359,860	2.87%	36.68%	1,378,792	263,293	3.27%	61.58%	1,335,071	162,947
Student Activities	1,845,933	714,567	3.63%	3.01%	1,781,318	693,664	19.75%	21.62%	1,487,552	570,377
Administration and support	7,518,177	7,113,257	-1.72%	-4.39%	7,649,454	7,439,875	12.62%	12.74%	6,792,469	6,599,003
Operation of plant	3,600,541	3,600,541	10.64%	10.64%	3,254,321	3,254,321	-8.65%	-8.65%	3,562,616	3,562,616
Transportation	1,338,394	757,195	24.02%	-12.11%	1,079,146	861,483	3.46%	-1.69%	1,043,024	876,307
Food services	961,630	(182,374)	-18.55%	-46.20%	1,180,671	(338,995)	19.65%	-2.67%	986,770	(348,290)
Adult education	1,115,160	517,103	-0.93%	-21.02%	1,125,667	654,760	-6.24%	31.56%	1,200,565	497,698
Community service	360,672	227,500	26.66%	28.59%	284,765	176,918	23.34%	66.32%	230,883	106,372
Debt service and facility acquisition and construction	306,869	(4,333,661)	-44.46%	-1189.36%	552,508	397,816	102.18%	45.57%	273,279	273,279
	\$ 32,912,471	16,159,512	2.61%	-19.79%	\$ 32,076,791	20,147,076	4.74%	34.76%	\$ 30,625,911	14,950,458

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, 2023 with a combined fund balance for governmental funds (as presented in the balance sheet on page 12) of \$14,439,186 as compared to a combined fund balance of \$12,234,639 as of July 1, 2022, an increase of \$2,204,547.

The fund balance of the General Fund decreased by \$290,683 in 2023 as compared to a decrease of \$519,473 in 2022, due to an increase in revenues of \$1,062,253, an increase in expenses of \$294,599 and an increase in transfers out of \$538,864.

The major source of local revenue for operations is local property taxes amounting to \$6,986,455 and \$6,564,643 in 2023 and 2022, respectively. This amount is derived from the District's total levy of \$3.7404 and \$3.7223 per \$100 of assessed valuation, respectively. Other significant local revenues for 2023 and 2022 consist of \$2,941,520 and \$2,776,838, respectively, from sales tax, breakfast and lunch revenues of \$183,600 and \$20,907, respectively, student activity revenue of \$1,131,366 and \$1,087,654, respectively, payments in lieu of taxes of \$14,438 and \$14,574, respectively, earnings on investments of \$642,003 and \$229,957, respectively, and post-secondary tuition of \$556,632 and \$467,629, respectively.

County revenue of \$375,789 and \$392,770 for 2023 and 2022, respectively, was derived primarily from county fine receipts and state assessed utility taxes.

State funding makes up 30.5% and 32.9% of total revenues for 2023 and 2022, respectively. The Missouri state foundation basic formula decreased in 2023 by \$22,875 to \$8,951,733. Other significant state revenues are:

	June 30, 2023	% Change 2022 - 2023	June 30, 2022	% Change 2021 - 2022	June 30, 2021
State transportation aid	\$ 581,199	167.02%	\$ 217,663	30.56%	\$ 166,717
Classroom trust fund	863,545	-1.04%	872,581	3.75%	841,022
Early childhood special education	623,219	-4.80%	654,616	28.70%	508,637
Career education	499,064	-16.27%	596,026	-10.28%	664,321
High need fund	116,527	-26.80%	159,189	13.05%	140,813
Teacher baseline grant	163,399	0.00%	-	0.00%	-

Federal food service reimbursements were \$955,576 and \$1,495,718, in 2023 and 2022, respectively. Title I revenues were \$1,121,568 and \$1,304,079 in 2023 and 2022, respectively. IDEA funding amounted to \$467,650 and \$464,124 for fiscal years 2023 and 2022, 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 \$37,177,042 and \$35,801,353 for the years ended in 2023 and 2022, respectively. The General Fund accounts for 37.4% and 38.0% of the total expenditures, respectively. The Special

Revenue Fund accounts for 45.3% and 45.7%, 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 \$6,415,653 and \$5,835,485, respectively.

The following table summarizes the governmental fund revenues and expenditures for the years ended June 30, 2023 and 2022.

	<u>June 30, 2023</u>	<u>% Change 2022 - 2023</u>	<u>June 30, 2022</u>	<u>% Change 2021 - 2022</u>	<u>June 30, 2021</u>
Revenue					
Local	\$ 12,987,074	11.12%	\$ 11,686,975	6.84%	\$ 10,939,077
County	375,789	-4.32%	392,770	12.52%	349,061
State	12,019,243	2.87%	11,683,690	2.70%	11,376,341
Federal	9,715,997	31.34%	7,397,570	-21.53%	9,427,832
Other	-	-100.00%	43,917	1495.82%	2,752
Receipts other Districts	4,283,486	0.57%	4,259,363	2.43%	4,158,487
Total revenue	<u>\$ 39,381,589</u>	<u>11.05%</u>	<u>\$ 35,464,285</u>	<u>-2.18%</u>	<u>\$ 36,253,550</u>
Expenditure					
Instruction	\$ 14,275,808	4.64%	\$ 13,642,834	0.68%	\$ 13,550,378
Vocational instruction	1,479,681	1.89%	1,452,178	-3.09%	1,498,507
Student Activities	1,793,930	6.82%	1,679,471	20.47%	1,394,072
Administration and support	10,043,106	0.65%	9,978,693	4.51%	9,548,398
Transportation	1,409,412	25.33%	1,124,587	16.48%	965,487
Food services	957,980	-19.30%	1,187,141	20.58%	984,528
Adult education	1,066,151	2.60%	1,039,159	-10.13%	1,156,295
Community service	360,672	26.66%	284,765	23.34%	230,883
Debt service and facility acquisition and construction	5,790,302	6.98%	5,412,525	278.82%	1,428,768
Total expenditures	<u>\$ 37,177,042</u>	<u>3.84%</u>	<u>\$ 35,801,353</u>	<u>16.40%</u>	<u>\$ 30,757,316</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 28, 2022 and the final budget amendment was adopted on June 27, 2023.

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 \$10,510 which is 0.1% over the original budgeted revenues. Most of this increase was within the state and federal revenue categories. The General Fund's final budgeted expenditures reflects an increase of \$577,439, which is 4.0% over the original budgeted expenditures.

For fiscal year 2023, total actual revenues were more than the total originally budgeted revenues by \$3,433,939, primarily due to increases in local and federal revenues. For fiscal year 2023, total actual expenditures more than total original budgeted expenditures by \$1,310,523.

Capital Assets

At June 30, 2023 and 2022, the District had \$30,326,940 and \$26,585,303 (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 \$6,048,204 and \$4,268,544 for 2023 and 2022, respectively. Depreciation amounted to \$1,691,681 and \$1,472,898 for 2023 and 2022, respectively.

Additional information on the District's capital assets can be found in Note 5 on page 25 of this report.

Long-Term Debt

At June 30, 2023, the District had \$4,529,330 outstanding Certificates of Participation compared to \$5,040,327 at June 30, 2022, and \$5,943,093 at June 30, 2021. Principal payments of \$510,997 and caused the decrease in 2023 and principal payments of \$902,766 caused the 2022 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 \$27,910,880 at June 30, 2023 is an increase of \$1,082,379 from the June 30, 2022 debt limitation of \$26,828,501. The legal debt margin available to the District at June 30, 2023 was \$27,910,880 compared to \$26,828,501 at June 30, 2022.

Additional information of the District's long-term obligations can be found in Note 6 on pages 26-27 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.

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. Wesley Davis 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, 2023 and 2022

	2023	2022
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Assets:		
Cash	\$ 13,408,215	11,324,734
Escrowed cash and investments	48,393	45,172
Receivables	1,271,471	1,945,889
Prepaid expenses	36,623	696,350
Inventories	34,540	17,728
Capital assets, net of accumulated depreciation	30,326,940	26,585,303
Total assets	45,126,182	40,615,176
Deferred outflows of resources - defined pension plans	18,641,820	7,930,318
Total assets and deferred outflows of resources	\$ 63,768,002	48,545,494
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Liabilities:		
Accounts payable	\$ 142,223	1,375,744
Accrued interest	38,122	40,446
Accrued payroll and related benefits	169,440	374,318
Compensated absences payable	433,129	442,978
Long-term debt payable		
Due within one year	529,330	510,997
Due in more than one year	4,000,000	4,529,330
Net pension liability	21,390,992	5,932,505
Total liabilities	26,703,236	13,206,318
Deferred inflows of resources - defined pension plans	14,746,037	20,039,324
Total liabilities and deferred inflows of resources	41,449,273	33,245,642
Net Position:		
Invested in capital assets, net of related debt	25,797,610	21,544,976
Restricted for:		
Pensions	(17,495,209)	(18,041,511)
Prepaid expenses	36,623	696,350
Professional development	436	-
Inventory	34,540	17,728
Capital projects	5,448,366	2,953,136
Unrestricted	8,496,363	8,129,173
Total net position	22,318,729	15,299,852
Total liabilities, deferred inflows of resources and net position	\$ 63,768,002	48,545,494

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, 2023

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	\$ (14,446,765)	4,084,991	2,976,250	-	(7,385,524)
Vocational instruction	(1,418,330)	207,435	755,644	95,391	(359,860)
Student activities	(1,845,933)	1,131,366	-	-	(714,567)
Attendance and guidance	(1,074,050)	-	-	-	(1,074,050)
Health services	(1,288,957)	-	404,920	-	(884,037)
Improvement of instruction	(510,740)	-	-	-	(510,740)
Professional development	(88,870)	-	-	-	(88,870)
Media services	(315,080)	-	-	-	(315,080)
General administration	(1,612,229)	-	-	-	(1,612,229)
Building level administration	(1,658,140)	-	-	-	(1,658,140)
Fiscal services	(270,612)	-	-	-	(270,612)
Operation of plant	(3,600,541)	-	-	-	(3,600,541)
Security services	(360,862)	-	-	-	(360,862)
Pupil transportation	(1,326,777)	-	581,199	-	(745,578)
Transportation - other	(11,617)	-	-	-	(11,617)
Food services	(961,630)	183,600	960,404	-	182,374
Support services	(338,637)	-	-	-	(338,637)
Adult education	(1,115,160)	556,632	41,425	-	(517,103)
Community services	(360,672)	-	130,848	2,324	(227,500)
Facility acquisition and construction	(146,431)	-	-	4,640,530	4,494,099
Debt service	(160,438)	-	-	-	(160,438)
Total	\$ (32,912,471)	6,164,024	5,850,690	4,738,245	(16,159,512)
General Revenues					
					10,840,322
					11,146,305
					645,460
					-
					<u>22,632,087</u>
					<u>546,302</u>
					<u>7,018,877</u>
					<u>15,299,852</u>
					<u>\$ 22,318,729</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, 2022

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	\$ (13,790,149)	4,069,454	2,976,754	-	(6,743,941)
Vocational instruction	(1,378,792)	189,909	834,683	90,907	(263,293)
Student activities	(1,781,318)	1,087,654	-	-	(693,664)
Attendance and guidance	(1,058,368)	-	-	-	(1,058,368)
Health services	(1,146,498)	-	209,579	-	(936,919)
Improvement of instruction	(865,623)	-	-	-	(865,623)
Professional development	(76,668)	-	-	-	(76,668)
Media services	(339,489)	-	-	-	(339,489)
General administration	(1,480,006)	-	-	-	(1,480,006)
Building level administration	(1,672,440)	-	-	-	(1,672,440)
Fiscal services	(260,836)	-	-	-	(260,836)
Operation of plant	(3,254,321)	-	-	-	(3,254,321)
Security services	(418,347)	-	-	-	(418,347)
Pupil transportation	(1,023,053)	-	217,663	-	(805,390)
Transportation - other	(56,093)	-	-	-	(56,093)
Food services	(1,180,671)	20,907	1,498,759	-	338,995
Support services	(331,179)	-	-	-	(331,179)
Adult education	(1,125,667)	467,629	3,278	-	(654,760)
Community services	(284,765)	-	107,847	-	(176,918)
Facility acquisition and construction	(352,766)	-	-	154,692	(198,074)
Debt service	(199,742)	-	-	-	(199,742)
Total	\$ (32,076,791)	5,835,553	5,848,563	245,599	(20,147,076)
General Revenues					
					10,273,598
Local taxes and fees					12,987,098
State and federal grants not restricted to specific programs					229,992
Investment earnings					43,917
Other					
Total general revenues					<u>23,534,605</u>
Special Item, Restricted Pension Income					<u>1,061,232</u>
Change in Net Position					4,448,761
Net Position, beginning of year					<u>10,851,091</u>
Net Position, end of year					<u>\$ 15,299,852</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, 2023 and 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
<u>June 30, 2023</u>				
<u>ASSETS</u>				
Cash	\$ 8,683,609	80,783	4,643,823	13,408,215
Receivables	396,488	61,291	813,692	1,271,471
Prepaid expenses	36,623	-	-	36,623
Inventories	34,540	-	-	34,540
Total assets	<u>\$ 9,151,260</u>	<u>142,074</u>	<u>5,457,515</u>	<u>14,750,849</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 131,992	1,082	9,149	142,223
Accrued payroll and related benefits	28,448	140,992	-	169,440
Total liabilities	<u>160,440</u>	<u>142,074</u>	<u>9,149</u>	<u>311,663</u>
<u>FUND BALANCES</u>				
Fund balances:				
Nonspendable for inventories	34,540	-	-	34,540
Nonspendable for prepaid expenses	36,623	-	-	36,623
Restricted for professional development	436	-	-	436
Assigned to capital projects	-	-	5,448,366	5,448,366
Unassigned	8,919,221	-	-	8,919,221
Total fund balances	<u>8,990,820</u>	<u>-</u>	<u>5,448,366</u>	<u>14,439,186</u>
	<u>\$ 9,151,260</u>	<u>142,074</u>	<u>5,457,515</u>	<u>14,750,849</u>
<u>June 30, 2022</u>				
<u>ASSETS</u>				
Cash	\$ 8,507,076	(124,292)	2,941,950	11,324,734
Receivables	621,235	457,716	866,938	1,945,889
Prepaid expenses	583,582	-	112,768	696,350
Inventories	17,728	-	-	17,728
Total assets	<u>\$ 9,729,621</u>	<u>333,424</u>	<u>3,921,656</u>	<u>13,984,701</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 398,692	8,532	968,520	1,375,744
Accrued payroll and related benefits	49,426	324,892	-	374,318
Total liabilities	<u>448,118</u>	<u>333,424</u>	<u>968,520</u>	<u>1,750,062</u>
<u>FUND BALANCES</u>				
Fund balances:				
Nonspendable for inventories	17,728	-	-	17,728
Nonspendable for prepaid expenses	583,582	-	112,768	696,350
Assigned to capital projects	-	-	2,840,368	2,840,368
Unassigned	8,680,193	-	-	8,680,193
Total fund balances	<u>9,281,503</u>	<u>-</u>	<u>2,953,136</u>	<u>12,234,639</u>
	<u>\$ 9,729,621</u>	<u>333,424</u>	<u>3,921,656</u>	<u>13,984,701</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, 2023 and 2022

	2023	2022
Amounts reported for governmental activities in the statement of net position are different due to the following:		
Total fund balances - Governmental Funds	\$ 14,439,186	12,234,639
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.	30,326,940	26,585,303
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.	(433,129)	(442,978)
Pension related deferred outflows/inflows and liabilities are not recorded in the governmental funds statements.		
Net pension liability	(21,390,992)	(5,932,505)
Deferred outflows of resources	(14,746,037)	(20,039,324)
Deferred inflows of resources	18,641,820	7,930,318
Certificates of participation are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
Certificates of participation	(4,529,330)	(5,040,327)
Accrued interest on leases	(38,122)	(40,446)
Cash held by fiscal agent	48,393	45,172
	\$ 22,318,729	15,299,852
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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
REVENUES COLLECTED:				
Local	\$ 9,767,742	1,112,581	2,106,751	12,987,074
County	280,567	95,222	-	375,789
State	3,480,144	7,834,332	704,767	12,019,243
Federal	3,145,303	1,641,272	4,929,422	9,715,997
Receipts other districts	-	4,283,486	-	4,283,486
Total Revenues Collected	<u>16,673,756</u>	<u>14,966,893</u>	<u>7,740,940</u>	<u>39,381,589</u>
EXPENDITURES PAID:				
General instruction	3,307,723	10,966,395	1,690	14,275,808
Vocational instruction	246,576	1,126,569	106,536	1,479,681
Student activities	1,466,434	291,476	36,020	1,793,930
Attendance and guidance	328,228	745,822	-	1,074,050
Health services	780,458	508,499	-	1,288,957
Improvement of instruction	182,610	328,130	-	510,740
Professional development	85,341	3,529	-	88,870
Media services	74,992	240,088	-	315,080
General administration	963,423	598,599	76,974	1,638,996
Building level administration	462,041	1,196,099	-	1,658,140
Fiscal services	270,612	-	-	270,612
Operation of plant	2,338,163	-	29,989	2,368,152
Security services	360,862	-	130,010	490,872
Pupil transportation	1,216,981	-	114,840	1,331,821
Other transportation	-	-	77,591	77,591
Food services	957,980	-	-	957,980
Other support services	213,673	124,964	-	338,637
Adult education	473,788	540,662	51,701	1,066,151
Community services	178,420	182,252	-	360,672
Facility acquisition and construction	-	-	5,627,776	5,627,776
Debt service payments:				
Interest	-	-	157,968	157,968
Other fees	-	-	4,558	4,558
Total Expenditures Paid	<u>13,908,305</u>	<u>16,853,084</u>	<u>6,415,653</u>	<u>37,177,042</u>
Revenues collected over (under) expenditures paid	2,765,451	(1,886,191)	1,325,287	2,204,547
Other financing sources (uses):				
Transfers in (out)	(3,056,134)	1,886,191	1,169,943	-
Fund balances, beginning of year	<u>9,281,503</u>	<u>-</u>	<u>2,953,136</u>	<u>12,234,639</u>
Fund balances, end of year	<u>\$ 8,990,820</u>	<u>-</u>	<u>5,448,366</u>	<u>14,439,186</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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Totals
REVENUES COLLECTED:				
Local	\$ 8,524,388	1,062,867	2,099,720	11,686,975
County	248,018	103,866	40,886	392,770
State	3,098,186	7,872,375	713,129	11,683,690
Federal	3,696,994	1,702,501	1,998,075	7,397,570
Other	43,917	-	-	43,917
Receipts other districts	-	4,259,363	-	4,259,363
Total Revenues Collected	<u>15,611,503</u>	<u>15,000,972</u>	<u>4,851,810</u>	<u>35,464,285</u>
EXPENDITURES PAID:				
General instruction	3,315,436	10,325,708	1,690	13,642,834
Vocational instruction	294,430	1,061,060	96,688	1,452,178
Student activities	1,343,817	315,989	19,665	1,679,471
Attendance and guidance	326,607	731,761	-	1,058,368
Health services	633,598	512,900	-	1,146,498
Improvement of instruction	420,264	445,359	-	865,623
Professional development	73,202	3,466	-	76,668
Media services	97,187	242,302	-	339,489
General administration	870,350	596,428	33,376	1,500,154
Building level administration	440,754	1,231,686	-	1,672,440
Fiscal services	260,836	-	-	260,836
Operation of plant	2,253,999	-	55,092	2,309,091
Security services	418,347	-	-	418,347
Pupil transportation	977,681	-	102,766	1,080,447
Other transportation	-	-	44,140	44,140
Food services	1,176,790	-	10,351	1,187,141
Other support services	188,127	143,052	-	331,179
Adult education	364,132	615,835	59,192	1,039,159
Community services	158,149	126,616	-	284,765
Facility acquisition and construction	-	-	5,222,540	5,222,540
Debt service payments:				
Interest	-	-	182,989	182,989
Other fees	-	-	6,996	6,996
Total Expenditures Paid	<u>13,613,706</u>	<u>16,352,162</u>	<u>5,835,485</u>	<u>35,801,353</u>
Revenues collected over (under) expenditures paid	1,997,797	(1,351,190)	(983,675)	(337,068)
Other financing sources (uses):				
Transfers in (out)	(2,517,270)	1,351,190	1,166,080	-
Fund balances, beginning of year	<u>9,800,976</u>	<u>-</u>	<u>2,770,731</u>	<u>12,571,707</u>
Fund balances, end of year	<u>\$ 9,281,503</u>	<u>-</u>	<u>2,953,136</u>	<u>12,234,639</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Amounts reported for governmental activities in the statement of activities are different due to the following:		
Net change in fund balances - Governmental Funds	\$ 2,204,547	(337,068)
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	(1,691,681)	(1,472,898)
Capital outlays	5,499,828	4,268,544
Loss on disposed assets due to replacements	(66,510)	-
Repayment of certificates of participation 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.	510,997	902,766
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.	2,324	(9,736)
Interest on escrowed cash from the 2019, 2014, 2013, and 2012 Series Certificates of Participation	3,457	35
Escrow cash utilized for debt service	(236)	(21)
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	546,302	1,061,232
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.	<u>9,849</u>	<u>35,907</u>
Change in net position - Government-Wide Statement of Activities	<u>\$ 7,018,877</u>	<u>4,448,761</u>

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, 2023 and 2022

	2023	2022
<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 Years Ended June 30, 2023 and 2022

	2023	2022
<u>Additions</u>		
Pell and Stafford loans	\$ 523,419	471,783
American Rescue Plan Grants Received	-	293,828
Higher education emergency relief fund	78,354	415,788
Administrative cost allowances - Pell and Stafford	265	165
	602,038	1,181,564
<u>Deductions</u>		
Pell and Stafford loans distributed	523,419	471,783
American Rescue Plan Grants paid out	-	293,828
Higher education emergency relief fund - institutional funding to West Plains R-VII	78,354	415,788
Administrative cost allowances disbursed to West Plains R-VII	265	165
	602,038	1,181,564
Total additions	602,038	1,181,564
	602,038	1,181,564
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, 2023 and 2022

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 2023 and 2022.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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 2023 and 2022, 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, 2023 and 2022

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, 2023 and 2022

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 \$433,129 and \$442,978 at June 30, 2023 and 2022, respectively.

J. Subsequent Events

Subsequent events have been evaluated through October 31, 2023, which is the audit report date. The District has elected to change its accounting method to the cash basis of accounting for its fund financial statements and the modified cash basis of accounting for the government-wide financial statements effective for the fiscal year ending June 30, 2025.

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.

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, 2023 and 2022

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, 2023 and 2022. At June 30, 2023, the District had bank balances of \$13,762,502 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, 2023 and 2022:

Type of investment	Fair Value	Maturity < 1 Year	Maturity 1-5 Years
<u>June 30, 2023</u>			
External investment pools:			
Money Markets	\$ 48,393	48,393	-
	<u>\$ 48,393</u>	<u>48,393</u>	<u>-</u>
<u>June 30, 2022</u>			
External investment pools:			
Money Markets	\$ 45,172	45,172	-
	<u>\$ 45,172</u>	<u>45,172</u>	<u>-</u>

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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 2022 and 2021 for purposes of local taxation was \$186,072,533 and \$178,856,671, respectively.

The tax levies per \$100 of the assessed valuation of taxable property for the calendar years of 2022 and 2021 for purpose of local taxation were:

	2022		2021	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.8404	2.8404	2.8223	2.8223
Capital Projects Fund	0.9000	0.9000	0.9000	0.9000
Total	\$ 3.7404	3.7404	3.7223	3.7223

The receipts of current and delinquent property taxes during the fiscal years ended June 30, 2023 and 2022, aggregated approximately 100.4% and 98.6%, 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 2023 and 2022 amounted to \$632 and \$491, respectively. The tax abatement plan is scheduled to expire in 2028.

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 2023 and 2022 amounted to \$13,806 and \$14,083, respectively. The tax abatement plan is scheduled to expire in 2029.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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, 2023 and 2022 follows:

	Balances			Balances			Balances
	July 1, 2022	Additions	Deletions	June 30, 2022	Additions	Deletions	June 30, 2023
Land	\$ 708,883	-	-	708,883	202,218	-	911,101
Buildings	40,467,599	4,074,026	-	44,541,625	4,798,294	123,496	49,216,423
Furniture, Equipment, and vehicles	8,144,158	194,518	2,320	8,336,356	499,316	199,818	8,635,854
	<u>\$ 49,320,640</u>	<u>4,268,544</u>	<u>2,320</u>	<u>53,586,864</u>	<u>5,499,828</u>	<u>323,314</u>	<u>58,763,378</u>

A summary of changes in accumulated depreciation for the years ended June 30, 2023 and 2022 follows:

	Balances			Balances			Balances
	July 1, 2022	Additions	Deletions	June 30, 2022	Additions	Deletions	June 30, 2023
Buildings	\$ 19,222,918	1,015,152	-	20,238,070	1,230,552	80,765	21,387,857
Furniture, Equipment, and vehicles	6,308,065	457,746	2,320	6,763,491	461,129	176,039	7,048,581
	<u>\$ 25,530,983</u>	<u>1,472,898</u>	<u>2,320</u>	<u>27,001,561</u>	<u>1,691,681</u>	<u>256,804</u>	<u>28,436,438</u>

A summary of the allocation of depreciation by activity for the years ended June 30, 2023 and 2022 follows:

	2023	2022
Instruction	\$ 148,653	163,557
Student activities	121,808	121,512
Vocational instruction	99,126	86,508
General administration	12,045	13,228
Operation of plant	1,193,829	967,296
Transportation	100,953	104,963
Other transportation	11,617	11,953
Food service	3,650	3,881
	<u>\$ 1,691,681</u>	<u>1,472,898</u>

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 6: Long-term Debt

Certificates of Participation Liabilities

During July 2012, the District issued the Series 2012 Certificates of Participation (COP) in the principal amount of \$1,522,000 to provide funds for the remodeling and improvement of the career center. The COP were payable in varying amounts through 2022 and bear interest at varying rates from 1.07% to 3.07%. The Series 2012 COP was paid in full in 2022.

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

On July 16, 2014, the District issued the Series 2015 Certificates of Participation in the principal amount of \$825,000. The Series 2015 COP were used to fund additional capital improvements and pay \$24,713 of costs of issuing the COP. The Series 2015 COP 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 Certificates of Participation in the principal amount of \$720,739. The Series 2017 School Bus COP were used to purchase eight school buses for use by the District. The Series 2017 School Bus COP 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 Certificates of Participation in the principal amount of \$4,000,000. The Series 2019 COP are used to fund additional capital improvements. The Series 2019 COP are payable in varying amounts through 2039 and bear interest varying from 3.0% to 3.3%.

The improvements associated with these projects have been capitalized as capital assets, and unexpended funds of \$48,393 and \$45,172 were held in escrow at UMB Bank, N.A. as of June 30, 2023 and 2022, respectively. Although the agreements provide for cancellation of the certificates at the District's option at the renewal dates, the District does not foresee exercising its option to cancel.

The following is a summary of certificates of participation transactions for the years ended June 30, 2023 and 2022:

	<u>Series 2012</u>	<u>Series 2013</u>	<u>Series 2015</u>
Certificates of participation payable, July 1, 2021	\$ 165,000	635,000	825,000
Principal payments	<u>(165,000)</u>	<u>(635,000)</u>	<u>-</u>
Certificates of participation payable, June 30, 2022	-	-	825,000
Principal payments	<u>-</u>	<u>-</u>	<u>(405,000)</u>
Certificates of participation payable, June 30, 2023	<u>\$ -</u>	<u>-</u>	<u>420,000</u>
	Series		
	<u>2017 Bus</u>	<u>Series 2019</u>	<u>Total</u>
Certificates of participation payable, July 1, 2021	\$ 318,093	4,000,000	5,943,093
Principal payments	<u>(102,766)</u>	<u>-</u>	<u>(902,766)</u>
Certificates of participation payable, June 30, 2022	215,327	4,000,000	5,040,327
Principal payments	<u>(105,997)</u>	<u>-</u>	<u>(510,997)</u>
Certificates of participation payable, June 30, 2023	<u>\$ 109,330</u>	<u>4,000,000</u>	<u>4,529,330</u>

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 6: Long-term Debt (continued)

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

Fiscal Year Ending June 30:	Series 2015		Series 2017 Bus		Series 2019		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	420,000	13,650	109,330	3,438	-	124,620	671,038
2025	-	-	-	-	215,000	124,620	339,620
2026	-	-	-	-	220,000	118,170	338,170
2027	-	-	-	-	230,000	111,570	341,570
2028	-	-	-	-	235,000	104,670	339,670
2029 - 2033	-	-	-	-	1,280,000	413,550	1,693,550
2034 - 2038	-	-	-	-	1,490,000	203,925	1,693,925
2039 - 2039	-	-	-	-	330,000	10,890	340,890
Total Payments	\$ 420,000	13,650	109,330	3,438	4,000,000	1,212,015	5,758,433
Less amounts representing interest							<u>(1,229,103)</u>
Net COP Payments							<u>\$4,529,330</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, 2023 was:

Constitutional debt limit	\$ 27,910,880
General obligation bonds payable	-
Amount in Debt Service Fund available for payment of principal - balance sheet	<u>-</u>
Legal debt margin	<u>\$ 27,910,880</u>

At June 30, 2023, 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.

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, 2022</u>				
Held at UMB Bank, N.A. - Money Markets	<u>\$ 48,393</u>	<u>-</u>	<u>-</u>	<u>48,393</u>
<u>June 30, 2021</u>				
Held at UMB Bank, N.A. - Money Markets	<u>\$ 45,172</u>	<u>-</u>	<u>-</u>	<u>45,172</u>

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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.

	2023	2022	2021
Insurance provider	MEUHP	MEUHP	MEUHP
<u>Employee coverage</u>			
Monthly healthcare contribution rates ranged as follows:	\$509 to \$1,707	\$480 to \$2,769	\$480 to \$2,769
Healthcare costs for current employees and dependents is summarized as follows:			
Employee paid contributions	\$ 610,525	785,460	591,343
District paid contributions	1,723,500	1,619,352	1,568,675
Total employee healthcare costs	\$ 2,334,025	2,404,812	2,160,018
<u>Retiree coverage</u>			
Number of retirees electing coverage	<u>23</u>	<u>27</u>	<u>28</u>
Monthly healthcare contribution rates ranged as follows:	\$509 to \$2,182	\$480 to \$2,769	\$480 to \$2,769
Healthcare costs for retired employees and dependents is summarized as follows:			
Retired employee paid contributions	\$ 276,286	221,700	227,137
District paid contributions	-	-	-
Total retiree healthcare costs	\$ 276,286	221,700	227,137

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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 employee of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070(9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefit 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 service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary for fiscal years 2021, 2022 and 2023. 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.

The District's contributions remitted to PSRS were \$1,957,445, \$1,907,266, and \$1,904,685 for the years ended June 30, 2023, 2022, and 2021, 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 Schools Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the System who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 – 169.715 and Sections 169.560 – 169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service plus age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary of Plan Descriptions detailing the provisions of the plan can be found on PEERS' website at www.psr-peers.org.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 10: Pension Plans (continued)

General Information (continued)

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2021-2023. 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 \$359,500, \$341,178, and \$314,430 for the years ended June 30, 2023, 2022 and 2021, 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.

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

PSRS: At June 30, 2023, the District had a liability of \$19,242,703 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2022, 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 \$1,900,157 paid to PSRS for the year ended June 30, 2022 relative to the actual contributions of \$763,765,597 from all participating employers. At June 30, 2022, the District proportionate share was 0.2488%.

At June 30, 2023, 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	\$ 3,447,216	283,253
Changes of assumptions	1,255,761	-
Net difference between projected and actual earnings on pension plan investments	11,818,823	12,373,699
Changes in proportion and differences between Employer contributions and proportionate share of contributions	125,593	481,854
Employer contributions subsequent to the measurement date	1,957,445	-
	\$ 18,604,838	13,138,806

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 10: Pension Plans (continued)

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

The District had \$1,957,445 as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2022 that will be recognized as a reduction to the District's net pension liability in the year ended June 30, 2023. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

Year Ending June 30:	
2022	\$ 509,984
2023	77,268
2024	(598,992)
2025	3,333,378
2026	186,949
Thereafter	-
	\$ 3,508,587

PEERS: At June 30, 2023, the District had a liability of \$2,148,289 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2022 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 \$340,406 paid to PEERS for the year ended June 30, 2022 relative to the actual contributions of \$133,912,935 from all participating employers. At June 30, 2022, the District's proportionate share was 0.2542%.

At June 30, 2023, 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	\$ 342,752	2,279
Changes of assumptions	80,307	-
Net difference between projected and actual earnings on pension plan investments	1,548,595	1,602,059
Changes in proportion and differences between Employer contributions and proportionate share of contributions	22,774	2,893
Employer contributions subsequent to the measurement date	359,500	-
	\$ 2,353,928	1,607,231

The District had \$359,500 as deferred outflows of resources to pensions resulting from contributions subsequent to the measurement date of June 30, 2022 that will be recognized as a reduction to the District's net pension liability in the year ended June 30, 2023. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

Year Ending June 30:	
2022	\$ 185,628
2023	58,564
2024	(190,864)
2025	333,867
2026	-
Thereafter	-
	\$ 387,195

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

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 pension 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 individually represents a reasonable long-term estimate of anticipated experience of 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 May 2021. All economic and demographic assumptions were reviewed, and certain assumptions were updated, where appropriate, based on the results of the studies and effective with June 30, 2022 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

Measurement date	June 30, 2022
Valuation date	June 30, 2022
Expected return on investments	7.30% net of investment expenses and including 2.00% inflation
Inflation	2.00% per annum
Total Payroll Growth	<p>PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.</p> <p>PEERS: 2.50% per annum, consisting of 2.00% 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.</p>
Future salary increases	<p>PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.125% of real growth due to productivity, and real wage growth for merit.</p> <p>PEERS: 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.25% of real wage growth due to productivity, and real wage growth for merit.</p>
Cost of living increases	<p>PSRS & PEERS: Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustments (COLA) as of January 1, 2023 of 5.00%, in accordance with the Boards' funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to the recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1.</p>

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 10: Pension Plans (continued)

Actuarial Assumptions (continued):

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

Cost of living increases (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: Experience-adjusted Pub-2010 Teacher Mortality Table for Employees with generational projections using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

PEERS: Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projections using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Non-disabled retirees:

PSRS: Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS: Mortality rates from non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.

	Males	Females
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled retirees

PSRS: Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

PEERS: Experience-adjusted Pub-2010 General Disability Mortality Table projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 10: Pension Plans (continued)

Actuarial Assumptions (continued):

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

Changes in actuarial assumptions and methods:

PSRS & PEERS An experience study was completed in May 2021 resulting in updates to the assumptions for the June 30, 2021 valuation. There were no further updates to actuarial assumptions and methods for the June 30, 2022 valuation.

Fiduciary Net Position PSRS and PEERS issues a publicly available financial report (ACFR) that can be obtained at www.psrs-peers.org.

Expected Rate of Return The long-term expected rate of return on investments was determined in accordance with the 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 were 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 weighing 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, 2022 are summarized below.

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%
Global Equity	16.0%	6.88%
U.S. Treasuries	15.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

WEST PLAINS R-VII SCHOOL DISTRICT
Notes to Financial Statements (continued)
June 30, 2023 and 2022

Note 10: Pension Plans (continued)

Actuarial Assumptions (continued):

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

Discount rate The long-term expected rate of return used to measure the total pension liability was 7.30% as of June 30, 2022 and is consistent with the long-term expected geometric return on plan investments. The consistent actuarial assumed rate of return of 7.30% effective with the 2021 valuation based on the actuarial experience studies conducted during the current fiscal year. 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.

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 7.30% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

	1% Decrease (6.30%)	Current Rate (7.30%)	1% Increase (8.30%)
Discount Rate			
Proportionate share of the net pension liability (asset)			
PSRS	\$ 36,562,247	19,242,703	4,896,366
PEERS	4,308,347	2,148,289	345,401
Totals	<u>\$ 40,870,594</u>	<u>21,390,992</u>	<u>5,241,767</u>

WEST PLAINS R-VII SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues:				
Local	\$ 9,439,617	9,767,742	9,767,742	-
County	235,000	280,567	280,567	-
State	3,197,016	3,480,144	3,480,144	-
Federal	3,791,613	3,145,303	3,145,303	-
Total Revenues	<u>16,663,246</u>	<u>16,673,756</u>	<u>16,673,756</u>	<u>-</u>
Expenditures:				
General instruction	3,789,855	3,307,723	3,307,723	-
Vocational instruction	279,458	246,576	246,576	-
Student activities	326,432	1,466,434	1,466,434	-
Attendance and guidance	297,940	328,228	328,228	-
Health services	800,703	780,458	780,458	-
Improvement of instruction	344,923	182,610	182,610	-
Professional development	110,407	85,341	85,341	-
Media services	105,800	74,992	74,992	-
General administration	1,008,219	963,423	963,423	-
Building level administration	458,180	462,041	462,041	-
Fiscal services	1,043,666	270,612	270,612	-
Operation of plant	2,575,567	2,338,163	2,338,163	-
Security services	261,400	360,862	360,862	-
Pupil transportation	1,156,746	1,216,981	1,216,981	-
Other transportation	7,000	-	-	-
Food services	1,069,136	957,980	957,980	-
Other support services	205,208	213,673	213,673	-
Adult education	450,111	473,788	473,788	-
Community services	194,993	178,420	178,420	-
Total Expenditures	<u>14,485,744</u>	<u>13,908,305</u>	<u>13,908,305</u>	<u>-</u>
Revenues over expenditures	2,177,502	2,765,451	2,765,451	-
Other financing (uses):				
Transfers	(2,425,473)	(3,056,134)	(3,056,134)	-
Fund balance, beginning of year	<u>9,281,503</u>	<u>9,281,503</u>	<u>9,281,503</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 9,033,532</u></u>	<u><u>8,990,820</u></u>	<u><u>8,990,820</u></u>	<u><u>-</u></u>

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, 2023

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues:				
Local	\$ 874,154	1,112,581	1,112,581	-
County	80,000	95,222	95,222	-
State	7,897,925	7,834,332	7,834,332	-
Federal	1,512,740	1,641,272	1,641,272	-
Receipts other districts	4,119,569	4,283,486	4,283,486	-
Total Revenues	<u>14,484,388</u>	<u>14,966,893</u>	<u>14,966,893</u>	<u>-</u>
Expenditures:				
General instruction	10,397,240	10,966,395	10,966,395	-
Vocational instruction	1,114,562	1,126,569	1,126,569	-
Student activities	413,265	291,476	291,476	-
Attendance and guidance	746,860	745,822	745,822	-
Health services	567,064	508,499	508,499	-
Improvement of instruction	375,340	328,130	328,130	-
Professional development	2,319	3,529	3,529	-
Media services	248,181	240,088	240,088	-
General administration	600,524	598,599	598,599	-
Building level administration	1,396,713	1,196,099	1,196,099	-
Fiscal services	121,748	-	-	-
Other support services	130,489	124,964	124,964	-
Adult education	621,383	540,662	540,662	-
Community services	174,173	182,252	182,252	-
Total Expenditures	<u>16,909,861</u>	<u>16,853,084</u>	<u>16,853,084</u>	<u>-</u>
Expenditures over revenues	(2,425,473)	(1,886,191)	(1,886,191)	-
Other financing sources:				
Transfers	2,425,473	1,886,191	1,886,191	-
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, 2023

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%
6/30/21	0.2558%	5,662,843	13,170,128	43.00%	95.81%
6/30/22	0.2488%	19,242,703	13,145,716	146.38%	86.04%

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%
6/30/2021	1,904,629	1,904,629	-	13,170,128	14.46%
6/30/2022	1,900,157	1,900,157	-	13,145,716	14.45%

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, 2023

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%
6/30/21	0.2504%	269,662	4,588,839	5.88%	98.36%
6/30/22	0.2542%	2,148,289	4,936,312	43.52%	87.92%

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%
6/30/2021	314,835	314,835	-	4,588,839	6.86%
6/30/2022	340,406	340,406	-	4,936,312	6.90%

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, 2023

	Original Budget	Final Budget	Actual	Final Budget to Actual Variance
Revenues:				
Local	\$ 870,106	2,106,751	2,106,751	-
State	918,218	704,767	704,767	-
Federal	3,011,692	4,929,422	4,929,422	-
Total Revenues	<u>4,800,016</u>	<u>7,740,940</u>	<u>7,740,940</u>	<u>-</u>
Expenditures:				
General instruction	8,000	1,690	1,690	-
Vocational instruction	114,075	106,536	106,536	-
Student activities	19,600	36,020	36,020	-
General administration	95,617	76,974	76,974	-
Operation of plant	97,500	29,989	29,989	-
Security Services	249,748	130,010	130,010	-
Pupil transportation	-	114,840	114,840	-
Other transportation	-	77,591	77,591	-
Food services	6,000	-	-	-
Adult education	127,000	51,701	51,701	-
Community services	200	-	-	-
Facility acquisition and construction	3,593,003	5,627,776	5,627,776	-
Debt service payments:				
Interest	156,771	157,968	157,968	-
Other fees	3,400	4,558	4,558	-
Total Expenditures	<u>4,470,914</u>	<u>6,415,653</u>	<u>6,415,653</u>	<u>-</u>
Revenues over expenditures	329,102	1,325,287	1,325,287	-
Other financing sources:				
Transfers	-	1,169,943	1,169,943	-
Fund balance, beginning of year	<u>2,953,136</u>	<u>2,953,136</u>	<u>2,953,136</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,282,238</u>	<u>5,448,366</u>	<u>5,448,366</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, 2023 and 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	2023 Totals	2022 Totals
LOCAL:					
Current taxes	\$ 4,949,105	-	1,568,020	6,517,125	6,122,383
Delinquent taxes	356,389	-	112,941	469,330	442,260
School district trust fund (Prop C)	1,838,450	1,103,070	-	2,941,520	2,776,838
Financial institution tax	27,766	-	-	27,766	28,390
M&M surtax	7,030	-	342,963	349,993	350,486
In lieu of tax	14,438	-	-	14,438	14,574
Tuition form individuals (K-12)	-	8,940	-	8,940	-
Tuition - Post Secondary	556,632	-	-	556,632	467,629
Earnings on investments	624,328	571	17,104	642,003	229,957
Food service	183,600	-	-	183,600	20,907
Student activities	1,131,366	-	-	1,131,366	1,087,654
Other - from local sources	78,638	-	65,723	144,361	145,897
Total Local	9,767,742	1,112,581	2,106,751	12,987,074	11,686,975
COUNTY:					
Fines, escheats, etc.	-	95,222	-	95,222	103,866
State assessed utilities	280,567	-	-	280,567	288,904
Total County	280,567	95,222	-	375,789	392,770
STATE:					
Basic formula - state monies	2,237,933	6,713,800	-	8,951,733	8,974,608
Transportation	581,199	-	-	581,199	217,663
Early Childhood Special Education	303,504	317,391	2,324	623,219	654,616
Basic formula - classroom trust fund	-	189,964	673,581	863,545	872,581
Educational screening program/PAT	55,859	-	-	55,859	40,690
Career education	20,424	449,778	28,862	499,064	596,026
Food service - state	4,828	-	-	4,828	3,041
Teacher Baseline Grant	-	163,399	-	163,399	-
Residential Placement/Excess Cost	16,700	-	-	16,700	18,566
High Need Fund	116,527	-	-	116,527	159,189
Other - state	143,170	-	-	143,170	146,710
Total State	\$ 3,480,144	7,834,332	704,767	12,019,243	11,683,690

-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, 2023 and 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	2023 Totals	2022 Totals
FEDERAL:					
Medicaid	\$ 404,920	-	-	404,920	209,579
ARP - ESSER III Fund	602,541	316,227	4,640,530	5,559,298	2,506,012
CRRSA - ESSER II Fund	60,866	4,850	-	65,716	461
CARES - GEER Fund	-	-	-	-	24,019
CRRSA - GEER II Fund	46,349	-	51,701	98,050	12,825
Perkins basic grant, career education	255,776	29,666	66,529	351,971	329,564
IDEA Grants	2,146	-	-	2,146	3,805
IDEA entitlement funds, Part B IDEA	131,220	334,284	-	465,504	460,319
Early childhood special education	-	74,989	-	74,989	67,157
National school lunch program	687,668	-	-	687,668	1,037,049
School breakfast program	219,276	-	-	219,276	457,712
Title I - ESEA	386,599	734,969	-	1,121,568	1,304,079
Title II, Part A, ESEA	7,500	130,069	-	137,569	147,336
Title IV, Part A	71,079	-	-	71,079	50,471
ARP - Homeless Children and Youth II	84,657	-	-	84,657	-
Child nutrition program EOC Reimbursement	-	-	-	-	957
Federal emergency mgt agency funds	-	-	-	-	154,692
Vocational rehabilitation	41,425	-	-	41,425	3,278
Dept of health food service program	48,632	-	-	48,632	-
Title VI, Part B rural education initiative	51,977	-	-	51,977	31,202
Other Federal	42,672	16,218	170,662	229,552	597,053
Total Federal	3,145,303	1,641,272	4,929,422	9,715,997	7,397,570
OTHER:					
Net insurance recovery	-	-	-	-	43,917
Total Other	-	-	-	-	43,917
RECEIPTS OTHER DISTRICTS:					
Tuition from other districts	-	4,045,217	-	4,045,217	4,054,247
Contracted educational services	-	207,435	-	207,435	189,909
Area vocational school fees	-	30,834	-	30,834	15,207
Total Receipts Other Districts	-	4,283,486	-	4,283,486	4,259,363
TOTAL REVENUES COLLECTED	\$ 16,673,756	14,966,893	7,740,940	39,381,589	35,464,285

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, 2023 and 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	2023 Total	2022 Total
Salaries	\$ 4,514,620	13,025,441	-	17,540,061	16,796,806
Employee benefits	1,328,969	3,299,527	-	4,628,496	4,471,523
Purchased services	3,712,243	528,116	-	4,240,359	4,150,575
Supplies	4,352,473	-	-	4,352,473	4,556,259
Capital outlay	-	-	6,253,127	6,253,127	5,645,500
Other uses	-	-	162,526	162,526	189,985
Total	<u>\$ 13,908,305</u>	<u>16,853,084</u>	<u>6,415,653</u>	<u>37,177,042</u>	<u>35,810,648</u>

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Transportation Costs Eligible for State Aid
Year Ended June 30, 2023

	Non-Disabled District Operated	Disabled District Operated	Non-Disabled Service Payments to Other Districts	Early Childhood Transportation Service	Total
Certified salaries	\$ 139,997	-	-	-	139,997
Noncertified salaries	555,818	41,007	-	-	596,825
Employee benefits	185,116	15,909	-	-	201,025
Purchased services	43,561	-	5,494	6,395	55,450
Supplies	214,133	9,550	-	-	223,683
Capital outlay	114,840	-	-	-	114,840
Depreciation	92,827	-	-	-	92,827
	<u>\$ 1,346,292</u>	<u>66,466</u>	<u>5,494</u>	<u>6,395</u>	<u>1,424,647</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.

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

October 31, 2023

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 for the year ended June 30, 2023. West Plains R-VII School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions about West Plains R-VII School District's compliance with specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions about compliance with the specified requirements are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on West Plains R-VII School District's compliance with specified requirements.

In our opinion, management's assertions that West Plains R-VII School District complied with the requirements of Missouri laws and regulations stated above included in the accompanying Schedule of Selected Statistics are fairly stated, in all material respects.

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

Schultz, Wood & Rapp, P.C.

Springfield, Missouri

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Selected Statistics

June 30, 2023

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)

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1050	9	12	N/A	6.9833	156	1,056.7700
1100	9	12	N/A	7.0167	156	1,061.9000
3000	5	6	N/A	6.9833	156	1,056.7667
3000	7	8	N/A	6.9833	156	1,056.7667
4030	K	4	N/A	6.6833	156	1,056.7667
5000	K	6	N/A	7.0667	156	1,069.7667

Notes: _____

2. Attendance Hours

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4030	PK	16,858.9333	-	-	-	-	16,858.9333
4030	K	128,716.9169	-	-	-	12,347.5996	141,064.5165
5000	K	29,009.4835	-	-	-	-	29,009.4835
4030	1	126,206.2996	-	-	-	11,395.0835	137,601.3831
5000	1	23,023.0141	-	-	-	-	23,023.0141
4030	2	133,012.6999	-	-	-	11,569.0501	144,581.7500
5000	2	14,854.0646	-	-	-	-	14,854.0646
4030	3	136,988.1499	-	-	-	11,652.5831	148,640.7330
5000	3	28,891.8502	-	-	-	-	28,891.8502
4030	4	120,321.0001	-	-	-	8,792.4334	129,113.4335
5000	4	20,755.4334	-	-	-	-	20,755.4334
3000	5	136,065.4439	3,297.4833	-	-	7,397.3168	146,760.2440
5000	5	21,154.0832	-	-	-	-	21,154.0832
3000	6	119,705.9952	1,565.5333	-	-	4,920.4000	126,191.9285
5000	6	17,378.5927	-	-	-	-	17,378.5927
3000	7	143,760.9980	-	-	-	3,789.4001	147,550.3981
3000	8	176,639.3355	1,988.5667	-	-	6,380.2333	185,008.1355
1050	9	173,837.2077	257.9333	-	-	15,886.3200	189,981.4610
1050	10	184,072.0432	-	-	-	14,023.1200	198,095.1632
1050	11	146,247.5724	-	-	-	13,133.6800	159,381.2524
1050	12	129,827.5012	982.1967	-	-	8,874.3600	139,684.0579
		<u>2,027,326.6185</u>	<u>8,091.7133</u>	<u>-</u>	<u>-</u>	<u>130,161.5799</u>	<u>2,165,579.9117</u>

WEST PLAINS R-VII SCHOOL DISTRICT
 Schedule of Selected Statistics
 June 30, 2023

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	K	128.00	-	-	128.00
5000	K	25.00	-	-	25.00
4030	1	131.00	-	-	131.00
5000	1	22.00	-	-	22.00
4030	2	130.00	-	-	130.00
5000	2	15.00	-	-	15.00
4030	3	141.00	-	-	141.00
5000	3	27.00	-	-	27.00
4030	4	121.00	-	-	121.00
5000	4	20.00	-	-	20.00
3000	5	140.00	1.25	-	141.25
5000	5	20.00	-	-	20.00
3000	6	128.00	0.25	-	128.25
5000	6	16.00	-	-	16.00
3000	7	156.00	-	-	156.00
3000	8	184.00	2.14	-	186.14
1050	9	181.00	0.43	-	181.43
1050	10	198.00	-	-	198.00
1050	11	156.00	-	-	156.00
1050	12	148.00	0.86	-	148.86
Grand Total		<u>2,087.00</u>	<u>4.93</u>	-	<u>2,091.93</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	6.00	1.00	-	-	7.00
1050	264.43	59.00	-	-	323.43
3000	289.14	61.25	-	-	350.39
4030	390.00	70.00	-	-	460.00
5000	59.00	21.00	-	-	80.00
	<u>1,008.57</u>	<u>212.25</u>	-	-	<u>1,220.82</u>

Notes: _____

WEST PLAINS R-VII SCHOOL DISTRICT

Schedule of Selected Statistics

June 30, 2023

5. Finance

1. The District maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
2. 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
3. The District maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
4. The District maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5. As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of:	\$50,000
6. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
7. The District maintained a separate bank account for the Debt Service Fund in accordance with Sections 108.180 and 165.011, RSMo.	N/A
8. Salaries reported for educators in the October Core Data cycle are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Grants and Career Ladder, if applicable.	True
9. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken.	N/A
10. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
11. The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future.	True
12. The amount spent for approved professional development committee plan activities was:	\$88,870
13. 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)

- | | |
|---|----------------|
| 1. The school transportation allowable costs substantially conforms to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. | <u>True</u> |
| 2. 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. | <u>True</u> |
| 3. 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>1,106.0</u> |
| Ineligible ADT | <u>-</u> |
| 4. 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. | <u>True</u> |
| 5. Actual odometer records show the total district-operated and contracted mileage for the year was: | <u>241,436</u> |
| 6. Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was: | |
| Eligible Miles | <u>151,334</u> |
| Ineligible Miles (Non-Route/Disapproved) | <u>90,102</u> |
| 7. Number of days the District operated the school transportation system during the regular school year: | <u>156</u> |

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

October 31, 2023

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 the governmental activities and each major fund of West Plains R-VII School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated October 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Plains R-VII School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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* is a deficiency, or a combination of deficiencies, in internal that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, Finding 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

West Plains R-VII School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on West Plains R-VII School District's response to the finding identified in our audit and described in the accompanying described in the accompanying Schedule of Findings and Questioned Costs, Corrective Action Plan. West Plains R-VII School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

WEST PLAINS R-VII SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2023

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>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425C,D,E,F,N,R,U	COVID-19 - Education Stabilization Fund
10.553, 10.555	Child Nutrition Cluster

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

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

Section II - Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

There are no current year audit findings.

Summary Schedule of Prior Audit Findings

There are no prior year audit findings.



SCHULTZ, WOOD & RAPP, P.C.

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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**

October 31, 2023

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, 2023. 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.

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, 2023.

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.

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, 2023

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal Award Identification Number	Federal Expenditures
<u>U.S. Department of Agriculture:</u>			
Pass-through programs from:			
Missouri Dept. of Elementary & Secondary Education -			
School Breakfast Program	10.553	20221N119943	\$ 36,915
School Breakfast Program	10.553	20232N119943	161,337
National School Lunch Program	10.555	20221N119943	112,007
National School Lunch Program	10.555	20232N119943	521,923
National School Lunch Program - Supply Chain	10.555	20221N890343	49,744
National School Lunch Program - Supply Chain	10.555	20232N890343	25,017
National School Lunch Program, Non-cash	10.555	046-134	82,902
Total Pass-through programs from DESE			<u>989,845</u>
Missouri Dept. of Health & Senior Services-			
Summer Food Service Program for Children	10.559	ERS0462211S	42,509
Total Pass-through programs from DHSS			<u>42,509</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>1,032,354</u>
<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	S010A210025	437,634
Title I Grants to Local Educational Agencies	84.010A	S010A220025	683,935
Total Title I Grants to Local Educational Agencies			<u>1,121,569</u>
Special Education Preschool Grants	84.173A	H173A210103	5,647
Special Education Preschool Grants	84.173A	H173A220103	8,231
Special Education Grants to States	84.027A	H027A200040	83,423
Special Education Grants to States	84.027A	H027A210040	330,990
Special Education Grants to States	84.027A	H027A220040	114,349
Total Special Education Cluster (IDEA)			<u>542,640</u>
Supporting Effective Instruction State Grants	84.367A	S367A210024	83,317
Supporting Effective Instruction State Grants	84.367A	S367A220024	54,252
Total Supporting Effective Instruction State Grants			<u>137,569</u>
Student Support and Academic Enrichment Program	84.424A	S424A190026	8,037
Student Support and Academic Enrichment Program	84.424A	S424A210026	63,042
Total Student Support and Academic Enrichment Program			<u>71,079</u>
Rural Education			
Career and Technical Education -- Basic Grants to States	84.358B	S358B210025	51,977
Career and Technical Education -- Basic Grants to States	84.048A	V048A210025	54,415
Career and Technical Education -- Basic Grants to States	84.048A	V048A220025	269,719
Total Student Support and Academic Enrichment Program			<u>324,134</u>
COVID-19 - Education Stabilization Fund	84.425C	S425C210016	98,050
COVID-19 - Education Stabilization Fund	84.425D	S425D200021	62,739
COVID-19 - Education Stabilization Fund	84.425U	S425U210021	5,559,299
COVID-19 - Education Stabilization Fund	84.425W	S425W210026	84,657
Total COVID-19 - Education Stabilization Fund pass-through			<u>5,804,745</u>
Total pass-through from Missouri Dept. of Elementary & Secondary Education			<u>\$ 8,053,713</u>

(continued)

WEST PLAINS R-VII SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal Award Identification Number	Federal Expenditures
Passthrough from Three Rivers Community College:			
Career and Technical Education -- Basic Grants to States	84.048	N/A	27,764
Direct Grants			
COVID-19 - Education Stabilization Fund	84.425F	P425F203870	78,354
			78,354
Federal Pell grant program	84.063	P063P222674	294,216
Federal Pell grant program	84.063	P063P232674	6,371
Federal Direct Loan	84.268	P268K232674	224,626
Federal Direct Loan	84.268	P268K242674	4,701
Total Student Financial Assistance Cluster			529,914
Total U.S. Department of Education			8,689,745
<u>U.S. Department of Health and Human Services</u>			
Passthrough from the Missouri Department of Elementary and Secondary Education:			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	18NU87	100
Every Student Succeeds Act/Preschool Development Grants	93.434	90TP0066	700
Total U.S. Department of Health and Human Services			800
Total Expenditures of Federal Awards			\$ 9,722,899

(continued)

West Plains R-VII School District
Schedule of Expenditures of Federal Awards (continued)
June 30, 2023

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.

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**INDEPENDENT AUDITOR'S COMMUNICATION
WITH THOSE CHARGED WITH GOVERNANCE**

October 31, 2023

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 governmental activities and each major fund of the West Plains R-VII School District as of June 30, 2023 and for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, 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, 2023. Professional standards require that we communicate to you the following information related to our audit.

Significant Audit Matters

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. The application of existing policies was not changed during 2023. 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 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 pension obligations due to cost-sharing multiple employer retirement plans as of June 30, 2023, since the liabilities are computed using various actuarial and accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

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 October 31, 2023.

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 were engaged to report on the General Fund, Special Revenue Fund and Capital Projects Fund budgetary comparison information, the District's Schedules of Proportionate Share of Net Pension Liability and Related Ratios and Schedules of Employer Contributions, 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. 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. 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 Information
For Ten Years Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL FUNDS										
Total Fund Balances	\$14,439,186	12,234,639	12,571,707	7,075,473	7,129,790	7,135,001	6,693,845	6,351,024	6,274,696	6,513,672
Total Revenues Collected	\$39,381,589	35,464,285	36,253,550	29,802,635	29,760,015	29,444,550	27,691,348	26,479,240	25,804,867	24,894,243
Less Expenditures Paid	37,177,042	35,801,353	30,757,316	29,856,952	29,765,226	29,003,394	27,348,527	26,402,912	26,043,843	25,737,111
Revenues Collected over (under) Expenditures paid	\$ 2,204,547	(337,068)	5,496,234	(54,317)	(5,211)	441,156	342,821	76,328	(238,976)	(842,868)
OTHER SELECTED DATA										
Long term debt outstanding	\$ 4,529,330	5,040,327	5,943,093	6,888,644	7,929,835	4,950,893	5,368,024	6,140,935	7,021,668	6,385,000
Calendar Hours	1,056.77	1,055.25	1,057.42	888.45	1,114.23	1,103.77	1,098.20	1,115.06	1,073.50	949.00
Eligible Pupils/ADA	2,048.96	1,956.90	1,936.82	2,026.66	2,015.36	2,003.79	1,975.45	1,903.47	1,863.99	1,862.70
September Resident Membership	2,091.93	2,036.02	2,047.68	2,042.93	2,036.90	2,039.61	1,985.00	1,941.00	1,772.00	1,866.00
Operating Fund Balances/Expenditures Ratio	29.23%	30.93%	34.09%	20.96%	22.25%	23.63%	20.68%	20.40%	17.90%	20.10%