

Gainesville R-V School District

Basic Financial Statements
Year Ended June 30, 2021



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Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of the Gainesville R-V School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Gainesville R-V School District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gainesville R-V School District's basic financial statements. The data contained under Other Financial Information is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "KPM CPAs, PC". The letters are cursive and slightly slanted to the right.

KPM CPAs, PC
Springfield, Missouri
December 2, 2021

Government-Wide Financial Statements

Gainesville R-V School District

Statement of Net Position – Modified Cash Basis

June 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,283,389
Total Assets	<u>\$ 4,283,389</u>
Net Position	
Restricted for student scholarships	\$ 692
Restricted for student activities	129,855
Unrestricted	4,152,842
Total Net Position	<u>\$ 4,283,389</u>

See accompanying notes to the financial statements

Gainesville R-V School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2021

	Program Cash Receipts				Net
					(Disbursements)
	Cash	Charges for	Operating	Capital	Receipts and
	Disbursements	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Governmental Activities					
Instruction	\$ (3,278,984)	\$ 210,704	\$ 2,220,173	\$ -	\$ (848,107)
Student services	(406,070)	-	48,105	-	(357,965)
Instructional staff support	(227,400)	-	53,700	-	(173,700)
Building administration	(275,413)	-	-	-	(275,413)
General administration	(457,794)	-	-	-	(457,794)
Operation of plant	(760,208)	-	-	42,183	(718,025)
Transportation	(630,049)	-	96,766	160,470	(372,813)
Food service	(494,026)	11,135	531,372	-	48,481
Community services	(189,404)	-	97,580	-	(91,824)
Facilities acquisition and	(686,427)	-	-	208,586	(477,841)
Debt service	(169,237)	-	-	-	(169,237)
Net Program					
(Disbursements) Receipts	<u>\$ (7,575,012)</u>	<u>\$ 221,839</u>	<u>\$ 3,047,696</u>	<u>\$ 411,239</u>	<u>(3,894,238)</u>
General Receipts					
Ad valorem tax receipts					1,522,463
Prop C sales tax receipts					742,575
Other tax receipts					38,678
County receipts					110,061
State receipts					2,984,882
Interest receipts					22,424
Other receipts					23,355
Total General Receipts					<u>5,444,438</u>
Special Item					
Lease proceeds					<u>385,000</u>
<i>Increase in Net Position</i>					1,935,200
Net Position—Beginning of year					<u>2,348,189</u>
Net Position—End of year					<u><u>\$ 4,283,389</u></u>

See accompanying notes to the financial statements

Fund Financial Statements

Gainesville R-V School District

Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis

June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,490,726	\$ -	\$ 1,792,663	\$ 4,283,389
Total Assets	<u>\$ 2,490,726</u>	<u>\$ -</u>	<u>\$ 1,792,663</u>	<u>\$ 4,283,389</u>
Fund Balances				
Restricted for student scholarships	\$ 692	\$ -	\$ -	\$ 692
Restricted for student activities	129,855	-	-	129,855
Assigned for capital outlay	-	-	1,792,663	1,792,663
Unassigned	2,360,179	-	-	2,360,179
Total Fund Balances	<u>\$ 2,490,726</u>	<u>\$ -</u>	<u>\$ 1,792,663</u>	<u>\$ 4,283,389</u>

See accompanying notes to the financial statements

Gainesville R-V School District

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis
Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Receipts				
Local	\$ 2,209,543	\$ 278,466	\$ 52,240	\$ 2,540,249
County	69,875	40,186	-	110,061
State	872,265	2,074,100	374,305	3,320,670
Federal	1,918,393	953,985	250,769	3,123,147
Other	31,085	-	-	31,085
Total Receipts	<u>5,101,161</u>	<u>3,346,737</u>	<u>677,314</u>	<u>9,125,212</u>
Disbursements				
Instruction	748,534	2,530,450	-	3,278,984
Student services	232,320	173,750	-	406,070
Instructional staff support	157,099	64,109	6,192	227,400
Building administration	3,636	271,777	-	275,413
General administration	265,116	192,678	-	457,794
Operation of plant	718,025	-	42,183	760,208
Transportation	409,253	6,958	213,838	630,049
Food service	426,934	-	67,092	494,026
Community services	82,389	107,015	-	189,404
Facilities acquisition and construction	-	-	686,427	686,427
Debt service	-	-	169,237	169,237
Total Disbursements	<u>3,043,306</u>	<u>3,346,737</u>	<u>1,184,969</u>	<u>7,575,012</u>
<i>Excess (Deficit) Over Disbursements</i>	2,057,855	-	(507,655)	1,550,200
Other Financing Sources (Uses)				
Lease proceeds	-	-	385,000	385,000
Operating transfers in (out)	(439,858)	-	439,858	-
Total Other Financing Sources (Uses)	<u>(439,858)</u>	<u>-</u>	<u>824,858</u>	<u>385,000</u>
<i>Excess of Receipts and Other Sources Over Disbursement and Other (Uses)</i>	1,617,997	-	317,203	1,935,200
Fund Balance, July 1, 2020	1,136,936	-	1,211,253	2,348,189
Fund transfer in (out)	(264,207)	-	264,207	-
Fund Balance, June 30, 2021	<u><u>\$ 2,490,726</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,792,663</u></u>	<u><u>\$ 4,283,389</u></u>

See accompanying notes to the financial statements

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

1. Summary of Significant Accounting Policies

The District's accounting policies conform to the modified cash basis of accounting, which is characteristic of local governmental units of this type.

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts, and disbursements. The District has only governmental funds. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying basic financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for non-certified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund: Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund balance, receipts, and disbursements when they result from cash transactions. The modification to cash basis relates to the presentation of investments, if any. At June 30, 2021 the District did not hold any investments. This basis is a special purpose reporting framework other than accounting principles generally accepted in the United States of America.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the District used the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

Long-Term Debt

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

Teachers' Salaries

The salary payment schedule of the District for the 2020-2021 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2021, payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Cash Equivalents

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents. Cash equivalents of the pooled accounts consist primarily of sweep accounts and money market accounts, carried at cost, which approximates market.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

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

Unrestricted net position: All other net position that does not meet the definition of "restricted."

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

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

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

2. Cash & Cash Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit were entirely insured or collateralized with securities.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

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. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a waiver of the rollback provision. The District has voted a full waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2020 for purposes of local taxation was:

Real estate	\$ 41,210,570
Personal property	13,856,586
Total Assessed Valuation	\$ 55,067,156

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 2.7500	\$ 2.7500
	<u>\$ 2.7500</u>	<u>\$ 2.7500</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 101 percent of the current assessment computed on the basis of the levy as shown above.

4. Legal Debt Margin

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

Constitutional debt limit	\$ 8,260,073
Legal Debt Margin	\$ 8,260,073

5. Retirement Plans

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

Summary of Significant Accounting Policies

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

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

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

PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 31 or more years of service at retirement. Actuarially age-reduced benefits are available for members with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

Cost-of-Living Adjustments (COLA). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020, and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020, and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$434,012 and \$64,311, respectively, for the year ended June 30, 2021.

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

6. Bus Leases Payable

On July 23, 2018, the District entered into two lease agreements with Midwest Bus Sales, Inc. for the purchase of two school buses, for \$130,984 with interest in the amount of \$20,361. The leases have annual lease payments through August 1, 2022. If in the event of default, the lessor may repossess and take away said equipment.

On July 15, 2019, the District entered into a lease agreement with Santander for \$89,001, including interest of \$3,019, for the purchase of a school bus. If in the event of default, the lessor may repossess and take away said equipment.

On September 1, 2020, The District entered into a lease agreement with Santander for \$265,450, including interest of \$8,329, for the purchase of three school buses. If in the event of default, the lessor may repossess and take away said equipment.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

The following is a schedule of future minimum lease payments under the leases (assuming noncancellation):

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ 88,373
2023	58,706
2024	28,437
2025	28,437
Total Minimum Lease Payment	203,953
Less Amount Representing Interest	(17,734)
Net Lease Payments	\$ 186,219

The following is a summary of bus lease transactions for the year ended June 30, 2021:

Leases Payable, July 1, 2020	\$ 134,607
Lease additions	265,450
Lease retirements	(213,838)
Leases Payable, June 30, 2021	\$ 186,219

7. Leases Payable

On May 17, 2011, the District entered into a lease agreement with Community Foundation of the Ozarks, Inc. The 2011 lease agreement provided \$1,100,000 in funds for the acquisition, construction, and installation of a biomass heating and cooling facility. The lease has monthly payments in the amount of \$10,476 with interest at 1.0% through March 1, 2022. In the event of default, the Community Foundation shall have the right to possession of the facility.

On July 1, 2020, the District entered into a lease agreement with White River Valley Electric Cooperative, Inc. The lease agreement provided \$385,000 in funds for site improvements. The lease has monthly payments in the amount of \$3,543 with interest at 2.0% through July 1, 2030. In the event of default, White River shall have the right to immediately draw an amount sufficient to pay the unpaid balance of principal and all accrued interest owed.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

The following is a schedule of future minimum lease payments under the leases (assuming noncancellation):

<u>Year Ending June 30,</u>	<u>2011 Lease</u>	<u>2021 Lease</u>	<u>Total</u>
2022	\$ 20,952	\$ 46,059	\$ 67,011
2023	-	42,516	42,516
2024	-	42,516	42,516
2025	-	42,516	42,516
2026	-	42,516	42,516
2027	-	42,516	42,516
2028	-	42,516	42,516
2029	-	42,516	42,516
2030	-	42,516	42,516
2031	-	3,543	3,543
Total Minimum Lease Payment	20,952	389,730	410,682
Less Amount Representing Interest	(26)	(34,050)	(34,076)
Net Lease Payments	<u>\$ 20,926</u>	<u>\$ 355,680</u>	<u>\$ 376,606</u>

The following represents the changes in the lease payable for the year ended June 30, 2021:

Leases Payable, July 1, 2020	\$ 145,754
Additional lease obligation	385,000
Lease retirement	(154,148)
Leases Payable, June 30, 2021	<u><u>\$ 376,606</u></u>

8. Compensated Absences Payable

Compensated absences payable consists of accumulated personal leave by District personnel. Depending on employee eligibility, their total annual personal leave days vary from 10 to 13 days. Personal leave days may be used for personal leave or sick leave. Employees may accumulate up to a maximum of 70 days. Depending on the date of notification of separation of employment, personnel are compensated for a maximum of 45 or 70 days at the rate of either \$20 or \$40 per day, respectively. Total maximum compensated absences payable at June 30, 2021, was \$89,660.

9. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2021, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2021

10. Risk Management

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

11. Post-Employment Benefits

In addition to the pension benefits described in Note 5, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

12. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2021, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 439,858
Capital Projects Fund	439,858	-
	<u>\$ 439,858</u>	<u>\$ 439,858</u>

The District is required to make a transfer from the General Fund to the Special Revenue Fund to cover the excess of disbursements over receipts each year, if applicable. The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover disbursements and build balances as allowed by state law.

13. Commitments

At June 30, 2021, the District was committed to Sapp Design in the amount of \$114,513 for architecture services.

Supplementary Information

Gainesville R-V School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 2,031,700	\$ 2,209,543	\$ 2,209,543	\$ -
County	90,000	69,875	69,875	-
State	119,935	872,265	872,265	-
Federal	508,306	1,918,393	1,918,393	-
Other	53,000	31,085	31,085	-
Total Receipts	2,802,941	5,101,161	5,101,161	-
Disbursements				
Instruction	861,988	748,534	748,534	-
Student services	276,702	232,320	232,320	-
Instructional staff support	85,300	157,099	157,099	-
Building administration	5,000	3,636	3,636	-
General administration	270,967	265,116	265,116	-
Operation of plant	518,800	718,025	718,025	-
Transportation	464,745	409,253	409,253	-
Food service	458,490	426,934	426,934	-
Community services	35,795	82,389	82,389	-
Total Disbursements	2,977,787	3,043,306	3,043,306	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	<i>(174,846)</i>	<i>2,057,855</i>	<i>2,057,855</i>	<i>-</i>
Other Financing (Uses)				
Operating transfers (out)	-	(439,858)	(439,858)	-
<i>Excess (Deficit) of Receipts Over Disbursements and Other (Uses)</i>	<i>(174,846)</i>	<i>1,617,997</i>	<i>1,617,997</i>	<i>-</i>
Fund Balance, July 1, 2020	1,136,936	1,136,936	1,136,936	-
Fund transfer (out)	-	(264,207)	(264,207)	-
Fund Balance, June 30, 2021	\$ 962,090	\$ 2,490,726	\$ 2,490,726	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 300,000	\$ 278,466	\$ 278,466	\$ -
County	20,000	40,186	40,186	-
State	2,820,236	2,074,100	2,074,100	-
Federal	450,000	953,985	953,985	-
Other	53,000	-	-	-
Total Receipts	3,643,236	3,346,737	3,346,737	-
Disbursements				
Instruction	2,495,802	2,530,450	2,530,450	-
Student services	166,187	173,750	173,750	-
Instructional staff support	59,564	64,109	64,109	-
Building administration	270,978	271,777	271,777	-
General administration	192,589	192,678	192,678	-
Transportation	10,457	6,958	6,958	-
Community services	70,175	107,015	107,015	-
Total Disbursements	3,265,752	3,346,737	3,346,737	-
<i>Excess of Receipts Over Disbursements</i>	377,484	-	-	-
Fund Balance, July 1, 2020	-	-	-	-
Fund Balance, June 30, 2021	\$ 377,484	\$ -	\$ -	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 30,200	\$ 52,240	\$ 52,240	\$ -
State	-	374,305	374,305	-
Federal	-	250,769	250,769	-
Total Receipts	30,200	677,314	677,314	-
Disbursements				
Instruction	10,000	-	-	-
Instructional staff support	5,000	6,192	6,192	-
Operation of plant	10,000	42,183	42,183	-
Transportation	89,000	213,838	213,838	-
Food service	2,500	67,092	67,092	-
Facilities acquisition and construction	160,000	686,427	686,427	-
Debt service	129,173	169,237	169,237	-
Total Disbursements	405,673	1,184,969	1,184,969	-
<i>(Deficit) of Receipts Over Disbursements</i>	<i>(375,473)</i>	<i>(507,655)</i>	<i>(507,655)</i>	<i>-</i>
Other Financing Sources				
Lease proceeds	-	385,000	385,000	-
Operating transfers in	-	439,858	439,858	-
Total Other Financing Sources	-	824,858	824,858	-
<i>Excess (Deficit) of Receipts and Other Sources Over Disbursements</i>	<i>(375,473)</i>	<i>317,203</i>	<i>317,203</i>	<i>-</i>
Fund Balance, July 1, 2020	1,211,253	1,211,253	1,211,253	-
Fund transfer in	-	264,207	264,207	-
Fund Balance, June 30, 2021	\$ 835,780	\$ 1,792,663	\$ 1,792,663	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Note to the Budgetary Comparison Schedules

June 30, 2021

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis).

Other Financial Information

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Local				
Current taxes	\$ 1,474,052	\$ -	\$ -	\$ 1,474,052
Delinquent taxes	48,411	-	-	48,411
School District trust fund (Prop C)	464,109	278,466	-	742,575
Financial institution tax	-	-	7,508	7,508
M&M surtax	-	-	31,170	31,170
Reg Day School Tuition (K-12) from Individuals	31,085	-	-	31,085
Earnings from temporary deposits	8,862	-	13,562	22,424
Food Service - sales to pupils	11,135	-	-	11,135
Admissions - student activities	148,534	-	-	148,534
Gifts	5,856	-	-	5,856
Miscellaneous local revenue	17,499	-	385,000	402,499
Total Local	2,209,543	278,466	437,240	2,925,249
County				
Fines, escheats, etc.	-	40,186	-	40,186
State assessed utilities	48,697	-	-	48,697
Fed prop (Include fed forest, flood, and mineral)	21,178	-	-	21,178
Total County	69,875	40,186	-	110,061
State				
Basic Formula - state monies	686,503	2,059,513	-	2,746,016
Transportation	83,351	-	-	83,351
Early childhood special education	10,409	14,587	-	24,996
Basic Formula - classroom trust fund	52,491	-	213,835	266,326
Educational screening prog/PAT	7,997	-	-	7,997
Career education	22,435	-	-	22,435
Food service - state	3,079	-	-	3,079
Other - state	6,000	-	160,470	166,470
Total State	872,265	2,074,100	374,305	3,320,670

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Federal				
Medicaid	48,105	-	-	48,105
CRRSA - ESSER II	592,451	509,268	-	1,101,719
CARES - ESSER Fund	274,847	-	-	274,847
CARES - Governor's emergency education relief fund	40,591	-	-	40,591
Perkins basic grant, career education	17,805	-	-	17,805
Coronavirus relief fund (OA CRF)	57,033	-	-	57,033
IDEA entitlement funds, Part B IDEA	30,022	159,621	-	189,643
Early childhood special education - federal	-	8,697	-	8,697
After school snack program	4,282	-	-	4,282
Title I - ESEA	126,456	213,122	-	339,578
Title IV.A student support and academic enrichment	-	25,056	-	25,056
Title II, Part A&B, ESEA - teacher and principal	-	38,221	-	38,221
CARES - School lunch program	9,511	-	-	9,511
CARES - School breakfast program	5,450	-	-	5,450
CARES - After-school snack program	847	-	-	847
Federal Emergency Mgt Agency (FEMA) Funds	-	-	208,586	208,586
Dept of Health food service program	508,203	-	-	508,203
Title VI, Part B rural education initiative	12,250	-	-	12,250
Other - Federal	190,540	-	42,183	232,723
Total Federal	1,918,393	953,985	250,769	3,123,147
Other Sources				
Tuition from other LEAs - regular term	31,085	-	-	31,085
Total Other Sources	31,085	-	-	31,085
Total Receipts	<u>\$ 5,101,161</u>	<u>\$ 3,346,737</u>	<u>\$ 1,062,314</u>	<u>\$ 9,510,212</u>

The above presentation agrees to the Annual Secretary of the Board Report (ASBR).

Gainesville R-V School District

Schedule of Disbursements by Object

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Certificated - regular salaries	\$ -	\$ 2,360,379	\$ -	\$ 2,360,379
Certificated - administrators salaries	-	59,516	-	59,516
Certificated - part-time salaries	18	25,970	-	25,988
Certificated supplemental pay	87,039	53,195	-	140,234
Certificated unused leave and/or severance pay	13,048	10,540	-	23,588
Classified salaries regular	990,072	-	-	990,072
Classified salaries - part-time	30,343	-	-	30,343
Classified employees unused leave and/or severance	4,615	-	-	4,615
Teacher's retirement	5,299	402,896	-	408,195
Non-teacher retirement	73,227	416	-	73,643
Old age survivor and disability (OASDI)	61,967	7,574	-	69,541
Medicare	15,124	37,379	-	52,503
Employee insurance	217,424	346,372	-	563,796
Workers' compensation insurance	34,655	-	-	34,655
Unemployment compensation	5,371	-	-	5,371
Purchased instructional services - tuition	139,518	42,500	-	182,018
Audit services	14,750	-	-	14,750
Data processing and technology-related services	3,346	-	-	3,346
Legal services	1,884	-	-	1,884
Election services	4,134	-	-	4,134
Other professional services	140,090	-	-	140,090
Repairs and maintenance	38,497	-	-	38,497
Rentals - equipment	13,811	-	-	13,811
Water and sewer	5,453	-	-	5,453
Trash removal	10,532	-	-	10,532
Travel	6,959	-	-	6,959
Property insurance	34,308	-	-	34,308
Liability insurance	32,840	-	-	32,840
Fidelity bond premiums	92	-	-	92
Communication	9,902	-	-	9,902
Advertising	463	-	-	463

Gainesville R-V School District

Schedule of Disbursements by Object

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Dues and membership	6,561	-	-	6,561
General supplies	665,282	-	-	665,282
Supplies - technology-related	39,253	-	-	39,253
Food supplies - exclude non-food supplies	184,174	-	-	184,174
Electric	106,257	-	-	106,257
Gas - L.P.	12,111	-	-	12,111
Coal	6,035	-	-	6,035
Gasoline/diesel	28,852	-	-	28,852
Buildings	-	-	686,428	686,428
Regular equipment	-	-	115,466	115,466
Pupil transportation vehicles - school buses	-	-	213,838	213,838
Principal - lease purchase agreements	-	-	154,147	154,147
Interest - lease purchase agreements	-	-	15,090	15,090
Total Disbursements	<u><u>\$ 3,043,306</u></u>	<u><u>\$ 3,346,737</u></u>	<u><u>\$ 1,184,969</u></u>	<u><u>\$ 7,575,012</u></u>

The above presentation agrees to the Annual Secretary of the Board Report (ASBR).

Gainesville R-V School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2021

	District Owned
Administrative salaries	\$ 14,910
Non-certified salaries	209,554
Employee benefits	87,859
Purchased services	26,094
Supplies	64,378
Depreciation, net of adjustment	59,330
	<u>\$ 462,125</u>
 School buses lease/purchased	
Principal	<u>\$ 213,838</u>
Interest	<u>\$ 8,098</u>

Other Reporting Requirements



**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Education
Gainesville R-V School District
Gainesville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities and each major fund of the Gainesville R-V School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Gainesville R-V School District's basic financial statements and have issued our report thereon dated December 2, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. It is identified as finding 2021-001.

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Compliance and Other Matters

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

Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "KPM CPAs, PC". The letters are cursive and fluid, with the "K" and "P" being particularly prominent.

KPM CPAs, PC
Springfield, Missouri
December 2, 2021



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Gainesville R-V 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 Gainesville R-V School District's major federal programs for the year ended June 30, 2021. The Gainesville R-V School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Gainesville R-V School District's major federal program 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 Gainesville R-V School 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 on the Gainesville R-V School District's compliance.

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Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of Gainesville R-V School 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 Gainesville R-V School 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 Gainesville R-V School 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.



KPM CPAs, PC
Springfield, Missouri
December 2, 2021

Gainesville R-V School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Child Nutrition Cluster				
Missouri Department of Elementary and Secondary Education				
Commodities	10.555	077-102	\$ -	\$ 27,621
National School Lunch Program - Cash		20210N109943	-	4,282
COVID-19 National School Lunch Program - Cash		2020N850343	-	15,808
Missouri Department of Health and Senior Services				
Summer Food Service Program for Children	10.559	ERS461944S	-	463,460
COVID-19 Summer Food Service Program for Children			-	44,743
Total Child Nutrition Cluster			-	555,914
Total U.S. Department of Agriculture			-	555,914
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010A	S010A190025	-	73,427
		S010A200025	-	266,151
		S424A190026	-	5,849
		S42A200026	-	19,207
		S367A200024	-	3,557
			-	368,191
Career and Technical Education - Basic Grants to States	84.048	V048A190025	-	2,063
		V048A200025	-	15,742
			-	17,805
Supporting Effective Instruction State Grant	84.367	S367A190024	-	9,497
		S367A200024	-	25,167
			-	34,664
COVID-19 Education Stabilization Fund	84.425D	S425D210021	-	1,101,719
	84.425C	S425C200016	-	40,591
			-	1,142,310

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Gainesville R-V School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
Special Education Grants Cluster				
Special Education Grants to States	84.027A	H027A190040	-	45,277
		H027A200040	-	149,949
			-	195,226
Special Education Preschool Grants	84.173	H173A200103	-	3,158
Total Special Education Grants Cluster			-	198,384
Title V.B Rural Education Achievement Program	84.358	S358B200025	-	12,250
Total U.S. Department of Education			-	1,773,604
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Building Resilient Infrastructure and Communities	97.047	PDMC-PJ-07-MO-2017	-	208,585
Total U.S. Department of Homeland Security			-	208,585
U.S. Department of the Treasury				
Missouri Department of Elementary and Secondary Education				
COVID-19 - Coronavirus Relief Fund	21.019	077-102	-	57,033
Ozark County, Missouri				
COVID-19 - Coronavirus Relief Fund	21.019	-	-	232,724
Total U.S. Department of the Treasury			-	289,757
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,827,860</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Gainesville R-V School District

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's basic financial statements.
2. Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
3. The District did not provide funds to subrecipients in the current year.
4. The District elected not to use the 10% de minimis indirect cost rate.

Gainesville R-V School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I: Summary Schedule of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		Yes
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal programs:		
Assistance Listing Number(s)	Name of Federal Program or Cluster	
84.425	COVID-19 Education Stabilization Fund	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

Gainesville R-V School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section II: Financial Statement Findings

Material Weakness

2021-001 *Segregation of duties*

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

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

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

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel. The District does have some mitigating controls in place to offset some of the risks of the lack of segregation of duties.

Section III: Federal Award Findings and Questioned Costs

None

Gainesville R-V School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

Financial Statement Finding

Material Weakness

2020-001 Segregation of Duties

Auditors' Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Status: Uncorrected



Gainesville R-V School District

422 Bulldog Drive

Gainesville, MO 65655-7459

Office 417-679-4260 / Fax 417-679-4270

Justin Gilmore

Superintendent

Allisa West

Business Manager

Glenda Silvey

Executive Secretary

U.S. Department of Education

The Gainesville R-V School District respectfully submits the following corrective action plan for the year ended June 30, 2021. Contact information for the individual responsible for the corrective action:

Mr. Justin Gilmore, Superintendent
Gainesville R-V School District
422 Bulldog Dr.
Gainesville, Missouri 65655

Independent Public Accounting Firm: KPM CPAs, PC, 1445 E. Republic Road, Springfield, MO 65804

Audit Period: Year ended June 30, 2021

The findings from the June 30, 2021, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings—Financial Statement Audit

Material Weakness

2021-001 Segregation of Duties

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Action Taken: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Completion Date: Not applicable

Sincerely,

Mr. Justin Gilmore, Superintendent

Gainesville R-V School District

Supplementary State Information



Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education
Gainesville R-V School District
Gainesville, Missouri

We have examined management's assertions that Gainesville R-V 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, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2021. Gainesville R-V School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. 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.

In our opinion, management's assertions referred to above 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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2021

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2021

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	6	-	6.85	155.00	1,057.25
1050	7	12	-	6.85	155.00	1,057.25
7500	PK	PK	-	6.85	155.00	1,057.25

2. Attendance Hours

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
7500	PK	15,856.13	-	-	-	-	15,856.13
4020	K-6	301,601.02	-	8,378.31	-	22,728.75	332,708.08
1050	7-12	293,578.62	-	11,213.05	-	11,601.50	316,393.17
Grand Total	PK- 12	611,035.77	-	19,591.36	-	34,330.25	664,957.38

3. September Membership

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
7500	PK	20.00	-	-	20.00
4020	K	38.00	-	-	38.00
	1	38.00	-	-	38.00
	2	51.00	-	-	51.00
	3	45.00	-	-	45.00
	4	39.00	-	-	39.00
	5	42.00	-	-	42.00
	6	45.00	-	-	45.00
1050	7	59.00	-	-	59.00
	8	42.00	-	-	42.00
	9	58.00	0.27	-	58.27
	10	52.00	-	-	52.00
	11	35.00	-	-	35.00
	12	45.00	-	-	45.00
Grand Total	PK-12	609.00	0.27	-	609.27

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2021

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

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

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
4020	165.00	26.00	-	-	191.00
1050	159.00	26.00	-	-	185.00
Grand Total	324.00	52.00	-	-	376.00

5. Finance

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter 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 instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2021

5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$26,317
5.13	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:	None
Management Letter Comment:	N/A

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2021

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	347.5
	Ineligible ADT	14.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	146,679
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles (including food/instructional delivery miles 2020-21)	112,823
	Ineligible Miles (Non-Route/Disapproved)	33,856
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	155

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

Finding:	None
Management Letter Comment:	N/A