

Gainesville R-V School District

Basic Financial Statements
Year Ended June 30, 2023



Table of Contents

Independent Auditors' Report	3
Basic Financial Statements	
Statement of Net Position—Modified Cash Basis.....	7
Statement of Activities—Modified Cash Basis.....	8
Statement of Assets and Fund Balances—Governmental Funds—Modified Cash Basis.....	10
Statement of Receipts, Disbursements, and Changes in Fund Balances— Governmental Funds— Modified Cash Basis	11
Notes to the Financial Statements.....	12
Supplementary Information	
Schedule of Receipts by Source	23
Schedule of Disbursements by Object	25
Schedule of Transportation Costs Eligible for State Aid	26
Other Information	
Budgetary Comparison Schedule—General Fund.....	28
Budgetary Comparison Schedule—Special Revenue Fund	29
Budgetary Comparison Schedule—Capital Projects Fund	30
Note to the Budgetary Comparison Schedules	31
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 <i>Government Auditing Standards</i>	33
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	35
Schedule of Expenditures of Federal Awards	38
Notes to the Schedule of Expenditures of Federal Awards	40
Schedule of Findings and Questioned Costs	41
Summary Schedule of Prior Audit Findings.....	43
Corrective Action Plan	44
Supplementary State Information	
Independent Accountants' Report	46
Schedule of Selected Statistics.....	47



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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Gainesville R-V 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.

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, 2023, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gainesville R-V 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.

Basis of Accounting

As described in Note 1 of the financial statements, 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 opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; which includes the determination 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.

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 the 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.

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

In performing an audit in accordance with generally accepted auditing standards 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of Gainesville R-V 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 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 Gainesville R-V School District's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 13, 2023

Government-Wide Financial Statements

Gainesville R-V School District

Statement of Net Position – Modified Cash Basis

June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,405,111
Investments	4,078,852
Total Assets	<u><u>\$ 6,483,963</u></u>
Net Position	
Restricted for	
Student activities	\$ 184,951
Food service	107,042
School safety grant	100,000
Certificates of participation proceeds	1,000,000
Unrestricted	5,091,970
Total Net Position	<u><u>\$ 6,483,963</u></u>

See accompanying Notes to the Financial Statements

Gainesville R-V School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2023

		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	\$ (3,727,624)	\$ 306,602	\$ 810,053	\$ -	\$ (2,610,969)
Student services	(487,574)	-	87,627	-	(399,947)
Instructional staff support	(281,141)	-	104,879	-	(176,262)
Building administration	(291,249)	-	-	-	(291,249)
General administration	(516,309)	-	195,714	-	(320,595)
Operation of plant	(611,763)	-	-	-	(611,763)
Transportation	(898,573)	-	301,247	67,500	(529,826)
Food service	(563,208)	54,034	520,888	-	11,714
Community services	(155,321)	28,530	103,109	-	(23,682)
Facilities acquisition and construction	(2,066,445)	-	-	1,024,803	(1,041,642)
Debt service	(165,853)	-	-	-	(165,853)
Net Program					
(Disbursements) Receipts	<u>\$ (9,765,060)</u>	<u>\$ 389,166</u>	<u>\$ 2,123,517</u>	<u>\$ 1,092,303</u>	<u>(6,160,074)</u>
General Receipts					
Ad valorem tax receipts					1,649,406
Prop C sales tax receipts					913,361
Other tax receipts					41,296
County receipts					100,336
State receipts					2,964,296
Interest receipts					144,261
Other receipts					12,359
Total General Receipts					<u>5,825,315</u>
Special Items					
Sale of school buses					4,143
Debt proceeds					1,864,260
					<u>1,868,403</u>
<i>Increase in Net Position</i>					1,533,644
Net Position—Beginning of year					4,950,319
Net Position—End of year					<u>\$ 6,483,963</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 513,671	\$ -	\$ 1,891,440	\$ 2,405,111
Investments	3,072,603	-	1,006,249	4,078,852
Total Assets	<u>\$ 3,586,274</u>	<u>\$ -</u>	<u>\$ 2,897,689</u>	<u>\$ 6,483,963</u>
Fund Balances				
Restricted for				
Student activities	\$ 184,951	\$ -	\$ -	\$ 184,951
Food service	107,042	-	-	107,042
School safety grant	-	-	100,000	100,000
Certificates of participation proceeds	-	-	1,000,000	1,000,000
Assigned for capital outlay	-	-	1,797,689	1,797,689
Unassigned	3,294,281	-	-	3,294,281
Total Fund Balances	<u>\$ 3,586,274</u>	<u>\$ -</u>	<u>\$ 2,897,689</u>	<u>\$ 6,483,963</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Receipts				
Local	\$ 2,618,627	\$ 346,665	\$ 184,557	\$ 3,149,849
County	68,065	32,271	-	100,336
State	434,182	2,844,794	381,335	3,660,311
Federal	1,175,209	419,793	924,803	2,519,805
Total Receipts	<u>4,296,083</u>	<u>3,643,523</u>	<u>1,490,695</u>	<u>9,430,301</u>
Disbursements				
Instruction	1,012,770	2,714,854	-	3,727,624
Student services	284,059	203,515	-	487,574
Instructional staff support	179,058	93,696	8,387	281,141
Building administration	3,131	288,118	-	291,249
General administration	299,209	217,100	-	516,309
Operation of plant	611,763	-	-	611,763
Transportation	470,552	6,963	421,058	898,573
Food service	534,423	-	28,785	563,208
Community services	36,044	119,277	-	155,321
Facilities acquisition and construction	-	-	2,066,445	2,066,445
Debt service	-	-	165,853	165,853
Total Disbursements	<u>3,431,009</u>	<u>3,643,523</u>	<u>2,690,528</u>	<u>9,765,060</u>
<i>Excess (Deficit) Receipts Over Disbursements</i>	865,074	-	(1,199,833)	(334,759)
Other Financing Sources (Uses)				
Sale of school buses	-	-	4,143	4,143
Debt proceeds	-	-	1,864,260	1,864,260
Operating transfers in (out)	(384,212)	-	384,212	-
Total Other Financing Sources (Uses)	<u>(384,212)</u>	<u>-</u>	<u>2,252,615</u>	<u>1,868,403</u>
<i>Net Change in Fund Balances</i>	480,862	-	1,052,782	1,533,644
Fund Balance, July 1, 2022	3,105,412	-	1,844,907	4,950,319
Fund Balance, June 30, 2023	<u><u>\$ 3,586,274</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,897,689</u></u>	<u><u>\$ 6,483,963</u></u>

See accompanying Notes to the Financial Statements

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

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. This basis is a special purpose reporting framework other than accounting principles generally accepted in the United States of America; and as a result, these financial statements may not be suitable for another purpose.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

As a result of the use of the modified cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (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 2022-2023 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2023, 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, 2023

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, 2023, all bank balances on deposit were entirely insured or collateralized with securities.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

3. Investments

The District had the following investments at June 30, 2023:

Investment Type	Maturity	Amount
Missouri Capital Asset Advantage Treasury (MOCAAT) - Liquid Series	N/A	\$ 4,078,852

Missouri Capital Asset Advantage Treasury (MOCAAT)

District funds in Missouri Capital Asset Advantage Treasury are invested in the liquid series fund. The District has a pro-rata share of the liquid series. The liquid series funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes and the fund has a current rating of AAAm by Standard and Poor's.

The District does not have a policy on interest rate risk.

4. 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 2022 for purposes of local taxation was:

Real estate	\$ 42,451,210
Personal property	17,703,941
Total Assessed Valuation	\$ 60,155,151

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 2.7500	\$ 2.7500
	\$ 2.7500	\$ 2.7500

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

5. 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, 2023, was:

Constitutional debt limit	\$ 9,023,273
Legal Debt Margin	\$ 9,023,273

6. 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.

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.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

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. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Cost-of-Living Adjustments (COLA). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows: if the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost of living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustment 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 year 2023. 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 year 2023. 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 \$432,413 and \$85,736, respectively, for the year ended June 30, 2023.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

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.

7. Financed Purchases

On September 1, 2020, the District entered into a direct borrowing agreement with Santander for \$265,450, including interest of \$8,329, for the purchase of three school buses. In the event of default, Santander may take possession of the equipment.

On July 1, 2022, the District entered into a direct borrowing agreement with Stockmens Bank for \$242,894, including interest of \$23,876, for the purchase of three school buses. In the event of default, Stockmens Bank may take possession of the equipment.

Although the agreements provide for cancellation of the financed purchases at the District's option, the District does not foresee exercising its option to cancel.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 67,560	\$ 9,456	\$ 77,016
2025	69,806	7,209	77,015
2026	43,754	4,825	48,579
2027	45,306	3,273	48,579
2028	46,914	1,665	48,579
	<u>\$ 273,340</u>	<u>\$ 26,428</u>	<u>\$ 299,768</u>

The following is a summary of financed purchase transactions for the year ended June 30, 2023:

Financed Purchases Payable, July 1, 2022	\$ 109,026
Additional obligations	219,018
Net retirements	(54,704)
Financed Purchases Payable, June 30, 2023	<u><u>\$ 273,340</u></u>

8. Other Long-Term Debt

On July 1, 2020, the District entered into a Rural Economic Development loan agreement with White River Valley Electric Cooperative, Inc. The agreement provided \$385,000 in funds for site improvements and 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 declare all or any portion of the indebtedness to be immediately due and payable. The District was required to grant a security interest in an irrevocable standby letter of credit in the amount of \$385,000, of which, no draws have been made, to cover the event of default.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

On May 26, 2021, the District entered into a Rural Economic Development loan agreement with White River Valley Electric Cooperative, Inc. The agreement provided \$1,000,000 in funds for the construction of the FEMA Tornado Safe Room. The District drew funds of \$373,258 for the project in prior years and the final amount of \$626,742 in the current year. The agreement calls for monthly payments of \$8,403 with no interest through October 1, 2031. In the event of default, White River shall have the right to declare all or any portion of the indebtedness to be immediately due and payable. The District was required to grant a security interest in a \$1,000,000 standby certificates of deposit held by Community Foundation of the Ozarks for the benefit of the District in the event of default. The District has an agreement with Community Foundation of the Ozarks to repay any funds, if such event occurs. The District has reserves available to cover the pledged CD.

The following is a schedule of future minimum payments under the loan agreements:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 138,080	\$ 5,271	\$ 143,351
2025	138,830	4,519	143,349
2026	139,598	3,752	143,350
2027	140,380	2,970	143,350
2028	141,178	2,172	143,350
2029	141,993	1,358	143,351
2030	142,823	527	143,350
2031	104,378	6	104,384
2032	33,616	-	33,616
	<u>\$ 1,120,876</u>	<u>\$ 20,575</u>	<u>\$ 1,141,451</u>

The following represents the changes in the loans payable for the year ended June 30, 2023:

Loans Payable, July 1, 2022	\$ 631,477
Additional obligations	626,742
Net retirements	(137,343)
Loans Payable, June 30, 2023	<u><u>\$ 1,120,876</u></u>

9. Certificates of Participation

On May 12, 2023, the District issued certificates of participation in the amount of \$1,018,500, with interest at 4.67%. The proceeds are for constructing, improving, furnishing and equipping school facilities of the District, including constructing a baseball/softball complex. In the event of a default, the Seller may declare all future payments and other amounts due and payable and/or take possession of the facilities.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 86,890	\$ 41,082	\$ 127,971
2025	85,452	42,520	127,971
2026	89,488	38,483	127,971
2027	93,716	34,255	127,971
2028	98,144	29,827	127,971
2029-2033	564,810	75,045	639,857
	<u>\$ 1,018,500</u>	<u>\$ 261,212</u>	<u>\$ 1,279,712</u>

The following represents the changes in certificates of participation payable for the year ended June 30, 2023:

Certificates of Participation Payable, July 1, 2022	\$ -
Additional obligations	1,018,500
Net retirements	-
Certificates of Participation Payable, June 30, 2023	<u><u>\$ 1,018,500</u></u>

10. 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, 2023, was \$85,198.

11. 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, 2023, 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.

12. 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.

Gainesville R-V School District

Notes to the Financial Statements

June 30, 2023

13. Post-Employment Benefits

In addition to the pension benefits described in Note 6, 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.

14. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2023, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 384,212
Capital Projects Fund	384,212	-
	<u>\$ 384,212</u>	<u>\$ 384,212</u>

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.

15. Commitments

At June 30, 2023, the District was committed to Stiles Roofing in the amount of \$279,701 for a roofing project.

Supplementary Information

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Local				
Current taxes	\$ 1,598,641	\$ -	\$ -	\$ 1,598,641
Delinquent taxes	50,765	-	-	50,765
School district trust fund (prop C)	566,696	346,665	-	913,361
Financial institution tax	-	-	9,105	9,105
M&M surtax	-	-	31,493	31,493
In lieu of tax	-	-	698	698
Reg day school tuition (K-12) from individuals	71,765	-	-	71,765
Earnings from temporary deposits	1,000	-	143,261	144,261
Sales to pupils - reimbursable school meals	54,034	-	-	54,034
Admissions - student activities	234,837	-	-	234,837
Community services	28,530	-	-	28,530
Miscellaneous local revenue	12,359	-	-	12,359
Total Local	2,618,627	346,665	184,557	3,149,849
County				
Fines, escheats, etc.	-	32,271	-	32,271
State assessed utilities	41,403	-	-	41,403
Fed prop (include fed forest, flood, & mineral)	26,662	-	-	26,662
Total County	68,065	32,271	-	100,336
State				
Basic formula - state monies	5,773	2,712,248	-	2,718,021
Transportation	301,247	-	-	301,247
Early childhood special education	77,516	-	-	77,516
Basic formula - classroom trust fund	26,264	33,356	213,835	273,455
Educational screening prog/PAT	4,530	-	-	4,530
Career education	11,071	-	-	11,071
Food service - state	1,548	-	-	1,548
Teacher baseline grant	-	99,190	-	99,190
School safety grant	-	-	100,000	100,000
Other - state	6,233	-	67,500	73,733
Total State	434,182	2,844,794	381,335	3,660,311

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

Gainesville R-V School District

Schedule of Receipts by Source

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Federal				
Medicaid	64,327	-	-	64,327
ARP - ESSER III	298,183	-	614,701	912,884
CRRSA - ESSER II	10,135	18,098	-	28,233
CARES - ESSER fund	-	8,402	-	8,402
CRRSA - GEER II	700	-	-	700
Perkins basic grant, career education	19,095	-	-	19,095
ARP - IDEA 611 entitlement funds	-	34,553	-	34,553
IDEA entitlement funds, part B IDEA	42,096	40,357	-	82,453
National school lunch program	324,518	-	-	324,518
School breakfast program	159,131	-	-	159,131
After school snack program	11,510	-	-	11,510
Title I - ESEA	171,177	286,622	-	457,799
Title IV.A student support and academic enrichment	-	31,645	-	31,645
Title II, part A&B, ESEA - teacher and principal training	30,120	116	-	30,236
Federal emergency mgt agency (FEMA) funds	-	-	310,102	310,102
Dept of health food service program	24,181	-	-	24,181
Title V, part B rural education initiative	19,636	-	-	19,636
Other - federal	400	-	-	400
Total Federal	<u>1,175,209</u>	<u>419,793</u>	<u>924,803</u>	<u>2,519,805</u>
Other Sources				
Sale of school buses	-	-	4,143	4,143
Capital lease proceeds	-	-	1,864,260	1,864,260
Total Other Sources	<u>-</u>	<u>-</u>	<u>1,868,403</u>	<u>1,868,403</u>
Total Receipts	<u><u>\$ 4,296,083</u></u>	<u><u>\$ 3,643,523</u></u>	<u><u>\$ 3,359,098</u></u>	<u><u>\$ 11,298,704</u></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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 1,311,606	\$ 2,797,541	\$ -	\$ 4,109,147
Employee benefits	454,209	845,982	-	1,300,191
Purchased services	485,694	-	-	485,694
Supplies	1,179,500	-	-	1,179,500
Capital outlay	-	-	2,524,675	2,524,675
Other objects	-	-	165,853	165,853
Total Disbursements	\$ 3,431,009	\$ 3,643,523	\$ 2,690,528	\$ 9,765,060

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, 2023

	<u>District Operated</u>
Certificated salaries	\$ 6,100
Non-certified salaries	254,216
Employee benefits	97,088
Purchased services	14,402
Supplies	105,709
Capital outlay	12,336
Depreciation, net of adjustment	91,011
	<u>\$ 580,862</u>
 School buses financed/purchased	
Principal	<u>\$ 54,704</u>
Interest	<u>\$ 4,002</u>
School buses purchased	<u>\$ 354,018</u>

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

Other Information

Gainesville R-V School District

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 2,063,852	\$ 2,618,627	\$ 2,618,627	\$ -
County	70,000	68,065	68,065	-
State	222,835	434,182	434,182	-
Federal	630,794	1,175,209	1,175,209	-
Other	50,000	-	-	-
Total Receipts	3,037,481	4,296,083	4,296,083	-
Disbursements				
Instruction	805,134	1,012,770	1,012,770	-
Student services	211,266	284,059	284,059	-
Instructional staff support	135,398	179,058	179,058	-
Building administration	3,500	3,131	3,131	-
General administration	274,359	299,209	299,209	-
Operation of plant	576,000	611,763	611,763	-
Transportation	511,745	470,552	470,552	-
Food service	526,990	534,423	534,423	-
Community services	65,344	36,044	36,044	-
Total Disbursements	3,109,736	3,431,009	3,431,009	-
<i>Excess (Deficit) of Receipts Over Disbursements</i>	<i>(72,255)</i>	<i>865,074</i>	<i>865,074</i>	<i>-</i>
Other Financing (Uses)				
Operating transfers (out)	-	(384,212)	(384,212)	-
<i>Net Change in Fund Balance</i>	<i>(72,255)</i>	<i>480,862</i>	<i>480,862</i>	<i>-</i>
Fund Balance, July 1, 2022	3,105,412	3,105,412	3,105,412	-
Fund Balance, June 30, 2023	\$ 3,033,157	\$ 3,586,274	\$ 3,586,274	\$ -

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 370,000	\$ 346,665	\$ 346,665	\$ -
County	20,000	32,271	32,271	-
State	2,964,523	2,844,794	2,844,794	-
Federal	950,000	419,793	419,793	-
Total Receipts	<u>4,304,523</u>	<u>3,643,523</u>	<u>3,643,523</u>	<u>-</u>
Disbursements				
Instruction	2,582,083	2,714,854	2,714,854	-
Student services	188,187	203,515	203,515	-
Instructional staff support	64,893	93,696	93,696	-
Building administration	284,728	288,118	288,118	-
General administration	205,339	217,100	217,100	-
Transportation	6,957	6,963	6,963	-
Community services	106,658	119,277	119,277	-
Total Disbursements	<u>3,438,845</u>	<u>3,643,523</u>	<u>3,643,523</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	865,678	-	-	-
Fund Balance, July 1, 2022	-	-	-	-
Fund Balance, June 30, 2023	<u><u>\$ 865,678</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 30,200	\$ 184,557	\$ 184,557	\$ -
State	-	381,335	381,335	-
Federal	280,000	924,803	924,803	-
Total Receipts	<u>310,200</u>	<u>1,490,695</u>	<u>1,490,695</u>	<u>-</u>
Disbursements				
Instructional staff support	5,000	8,387	8,387	-
Transportation	104,000	421,058	421,058	-
Food service	2,500	28,785	28,785	-
Facilities acquisition and construction	2,010,000	2,066,445	2,066,445	-
Debt service	121,700	165,853	165,853	-
Total Disbursements	<u>2,243,200</u>	<u>2,690,528</u>	<u>2,690,528</u>	<u>-</u>
<i>Excess (Deficit) of Receipts Over Disbursements</i>	(1,933,000)	(1,199,833)	(1,199,833)	-
Other Financing Sources				
Sale of school buses	-	4,143	4,143	-
Capital lease proceeds	626,742	1,864,260	1,864,260	-
Operating transfers in	-	384,212	384,212	-
Total Other Financing Sources	<u>626,742</u>	<u>2,252,615</u>	<u>2,252,615</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,306,258)	1,052,782	1,052,782	-
Fund Balance, July 1, 2022	1,844,907	1,844,907	1,844,907	-
Fund Balance, June 30, 2023	<u>\$ 538,649</u>	<u>\$ 2,897,689</u>	<u>\$ 2,897,689</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules

Gainesville R-V School District

Note to the Budgetary Comparison Schedules

Year Ended June 30, 2023

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 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 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 modified cash basis 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, 2023, 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 13, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Gainesville R-V 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 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 over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 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 Gainesville R-V 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*.

Gainesville R-V School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 13, 2023



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

Opinion on Each Major Federal Program

We have audited the Gainesville R-V School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Gainesville R-V School District's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Gainesville R-V School District, and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Gainesville R-V School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Gainesville R-V School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Gainesville R-V School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Gainesville R-V School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

KPM CPAs, PC
Springfield, Missouri
December 13, 2023

Gainesville R-V School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number/ Other Identifying Number	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20221N119943	\$ -	\$ 42,606
		20232N119943	-	116,525
			-	159,131
National School Lunch Program - Cash	10.555	20221N119943	-	78,020
		20232N119943	-	231,149
		20221N890343	-	17,034
		20232N890343	-	9,825
National School Lunch Program - Commodities		077-102	-	53,906
			-	389,934
Missouri Department of Health and Senior Services				
Child Nutrition Cluster				
Summer Food Service Program	10.559	233MO305N1199	-	23,937
Total Child Nutrition Cluster			-	573,002
Total U.S. Department of Agriculture			-	573,002
U.S. Department of Education				
Missouri Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010A	S010A210025	-	143,462
		S010A220025	-	221,276
		S367A210024	-	116
		S424A210026	-	14,984
		S424A220026	-	16,661
			-	396,499
Career and Technical Education - Basic Grants to States	84.048A	V048A210025	-	19,095
Supporting Effective Instruction State Grant	84.367A	S367A220024	-	30,120
COVID-19 Education Stabilization Fund	84.425C	S425C210016	-	700
	84.425D	S425D200021	-	8,402
		S425D210021	-	28,233
	84.425U	S425U210021	-	912,884
			-	950,219

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, 2023

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number/ Other Identifying Number	Passed-through to Subrecipients	Federal Expenditures
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027A	H027A210040	-	82,453
		H027A220040	-	95,618
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027X	H027X210040	-	34,553
			-	212,624
Special Education - Preschool Grants (IDEA Preschool)	84.173A	H173A220103	-	3,262
Total Special Education Cluster (IDEA)			-	215,886
Rural Education	84.358B	S358B220025	-	19,636
Total U.S. Department of Education			-	1,631,455
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Building Resilient Infrastructure and Communities	97.047	PDMC-PJ-07-MO-2019	-	240,517
Total U.S. Department of Homeland Security			-	240,517
U.S. Department of Health and Human Services				
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	-	300
Total U.S. Department of the Health and Human Services			-	400
Total Expenditures of Federal Awards			\$ -	\$ 2,445,374

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, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District for the year ended June 30, 2023, and is presented on the modified cash basis of accounting as described below. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Noncash Assistance

Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.

Gainesville R-V School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I: Summary of Auditors' 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: <table style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Assistance Listing Number(s)</th> <th style="text-align: left;">Name of Federal Program or Cluster</th> </tr> </thead> <tbody> <tr> <td>10.553, 10.555 & 10.559</td> <td>Child Nutrition Cluster</td> </tr> <tr> <td>84.425C, 84.425D & 84.425U</td> <td>COVID-19 Education Stabilization Fund</td> </tr> </tbody> </table>			Assistance Listing Number(s)	Name of Federal Program or Cluster	10.553, 10.555 & 10.559	Child Nutrition Cluster	84.425C, 84.425D & 84.425U	COVID-19 Education Stabilization Fund
Assistance Listing Number(s)	Name of Federal Program or Cluster							
10.553, 10.555 & 10.559	Child Nutrition Cluster							
84.425C, 84.425D & 84.425U	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, 2023

Section II: Financial Statement Findings

Material Weakness

2023-001 *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.

This is a repeat finding of 2022-001

Section III: Federal Award Findings and Questioned Costs

None

Gainesville R-V School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

Financial Statement Finding

Material Weakness

2022-001 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

MARTI WARDEN, *President*
JABET WADE, *Vice President*
ALLISA WEST, *Secretary*
HEATHER BUSHNER, *Member*

MASON ESLINGER, *Member*
COREY HILLHOUSE, *Member*
JERRY KIGER, *Member*
ROBBY WALRATH, *Member*

Gainesville R-V School District

**422 BULLDOG DRIVE
GAINESVILLE, MO 65655-7459**

JUSTIN GILMORE
SUPERINTENDENT
417-679-4260
Fax 417-679-4270

RICHARD WYLIE
JR HIGH/HIGH SCHOOL PRINCIPAL
417-679-4200
Fax 417-679-4290

TREVOR HICKS
ASSISTANT JH/HS PRINCIPAL
417-679-4200
Fax 417-679-4290

BEN HOPPER
ELEMENTARY PRINCIPAL
417-679-4416
Fax 417-679-2077

December 13, 2023

U.S. Department of Education

The Gainesville R-V School District respectfully submits the following corrective action plan for the year ended June 30, 2023. 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, 2023

The findings from the June 30, 2023, 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

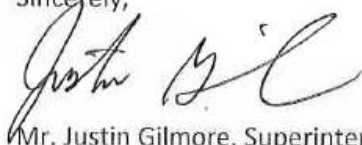
2023-001 Segregation of Duties

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

KPM
CPAS & ADVISORS
Independent Accountants' Report

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

We have examined Gainesville R-V School District's compliance 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, 2023. Management of Gainesville R-V School District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on Gainesville R-V School District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA, and those standards require that we plan and perform the examination to obtain reasonable assurance about whether Gainesville R-V School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Gainesville R-V School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides 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 examination engagement.

Our examination engagement does not provide a legal determination on Gainesville R-V School District's compliance with the specified requirements.

In our opinion, Gainesville R-V School District, complied in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

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 13, 2023

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

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2023

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
7500	PK	PK	-	7.35	144.00	1,055.82
4020	K	6	-	7.35	144.00	1,055.82
1050	7	12	-	7.35	144.00	1,055.82

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	9,111.82	-	-	-	-	9,111.82
4020	K-6	301,886.32	-	12,761.52	-	20,418.75	335,066.59
1050	7-12	299,788.31	-	14,420.50	-	11,455.00	325,663.81
Grand Total	PK- 12	610,786.45	-	27,182.02	-	31,873.75	669,842.22

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	18.00	-	-	18.00
4020	K-6	302.00	-	-	302.00
1050	7-12	309.00	-	-	309.00
Grand Total	PK-12	629.00	-	-	629.00

Gainesville R-V School District

Schedule of Selected Statistics

Year Ended June 30, 2023

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	183.00	39.00	-	-	222.00
1050	163.00	49.00	-	-	212.00
Grand Total	346.00	88.00	-	-	434.00

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 and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	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, 2023

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 school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft 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., and the Missouri Financial Accounting Manual	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	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. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	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. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$29,663
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, 2023

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	399.0
	Ineligible ADT	16.0
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:	189,804
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	140,280
	Ineligible Miles (Non-Route/Disapproved)	49,524
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	144

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

Finding:	None
Management Letter Comment:	N/A