

***KIRKWOOD SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2024***

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## Independent Auditor's Report

To the Members of the Board of Education  
Kirkwood School District R-7  
Kirkwood, Missouri

### Report On The Audit Of The Financial Statements

#### *Opinions*

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Kirkwood School District R-7 (the District), as of and for the year ended June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position-modified cash basis financial 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 (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis Of Matter – Basis Of Accounting***

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

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

### ***Auditor's Responsibilities For The Audit Of The Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and GAS 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 U.S. GAAS and GAS, 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 combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The supplementary 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 U.S. GAAS. In our opinion, the supplementary information is 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 included in the annual report. The other information comprises the budgetary comparison schedules and related note but does not include the basic financial statements and our auditor's 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 GAS, we have also issued our report dated November 11, 2024 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 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 GAS in considering the District's internal control over financial reporting and compliance.

**HONKAMP, P.C.**

*Honkamp, P.C.*

St. Louis, Missouri  
November 11, 2024

**KIRKWOOD SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**June 30, 2024**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 57,474,144
Restricted cash and investments	1,081,572
	\$ 58,555,716
<b>Liabilities</b>	
Payroll liabilities	\$ 1,320,487
<b>Net Position</b>	
Restricted for:	
Certified employees' compensation and benefits	408,683
Debt service	3,432,464
Prop I	464,483
Construction	1,063,630
Maintenance	3,582,478
Technology	2,440,226
Unrestricted	45,843,265
	57,235,229
<b>Total Net Position</b>	\$ 58,555,716



**KIRKWOOD SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**For The Year Ended June 30, 2024**

Function Or Program	Expenses	Program Revenue			Net (Expense)
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants, Contributions And Bond Proceeds	Revenue And Changes In Net Position Total Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 53,209,798	\$ 2,436,788	\$ 3,814,567	\$ —	\$ (46,958,443)
Attendance	388,759	—	—	—	(388,759)
Guidance	3,028,874	—	—	—	(3,028,874)
Health services	653,347	—	—	—	(653,347)
Improvement of instruction	2,080,918	—	433,744	—	(1,647,174)
Professional development	79,266	—	—	—	(79,266)
Media services	1,982,524	—	—	—	(1,982,524)
Board of Education services	1,379,134	—	—	—	(1,379,134)
Executive administration	4,005,071	—	—	—	(4,005,071)
Building level administration	5,684,591	—	—	—	(5,684,591)
Business, fiscal and internal services	910,318	—	—	—	(910,318)
Operation of plant	11,092,909	—	—	—	(11,092,909)
Security services	1,214,564	—	298,548	—	(916,016)
Transportation	2,207,469	13,391	754,698	—	(1,439,380)
Food service	1,845,912	1,372,028	455,017	—	(18,867)
Printing and publishing services	375,157	—	—	—	(375,157)
Central office support	272,954	—	—	—	(272,954)
Community services	5,323,995	4,507,509	1,073,704	—	257,218
Facilities	30,492,792	—	—	—	(30,492,792)
Debt service:					
Principal retirements	8,382,978	—	—	—	(8,382,978)
Interest and other	2,950,024	—	—	—	(2,950,024)
	\$ 137,561,354	\$ 8,329,716	\$ 6,830,278	\$ —	(122,401,360)
<b>General Revenue</b>					
Taxes:					
Property taxes, levied for general purposes					\$ 16,878,437
Property taxes, levied for special revenue fund					46,514,572
Property taxes, levied for debt services					5,411,684
Property taxes, levied for capital projects					9,013,812
Sales tax					8,470,720
Financial institution tax/M&M surtax					2,517,264
Other taxes:					
State assessed railroad and utility					1,151,946
Fines					80,372
State – basic formula					1,479,539
State – classroom trust fund					2,543,478
Investment earnings					4,358,063
Miscellaneous					258,697
Special Item:					
Sale of property					25,367
<b>Total General Revenue</b>					<b>98,703,951</b>
<b>Change In Net Position</b>					<b>(23,697,409)</b>
<b>Net Position – Beginning Of Year</b>					<b>80,932,638</b>
<b>Net Position – End Of Year</b>					<b>\$ 57,235,229</b>

# KIRKWOOD SCHOOL DISTRICT

## BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 51,479,101	\$ 1,640,713	\$ 3,432,464	\$ 921,866	\$ 57,474,144
Restricted cash and investments	1,081,572	—	—	—	1,081,572
	<b>\$ 52,560,673</b>	<b>\$ 1,640,713</b>	<b>\$ 3,432,464</b>	<b>\$ 921,866</b>	<b>\$ 58,555,716</b>
<b>Liabilities</b>					
Payroll liabilities	\$ 88,457	\$ 1,232,030	\$ —	\$ —	\$ 1,320,487
<b>Fund Balances</b>					
Restricted for:					
Certificated employees' compensation and benefits	—	408,683	—	—	408,683
Debt service	—	—	3,432,464	—	3,432,464
Prop I	—	—	—	464,483	464,483
Construction	737,304	—	—	326,326	1,063,630
Maintenance	3,451,421	—	—	131,057	3,582,478
Technology	2,440,226	—	—	—	2,440,226
Committed:					
Self-funded insurance	1,081,572	—	—	—	1,081,572
Assigned:					
Kirkwood Early Childhood Center	3,262,672	—	—	—	3,262,672
Student activities	2,074,668	—	—	—	2,074,668
Unassigned	39,424,353	—	—	—	39,424,353
<b>Total Fund Balances</b>	<b>52,472,216</b>	<b>408,683</b>	<b>3,432,464</b>	<b>921,866</b>	<b>57,235,229</b>
	<b>\$ 52,560,673</b>	<b>\$ 1,640,713</b>	<b>\$ 3,432,464</b>	<b>\$ 921,866</b>	<b>\$ 58,555,716</b>

# KIRKWOOD SCHOOL DISTRICT

## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS For The Year Ended June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Revenue</b>					
<b>Local Sources</b>					
Property taxes	\$ 16,878,437	\$ 46,514,571	\$ 5,411,683	\$ 9,013,811	\$ 77,818,502
School District Trust Fund (Prop C)	5,294,200	3,176,520	—	—	8,470,720
Financial institution tax/M&M surtax	2,517,265	—	—	—	2,517,265
Investment income	3,418,697	—	148,970	790,397	4,358,064
Food service	1,372,028	—	—	—	1,372,028
Student activities and fundraising	1,466,699	—	—	—	1,466,699
Community services	1,565,581	—	—	—	1,565,581
Pre-K tuition	2,941,928	—	—	—	2,941,928
Rentals	907,956	—	—	—	907,956
Other local	1,091,368	—	—	48,825	1,140,193
	37,454,159	49,691,091	5,560,653	9,853,033	102,558,936
<b>County Sources</b>					
State assessed utilities	238,232	656,551	107,445	149,718	1,151,946
Other county	—	80,372	—	—	80,372
	238,232	736,923	107,445	149,718	1,232,318
<b>State Sources</b>					
Basic formula	369,885	2,264,265	—	—	2,634,150
State grants and contributions	3,516,655	1,071,759	—	258,000	4,846,414
	3,886,540	3,336,024	—	258,000	7,480,564
<b>Federal Grants And Contributions</b>					
	1,508,782	1,083,345	—	—	2,592,127
	\$ 43,087,713	\$ 54,847,383	\$ 5,668,098	\$ 10,260,751	\$ 113,863,945
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	\$ 8,049,878	\$ 44,778,485	\$ —	\$ —	\$ 52,828,363
Attendance/social worker	302,463	86,296	—	—	388,759
Guidance	297,314	2,731,560	—	—	3,028,874
Health services	653,347	—	—	—	653,347
Improvement of instruction	974,103	1,106,815	—	—	2,080,918
Professional development	8,940	70,326	—	—	79,266
Media services	968,447	875,039	—	—	1,843,486
Board of Education services	1,379,134	—	—	—	1,379,134
Executive administration	3,308,955	626,357	—	—	3,935,312
Building level administration	2,430,774	3,235,129	—	—	5,665,903
Business, fiscal and internal services	910,318	—	—	—	910,318
Operation of plant	10,896,437	—	—	—	10,896,437
Security services	905,912	—	—	—	905,912
Transportation	2,207,469	—	—	—	2,207,469
Food service	1,729,883	—	—	—	1,729,883
Printing and publishing services	366,027	—	—	—	366,027
Central office support	249,718	20,709	—	—	270,427
Community services	4,416,011	907,984	—	—	5,323,995
Capital outlay	—	—	—	31,734,522	31,734,522
<b>Debt service:</b>					
Principal retirements	4,320	—	6,190,000	2,188,658	8,382,978
Interest	—	—	1,978,052	37,852	2,015,904
Other charges	—	—	—	934,120	934,120
	40,059,450	54,438,700	8,168,052	34,895,152	137,561,354

# KIRKWOOD SCHOOL DISTRICT

## STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS (CONTINUED)

For The Year Ended June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenue Over (Under) Expenditures	3,028,263	408,683	(2,499,954)	(24,634,401)	(23,697,409)
Other Financing Sources (Uses)					
Transfers in (out)	—	—	2,694,402	(2,694,402)	—
	—	—	2,694,402	(2,694,402)	—
Change In Fund Balances	3,028,263	408,683	194,448	(27,328,803)	(23,697,409)
Fund Balances – Beginning Of Year	49,443,953	—	3,238,016	28,250,669	80,932,638
Fund Balances – End Of Year	\$ 52,472,216	\$ 408,683	\$ 3,432,464	\$ 921,866	\$ 57,235,229

# KIRKWOOD SCHOOL DISTRICT

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## NOTES TO BASIC FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

The Kirkwood School District R-7 (the District) operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

As discussed further in Note 1 under Basis of Accounting, these financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Reporting Entity

The basic financial statements of the reporting entity include those of the Kirkwood School District (the primary government) and the Kirkwood School District Educational Facilities Authority (the Authority). A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The Authority has been determined to be a component unit of the District. Its purpose is to act on behalf of the District in its acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of capital improvement projects. The financial information of the Authority has been incorporated into the District's financial statements using the blending method. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government. Complete financial statements of the Authority are as shown in the supplementary information following these Notes to Basic Financial Statements.

Additionally, while the parent-teacher organizations of the District's schools and the Kirkwood School District Foundation are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimus nature.

#### Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenue and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District's policy is to close all encumbrances at the end of each fiscal year. The following fund types are used by the District:

# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

### **Governmental Funds**

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination.

The following are the District's governmental fund types, each of which the District considers to be a major fund:

General Fund – This fund is the general operating fund of the District and accounts for expenditures for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund – A special revenue fund accounts for revenue derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenue restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

Debt Service Fund – This fund's use is to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects Fund – This fund's use is to account for the proceeds of long-term debt, taxes and other revenue restricted for acquisition or construction of major capital assets.

### **Basis Of Presentation**

#### **Government-Wide Financial Statements**

The statement of net position and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenue* include (a) charges paid by the students for tuition, fees or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue not classified as *program revenue* are presented as general revenue and include all property taxes. The comparison of direct expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

### **Fund Financial Statements**

The fund financial statements provide information about the District's funds. A balance sheet and statement of revenue, expenditures and changes in fund balances are presented. The emphasis of fund financial statements is on *major* governmental funds, each displayed in a separate column. The District considers each of its funds to be major.

### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net position/fund balance, revenue and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets, payroll withholdings are reported as liabilities and summer payroll is recorded as an in-substance cash disbursement when the direct deposit file is sent to the bank, regardless of the actual pay date. This basis is a comprehensive basis of accounting other than U.S. GAAP.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenue (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable and general obligation bonds payable and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the governmental fund financial statements would use the modified accrual basis of accounting, while the government-wide financial statements would be presented on the accrual basis of accounting.

### **Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District.

The assessed valuations of the tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were \$2,042,728,730 and \$1,830,035,100, respectively.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

The blended tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were:

	December 31,	
	2023	2022
General fund	\$ 0.8417	\$ 0.9408
Special revenue fund	2.3199	2.5200
Capital projects fund	0.4500	0.3800
Debt service fund	0.2700	0.2700
	<u>\$ 3.8816</u>	<u>\$ 4.1108</u>

The receipts of current property taxes during the year ended June 30, 2024, aggregated approximately 98.00% of the current and delinquent assessment computed on the basis of the levy as shown above.

### Pooled Cash And Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks and commercial paper issued by domestic corporations. Investments are reported at cost value.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

### Restricted Cash And Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of amounts held by the District for self-insurance as discussed in Note 8.

### Governmental Fund Balances

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable – This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The District has no nonspendable fund balance as of June 30, 2024.



# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

Restricted – This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The District's restricted funds consist of debt service and various taxes approved by voters for specific purposes.

Committed – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Education, the District's highest level of decision-making authority. The District's committed fund balance consists of monies available for the District's self-insurance program.

Assigned – This consists of the governmental fund balances that are intended to be used for specific purposes by a) Board of Education or b) Superintendent. The District's assigned fund balance includes tuition and student activities.

Unassigned – This consists of the governmental funds that do not meet the definition of nonspendable, restricted committed or assigned.

The District's policy is to maintain sufficient financial reserves to provide for prudent financial management and for adequacy of cash flow to support operations. The District strives to maintain a minimum unassigned fund balance in its operating funds equal to 25.00% of its operating budget.

### **Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

### **Use Of Restricted Resources**

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources (net position) are available. For governmental funds, except the Debt Service fund, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned fund balances. For the Debt Service Fund, unrestricted or assigned balances may be spent prior to restricted balances.

### **Interfund Activity**

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

During the current year, the Authority made transfers between the Debt Service Fund and Capital Projects Fund to eliminate payments from the District under the Capital Projects Fund to the Authority's Debt Service Fund.

### **Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## **2. Cash And Investments**

The District is governed by the deposit and investment limitations of state law. In accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes, the depository bank pledges securities at least equal to the amount on deposit at all times, in excess of Federal Deposit Insurance Corporation insurance. The District may invest the funds any instrument permitted by law for the investment of state monies in accordance with section 165.051 of the Missouri Revised Statutes.

The District participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which an entity's monies are pooled with other entities' monies to purchase investments that are permitted by state statutes. The District's monies are used to purchase a pro-rata share of the pool. A board of directors comprised of Missouri school administrators, school board members and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net asset value of \$1 per share. A separately issued financial statement can be obtained by contacting 1-877-MY-MOSIP.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

The deposits and investments held at June 30, 2024 are as follows:

	<u>Maturities</u>	<u>Cost</u>
<b>Deposits</b>		
Demand deposits		\$ 6,435,093
		<u>6,435,093</u>
<b>Investments</b>		
MOSIP:		
External investment pool	Less than 1 year	52,120,623
<b>Total Investments</b>		<u>52,120,623</u>
		<u>\$ 58,555,716</u>

**Custodial Credit Risk – Deposits** – For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificate of deposits which requires these funds to be collateralized at least 100.00% or greater of the balance plus any demand deposit with the depository, less any insurance (Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund), as applicable. As of June 30, 2024, none of the District's deposits were exposed to custodial credit risk.

**Custodial Credit Risk – Investments** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District and are held by the party who sold the security to the District or the seller's agent but not in the District's name. The District has a custodial credit risk policy to minimize credit risk by (1) pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the District will do business and (2) diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investments were not exposed to custodial credit risk at year end.

**Investment Interest Rate Risk** – Investment interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2024 were less than one year.

**Investment Credit Risk** – The District has no investment policy that limits its investment choices other than the limitation of state law, as documented above. At June 30, 2024, the District's investments were rated as AAA.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

Concentration of Investment Credit Risk – Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5.00% or more of total investments (excluding investments issued by or explicitly guaranteed by the US Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District does not have a policy on limiting the amount it may invest in any one issuer. At June 30, 2024, none of the District's investments were subject to the concentration of investment credit risk disclosure.

### 3. General Long-Term Liabilities

#### Bonds Payable

A summary of changes in bonds payable (excluding the Kirkwood School District Facilities Authority leasehold revenue bonds) for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Bonds payable	\$ 57,180,000	\$ —	\$ 3,690,000	\$ 53,490,000	\$ 3,920,000

Payments on the general obligation bonds are made by the Debt Service Fund.

Bonds payable at June 30, 2024 consist of:

\$56,220,000 nontaxable general obligation bonds, Series 2021, issued on June 1, 2021; due in varying installments through February 15, 2034; interest at a variable rate ranging from 2.00% to 4.00% and is payable on February 15 and August 15 of each year.	\$ 48,410,000
\$5,080,000 nontaxable general obligation bonds, Series 2022, issued on June 15, 2022; due February 15, 2035; interest at 4.375%. Interest is payable on February 15 and August 15 of each year.	5,080,000
	<u>\$ 53,490,000</u>

#### General Obligation Bonds

General obligation bonds are supported by a pledge of the District's full faith and credit. These bonds were originally issued to finance various capital projects.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

In April 2021 Proposition R was approved by the voters to issue \$56,220,000 in nontaxable general obligation bonds Series 2021 on June 1, 2021 and \$5,080,000 in nontaxable general obligation bonds Series 2022 on June 15, 2022. The Bonds are payable from ad valorem taxes and were issued for the purpose of constructing and/or renovating classrooms to accommodate/maintain current class sizes and address overcrowding, repair and maintenance related to HVAC, doors and windows, safety and security improvements, library and media center improvements, gymnasium improvements, accessibility for children with special needs and other matters.

The annual requirements to amortize bonded debt outstanding as of June 30, 2024, are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 3,920,000	\$ 1,636,050	\$ 5,556,050
2026	4,230,000	1,479,250	5,709,250
2027	4,495,000	1,310,050	5,805,050
2028	4,695,000	1,130,250	5,825,250
2029	4,865,000	942,450	5,807,450
2030–2034	26,205,000	2,755,500	28,960,500
2035	5,080,000	222,250	5,302,250
	<u>\$ 53,490,000</u>	<u>\$ 9,475,800</u>	<u>\$ 62,965,800</u>

### Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to 15.00% of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2024, was:

Constitutional debt limit	\$ 306,409,256
General obligation bonds payable	(53,490,000)
Amount available in debt service fund	3,432,464
<u>Legal debt margin</u>	<u>\$ 256,351,720</u>

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

### Leases

As of June 30, 2024, the District had the following lease obligations outstanding:

- A lease for solar panels which are installed on District buildings with a remaining balance of \$104,040. This lease calls for annual payments of \$10,800. The final payment will be made during the year ended June 30, 2033.
- A lease for HVAC equipment with a remaining balance of \$1,216,653. This lease calls for annual payments of principal and interest of \$616,808. The final payment will be made during the year ended June 30, 2026.
- A lease for computer equipment with a remaining balance of \$535,917. This lease calls for annual payments of \$535,917. The final payment will be made during the year ended June 30, 2025.
- A facilities lease for a portion of the District's administrative offices with a remaining balance of \$666,284. This lease calls for annual payments of principal and interest of \$93,308. The final payment will be made during the year ended June 30, 2032.

The lease obligations are paid by the Capital Projects Fund.

The annual requirements to retire the lease obligations outstanding at June 30, 2024 are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,246,183	\$ 19,289	\$ 1,265,472
2026	708,307	12,609	720,916
2027	98,245	5,863	104,108
2028	99,333	4,775	104,108
2029	100,434	3,674	104,108
2030–2033	270,392	4,277	274,669
	<b>\$ 2,522,894</b>	<b>\$ 50,487</b>	<b>\$ 2,573,381</b>

### Sale Leaseback Agreement

In a prior year, the District entered into a sale leaseback agreement under which boilers were purchased by the District and sold to a third party for \$576,500 and subsequently leased back to the District pursuant to a 60-month lease agreement. The principal amount of the lease, including equipment and installation, was \$1,700,000 with an interest rate of 1.155%.

The obligations under the sale leaseback agreement are paid by the Capital Projects Fund.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

The annual requirements to retire the lease obligations outstanding at June 30, 2024 are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 343,913	\$ 7,987	\$ 351,900
2026	347,884	4,016	351,900
	\$ 691,797	\$ 12,003	\$ 703,800

#### 4. Kirkwood School District Educational Facilities Authority

The Kirkwood School District adopted a resolution approving the formation of the Kirkwood School District Educational Facilities Authority (the Authority) on February 19, 2002. The Authority is organized under the not-for-profit provisions of Chapter 355, revised statutes of Missouri (1986) as amended, for the purpose of acting on behalf of the District in its acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of capital improvement projects and other purposes as specified in the Authority's Articles of Incorporation.

On August 1, 2005, the District leased to the Authority the Kirkwood High School building in exchange for issuing bonds. The District also authorized the Authority to issue \$30,335,000 principal amount of Leasehold Revenue Bonds (2005B Bonds). On April 24, 2013, the Authority issued \$20,110,000 principal amount of Leasehold Refunding Revenue Bonds (2013 Bonds) to advance refund \$23,520,000 of the outstanding Series 2005B Bonds.

On April 14, 2014, the District authorized the Authority to issue \$3,565,000 principal amount of Leasehold Revenue Bonds (2014 Bonds) for certain project additions.

The District executed a lease agreement dated August 1, 2005, as amended May 1, 2013 and April 29, 2014, between the Authority and the District under which the Authority will lease the Kirkwood High School building to the District. The term of the lease expires on February 16, 2025. Rental payments will be determined annually based on the amount of monies necessary for the payment of bond principal and interest on the outstanding bonds when due, less amounts held by the Authority in its Bond Fund and Bond Reserve Fund. The District is also obligated to make additional payments for costs specified in the lease agreement. The Authority has agreed to convey to the District title to the Kirkwood High School building at the expiration of the lease term following full payment of the outstanding bonds.

# KIRKWOOD SCHOOL DISTRICT

## Notes To Basic Financial Statements (Continued)

The following is a summary of bond transactions for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Leasehold revenue bonds payable	\$ 5,095,000	\$ —	\$ 2,500,000	\$ 2,595,000	\$ 2,595,000

### Bonds Payable

Bonds payable at June 30, 2024 consist of:

\$20,110,000 leasehold revenue refunding bonds, Series 2013; issued on April 24, 2013; due in varying installments through February 15, 2025; interest at a variable rate ranging from 2.00% to 5.00% and is payable on February 15 and August 15 of each year.	\$ 2,260,000
\$3,565,000 leasehold revenue bonds, Series 2014; issued on April 14, 2014; due in varying installments through February 15, 2025; interest at a variable rate ranging from 2.00% to 2.65% and is payable on February 15 and August 15 of each year.	335,000
	\$ 2,595,000

The following are the annual debt service requirements of the bonds:

Year	Principal	Interest	Total
2025	\$ 2,595,000	\$ 99,277	\$ 2,694,277



# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

### 5. Retirement Plans

#### **Public School and Education Employee Retirement Systems of Missouri (PSRS and PEERS also referred to as the Systems)**

##### **General Information About The Pension Plans**

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

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certified public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of 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 2.50% benefit factor. Due to the passage of Senate Bill 75 (HCS/SS/SB 75), effective August 28, 2023, members who retire with 32 or more years of service will have their benefit calculated using a 2.55% 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.

## KIRKWOOD SCHOOL DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

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 0.80% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the Rule of 80 but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24 or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at [www.psr-s-peers.org](http://www.psr-s-peers.org).

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 2.00% for one or more consecutive one-year periods, a cost of living increase of 2.00% will be granted when the cumulative increase is equal to or greater than 2.00%, 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 2.00% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2.00%, but less than 5.00%, a cost-of-living increase of 2.00% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5.00%, a cost-of-living increase of 5.00% will be granted.
- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80.00% of the original benefit for any member.

Contributions – PSRS members were required to contribute 14.50% of their annual covered salary during fiscal years 2022, 2023 and 2024. 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 1.00% of pay.

# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2022, 2023 and 2024. 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 0.50% of pay.

The District's contributions to PSRS and PEERS were \$6,460,960 and \$1,093,267, respectively, for the year ended June 30, 2024.

### **6. Employee Benefit Plans**

The District offers its employees a tax-sheltered annuity program created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary for investment purposes.

The District also offers a Section 125 cafeteria plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance benefits.

In addition, the District offers a Section 457 Deferred Compensation Plan that is offered to all employees. This plan is an investment program to enhance retirement benefits similar to the 403(b) plan.

### **7. Insurance Program**

The District, along with various other local school districts, participates in the Missouri United School Insurance Council (MUSIC), an insurance association for workers' compensation, general liability and property and casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimate claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities or fund balances of the insurance association. However, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. The District's premium payments to MUSIC for the year ended June 30, 2024 were \$1,359,706. There were no significant reductions in insurance coverage and settled claims have not exceeded insurance coverage in any of the past three years.

# KIRKWOOD SCHOOL DISTRICT

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## Notes To Basic Financial Statements (*Continued*)

### **8. Self-Insurance**

The District has self-insurance plans which cover participating employees' and retirees' medical and dental coverage. Both the members and the District contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The District utilizes the General Fund to account for the activity of the plans. A premium is charged to each fund that accounts for employees' salaries based on past trends and experience. Provisions are also made for unexpected and unusual claims. The District purchases stop loss insurance coverage to limit its exposure to catastrophic claims in excess of \$150,000 per individual.

### **9. Commitments And Contingencies**

#### **Construction**

As of June 30, 2024, the District had commitments totaling approximately \$2,469,913 for construction and rehabilitation of buildings of which approximately \$756,080 has been paid.

#### **Early Separation Incentive**

The District has an Early Separation Incentive Plan (ESIP) that provides a financial incentive to certified employees and professional employees who elect early separation from the Kirkwood School District. This is a cost savings plan for the District. During the year ended June 30, 2024, there were 11 employees who participated in the ESIP plan who received payments totaling approximately \$341,450.

#### **Protested Taxes**

Each year St. Louis County remits certain unresolved protested tax payments to the District. When the County refunds tax payments to those who are successful in their protests, it withholds the refunded amount from future distributions to taxing districts. Normal withholdings by the County are not material in relation to the District's financial position and results of operations.

#### **Litigation**

The District is involved in various lawsuits and any other legal matters at June 30, 2024. While in the District's opinion, based on consultation with legal counsel, these items will be resolved with no material adverse effect on the District, the results of the proceedings have yet to be finalized.

#### **Compensated Absences**

Vacation time, personal days and sick leave are considered expenditures in the year paid. Unused sick time vested in the employee are payable upon retirement. The amount of unpaid vacation, personal days and sick leave, which is not included in the accompanying financial statements, has not been calculated by the District.

# KIRKWOOD SCHOOL DISTRICT

Notes To Basic Financial Statements (Continued)

## 10. Other Post-Employment Benefits

In addition to providing the pension benefits described in Note 6, the District provides an opportunity for continuation of medical, prescription drug, dental and vision insurance to employees that retire from the District who meet the retirement requirements of PSRS and PEERS. Retirees who elect to participate must pay 100.00% of the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is a single-employer defined benefit OPEB plan. The benefits and benefit levels are governed by District policy. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. A stand-alone financial report is not available for the plan.

The District currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. During the current year, 365 retirees participating in the District's insurance plans paid premiums totaling approximately \$1,600,000.

## 11. Tax Abatements

As of June 30, 2024, the District is subject to the following tax abatement programs initiated by other governmental entities:

	<b>Real Estate And Property Tax And Surcharge</b>
City of Hazelwood	\$ 56,719
St. Louis County	25,004
City of Maryland Heights	13,971
City of Kinloch	9,741
City of Clayton	9,388
City of Bridgeton	4,383
Port Authority	3,220
City of Brentwood	2,055
City of Frontenac	1,877
City of Vinita Park	1,184
City of Richmond Heights	1,148
City of Overland	1,048
Others	4,352
	<u>\$ 134,090</u>

# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – MODIFIED CASH BASIS – BUDGET AND ACTUAL – GENERAL FUND

For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue</b>				
Local	\$ 34,489,300	\$ 36,528,951	\$ 37,454,159	\$ 925,208
County	455,800	455,800	238,232	(217,568)
State	4,387,815	3,829,121	3,886,540	57,419
Federal	871,059	1,688,447	1,508,782	(179,665)
	40,203,974	42,502,319	43,087,713	585,394
<b>Expenditures</b>				
Current:				
Instruction	8,138,260	8,331,577	8,049,878	281,699
Attendance	339,929	302,463	302,463	—
Guidance	213,609	299,629	297,314	2,315
Health services	652,709	660,923	653,347	7,576
Improvement of instruction	805,331	980,468	974,103	6,365
Professional development	—	8,940	8,940	—
Media services	991,682	1,077,611	968,447	109,164
Board of Education services	995,259	1,381,174	1,379,134	2,040
Executive administration	3,150,919	3,312,088	3,308,955	3,133
Building level administration	2,346,521	2,440,368	2,430,774	9,594
Business, fiscal and internal services	1,207,420	910,351	910,318	33
Operation of plant	9,919,921	11,028,587	10,896,437	132,150
Security services	1,164,265	932,051	905,912	26,139
Pupil transportation	1,563,767	2,264,387	2,207,469	56,918
Food service	1,970,178	1,729,883	1,729,883	—
Printing and publishing services	—	366,027	366,027	—
Central office support	240,306	297,227	249,718	47,509
Community services	3,531,435	4,457,781	4,416,011	41,770
Debt service:				
Principal retirements	—	—	4,320	(4,320)
	37,231,511	40,781,535	40,059,450	722,085
<b>Net Change In Fund Balance</b>	2,972,463	1,720,784	3,028,263	1,307,479
<b>Fund Balance – Beginning Of Year</b>	49,443,953	49,443,953	49,443,953	—
<b>Fund Balance – End Of Year</b>	\$ 52,416,416	\$ 51,164,737	\$ 52,472,216	\$ 1,307,479

# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – MODIFIED CASH BASIS – BUDGET AND ACTUAL – SPECIAL REVENUE FUND

For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue</b>				
Local	\$ 50,151,202	\$ 48,836,866	\$ 49,691,091	\$ 854,225
County	637,200	637,200	736,923	99,723
State	2,395,286	3,299,866	3,336,024	36,158
Federal	724,053	879,638	1,083,345	203,707
	53,907,741	53,653,570	54,847,383	1,193,813
<b>Expenditures</b>				
Current:				
Instruction	44,883,716	43,759,734	44,778,485	(1,018,751)
Attendance	84,743	86,296	86,296	—
Guidance	2,630,634	2,731,745	2,731,560	185
Improvement of instruction	838,826	1,141,692	1,106,815	34,877
Professional development	—	73,371	70,326	3,045
Media services	849,745	875,039	875,039	—
Executive administration	522,527	626,357	626,357	—
Building level administration	3,479,447	3,235,129	3,235,129	—
Central Office Support	—	20,709	20,709	—
Community services	618,103	912,511	907,984	4,527
	53,907,741	53,462,583	54,438,700	(976,117)
<b>Net Change In Fund Balance</b>	—	190,987	408,683	217,696
<b>Fund Balance – Beginning Of Year</b>	—	—	—	—
<b>Fund Balance – End Of Year</b>	\$ —	\$ 190,987	\$ 408,683	\$ 217,696

# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – MODIFIED CASH BASIS – BUDGET AND ACTUAL – DEBT SERVICE FUND

For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue</b>				
Local	\$ 5,790,366	\$ 5,567,225	\$ 5,560,653	\$ (6,572)
County	101,210	101,210	107,445	6,235
	5,891,576	5,668,435	5,668,098	(337)
<b>Expenditures</b>				
Debt Service:				
Principal retirements	3,690,000	3,690,000	3,690,000	—
Interest	1,783,650	1,783,650	1,783,650	—
Other charges	3,500	3,500	—	3,500
	5,477,150	5,477,150	5,473,650	3,500
<b>Net Change In Fund Balance</b>	414,426	191,285	194,448	3,163
<b>Fund Balance – Beginning Of Year</b>	3,238,016	3,238,016	3,238,016	—
<b>Fund Balance – End Of Year</b>	\$ 3,652,442	\$ 3,429,301	\$ 3,432,464	\$ 3,163

This schedule does not include the activity of the Kirkwood School District Educational Authority.



# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE – MODIFIED CASH BASIS – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND

For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue</b>				
Local	\$ 7,472,082	\$ 10,032,810	\$ 9,853,033	\$ (179,777)
County	—	—	149,718	149,718
State	—	280,374	258,000	(22,374)
Federal	8,500	12,000	—	(12,000)
	7,480,582	10,325,184	10,260,751	(64,433)
<b>Expenditures</b>				
Current:				
Instruction	11,400	391,588	381,435	10,153
Media services	3,750	139,038	139,038	—
Executive administration	318,041	85,039	69,759	15,280
Building level administration	26,520	18,688	18,688	—
Operation of plant	100,000	221,123	196,472	24,651
Security services	890,801	310,104	308,652	1,452
Food service	—	116,029	116,029	—
Printing and publishing services	—	9,130	9,130	—
Central office support	—	2,527	2,527	—
Community services	10,000	—	—	—
Capital outlay	29,225,379	31,240,272	30,492,792	747,480
Debt service:				
Lease payments to facilities authority	2,694,402	2,694,402	2,694,402	—
Principal retirements	1,984,098	2,188,658	2,188,658	—
Interest	37,852	37,852	37,852	—
Other charges	4,000	934,410	934,120	290
	35,306,243	38,388,860	37,589,554	799,306
<b>Net Change In Fund Balance</b>	(27,825,661)	(28,063,676)	(27,328,803)	734,873
<b>Fund Balance – Beginning Of Year</b>	28,250,669	28,250,669	28,250,669	—
<b>Fund Balance – End Of Year</b>	\$ 425,008	\$ 186,993	\$ 921,866	\$ 734,873

This schedule does not include the activity of the Kirkwood School District Educational Authority.

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**KIRKWOOD SCHOOL DISTRICT**  
**NOTE TO BUDGETARY COMPARISON INFORMATION**  
**For The Year Ended June 30, 2024**

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**1. 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 proposed budget includes estimated revenue and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenue 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.

Budgeted amounts are as originally adopted on June 26, 2023 and as amended throughout the year.

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 final budget amounts included in the budget and actual schedules.
6. Budgets are adopted on the modified cash basis of accounting.

# KIRKWOOD SCHOOL DISTRICT

## COMBINING BALANCE SHEET – MODIFIED CASH BASIS – DEBT SERVICE FUND

June 30, 2024

	Kirkwood School District	Kirkwood School District Educational Facilities Authority	Total
<b>Assets</b>			
Cash and investments	\$ 3,432,464	\$ —	\$ 3,432,464
<b>Fund Balances</b>			
Restricted for debt service	\$ 3,432,464	\$ —	\$ 3,432,464

**KIRKWOOD SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS –**  
**CAPITAL PROJECTS FUND**  
**June 30, 2024**

	Kirkwood School District	Kirkwood School District Educational Facilities Authority	Total
<b>Assets</b>			
Cash and investments	\$ 921,866	\$ —	\$ 921,866
<b>Fund Balances</b>			
Restricted for:			
Prop I	\$ 464,483	\$ —	\$ 464,483
Prop R	326,326	—	326,326
Maintenance	131,057	—	131,057
	\$ 921,866	\$ —	\$ 921,866

# KIRKWOOD SCHOOL DISTRICT

## COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS – DEBT SERVICE For The Year Ended June 30, 2024

	Kirkwood School District	Kirkwood School District Educational Facilities Authority	Eliminations	Total
<b>Revenue</b>				
Local	\$ 5,560,653	\$ —	\$ —	\$ 5,560,653
County	107,445	—	—	107,445
Lease/purchase payments from the District	—	2,694,402	(2,694,402)	—
	5,668,098	2,694,402	(2,694,402)	5,668,098
<b>Expenditures</b>				
Debt service:				
Principal retirements	3,690,000	2,500,000	—	6,190,000
Interest	1,783,650	194,402	—	1,978,052
	5,473,650	2,694,402	—	8,168,052
<b>Revenue Over (Under) Expenditures</b>	194,448	—	(2,694,402)	(2,499,954)
<b>Other Financing Sources</b>				
Transfers in	—	—	2,694,402	2,694,402
<b>Net Change In Fund Balances</b>	194,448	—	—	194,448
<b>Fund Balances – Beginning Of Year</b>	3,238,016	—	—	3,238,016
<b>Fund Balances – End Of Year</b>	\$ 3,432,464	\$ —	\$ —	\$ 3,432,464

**KIRKWOOD SCHOOL DISTRICT**

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**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES – MODIFIED CASH BASIS –  
CAPITAL PROJECTS FUND  
For The Year Ended June 30, 2024**

	Kirkwood School District	Kirkwood School District Educational Facilities Authority	Eliminations	Total
<b>Revenue</b>				
Local	\$ 9,853,033	\$ —	\$ —	\$ 9,853,033
County	149,718	—	—	149,718
State	258,000	—	—	258,000
	10,260,751	—	—	10,260,751
<b>Expenditures</b>				
Capital outlay	31,734,522	—	—	31,734,522
Debt service:				
Lease/purchase payments to the Authority	2,694,402	—	(2,694,402)	—
Principal retirements	2,188,658	—	—	2,188,658
Interest	37,852	—	—	37,852
Other charges	934,120	—	—	934,120
	37,589,554	—	(2,694,402)	34,895,152
<b>Revenue Over (Under) Expenditures</b>	(27,328,803)	—	2,694,402	(24,634,401)
<b>Other Financing Uses</b>				
Transfers out	—	—	(2,694,402)	(2,694,402)
<b>Net Change In Fund Balances</b>	(27,328,803)	—	—	(27,328,803)
<b>Fund Balances – Beginning Of Year</b>	28,250,669	—	—	28,250,669
<b>Fund Balances – End Of Year</b>	\$ 921,866	\$ —	\$ —	\$ 921,866

# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (Continued)

County District Number 096-092

### 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
1050	9	11	—	6.5167	166	1,066.3167
1050	12	12	—	6.5167	155	1,047.3000
3000	6	8	—	6.4330	166	1,079.0000
3025	6	8	—	6.4330	166	1,079.0000
5000	K	5	—	6.6660	166	1,092.8333
5020	K	5	—	6.6660	166	1,092.8330
5060	K	5	—	6.6600	166	1,092.8333
6000	K	5	—	6.6600	165	1,086.2500
6020	K	5	—	6.6600	168	1,092.8333

Notes:

### 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	Summary School Hours	Total Hours
1050	9-12	1,329,974.4001	214,376.3661	—	16,829.7333	41,495.1000	1,602,675.5995
3000	6-8	649,546.6979	5,080.0834	—	3,497.3916	5,477.5000	663,601.6729
3025	6-8	665,738.3888	2,708.3733	—	6,362.1250	—	674,808.8871
5000	K-5	624,039.7677	1,034.4167	—	1,009.9000	—	626,084.0844
5020	K-5	610,869.1326	293.2500	—	—	—	611,162.3826
5060	K-5	487,413.4666	2,127.5000	—	3,062.2000	26,674.4832	519,277.6498
6000	K-5	499,950.0166	1,134.4166	—	2,091.7500	—	503,176.1832
6020	K-5	613,456.1500	922.0333	—	—	—	614,378.1833
		5,480,988.0203	227,676.4394	—	32,853.0999	73,647.0832	5,815,164.6428

Notes:

# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (Continued)

### 3. September Membership

Report the full-time equivalent (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 one of the ten 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
1050	9-12	1,593.00	87.32	19.57	1,699.89
3000	6-8	641.00	0.31	6.00	647.31
3025	6-8	655.00	0.78	6.00	661.78
5000	K-5	589.00	0.97	1.00	590.97
5020	K-5	586.00	0.64	—	586.64
5060	K-5	471.00	0.31	2.00	473.31
6000	K-5	489.00	0.16	2.00	491.16
6020	K-5	591.00	1.70	—	592.70
7500	K-K	300.00	—	—	300.00
		5,915.00	92.19	36.57	6,043.76

Notes:

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# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (Continued)

### 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 one of the ten 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
N/A	—	—	N/A	N/A	—
1050	150.14	34.15	9.86	N/A	194.15
3000	59.00	7.00	1.00	N/A	67.00
3025	37.00	10.00	4.00	N/A	51.00
5000	24.00	5.00	1.00	N/A	30.00
5020	47.00	2.00	N/A	N/A	49.00
5060	71.00	6.00	2.00	N/A	79.00
6000	28.00	4.00	1.00	N/A	33.00
6020	26.00	8.00	N/A	N/A	34.00
7500	—	—	N/A	N/A	—
	442.14	76.15	18.86	—	537.15

Notes:

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# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (*Continued*)

### 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	N/A
	Dual enrollment	TRUE
	Homebound instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	TRUE
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	TRUE
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE
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
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

# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (*Continued*)

Section	Question	Answer
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.)	TRUE
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 7.00% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	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 75.00% of 1.00% of the current year basic formula apportionment. Remaining 25.00% of 1.00% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to 75.00% of .50% 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 25.00% of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$79,266
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

Notes:

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

Finding:

Management Letter Comment:

# KIRKWOOD SCHOOL DISTRICT

## Schedule Of Selected Statistics (Continued)

### 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 – Ineligible ADT	1,514.0 136.5
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:	220,763
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was: – Eligible Miles – Ineligible Miles (Non-route/Disapproved)	196,093 24,670
6.7	Number of days the district/charter operated the school transportation system during the regular school year:	166

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

Notes:

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

Finding:

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Management Letter Comment:

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## **Independent Accountant's Report On Management's Assertions About Compliance With Specified Requirements Of Missouri State Laws And Regulations**

To the Members of the Board of Education  
Kirkwood School District R-7  
Kirkwood, Missouri

### **Report On Compliance With State Requirements**

We have examined management's assertions that the Kirkwood School District R-7 (the District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of pupil attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2024.

### **Management's Responsibility**

Management is responsible for the District's compliance with the aforementioned requirements.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination. Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on as test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

### **Opinion On Compliance With State Requirements**

In our opinion, management's assertions that the Kirkwood School District R-7 complied with the aforementioned requirements for the year ended June 30, 2024 are fairly stated, in all material respects.

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

**HONKAMP, P.C.**

*Honkamp, P.C.*

St. Louis, Missouri  
November 11, 2024

# **Federal Compliance Section**

**Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards***

To the Members of the Board of Education  
Kirkwood School District R-7  
Kirkwood, 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* (GAS) issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Kirkwood School District R-7 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 11, 2024. Our report on the basic financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

***Report On Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 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 District'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 to those charged with governance.



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

### ***Report On Compliance And Other Matters***

As part of obtaining reasonable assurance about whether the 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 GAS.

### ***Purpose Of This Report***

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

**HONKAMP, P.C.**

*Honkamp, P.C.*

St. Louis, Missouri  
November 11, 2024

## **Independent Auditor's Report On Compliance For Each Major Federal Program And Report On Internal Control Over In Accordance With The Uniform Guidance**

To the Members of the Board of Education  
Kirkwood School District R-7  
Kirkwood, Missouri

### **Report On Compliance For Major Federal Program**

#### ***Opinion On Each Major Federal Program***

We have audited the Kirkwood School District R-7's (the District) 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 District's major federal program for the year ended June 30, 2024. The District's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

#### ***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 (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States GAS; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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.

### ***Auditor's 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 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 U.S. GAAS, GAS 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 a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, GAS 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 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 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 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 Auditor's 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.

**HONKAMP, P.C.**

*Honkamp, P.C.*

St. Louis, Missouri  
November 11, 2024

**KIRKWOOD SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Fiscal Year Ended June 30, 2024**

Program Title	Federal Assistance Listing Number	Pass-Through Identification Number	Total Federal Expenditures
<b>U.S. Department Of Education</b>			
Passed through Missouri Department of Elementary and Secondary Education:			
Title I	84.010	096-092	\$ 163,053
Title II A	84.367	096-092	80,405
Title IV	84.424	096-092	15,753
Special Education Cluster (IDEA):			
Early Childhood Special Education	84.173	096-092	25,453
Total Special Education Cluster (IDEA):			<u>25,453</u>
Education Stabilization Fund:			
COVID-19: ESSER II	84.425D	096-092	29,092
COVID-19: Teacher Retention Grant	84.425D	096-092	33,173
Total ALN 84.425D			<u>62,265</u>
COVID-19: ESSER III	84.425U	096-092	552,089
COVID-19: Immediate Responsive Services	84.425U	096-092	69,827
Total ALN 84.425U			<u>621,916</u>
Passed through Special School District of St. Louis County:			
Carl Perkins Career and Technical Education	84.048	096-092	<u>54,059</u>
<b>Total U.S. Department Of Education</b>			<u>1,022,904</u>
<b>U.S. Department Of Agriculture</b>			
Passed through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
National School Lunch	10.555	096-092	334,786
COVID-19: Supply Chain Assistance Funds	10.555	096-092	30,137
Food Distribution	10.555	096-092	159,519
Total ALN 10.555			<u>524,442</u>
National School Breakfast	10.553	096-092	81,579
DOD Fresh Fruits and Vegetable Program	10.582	096-092	37,802
Total Child Nutrition Cluster			<u>643,823</u>
Passed through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	23CACFP	7,764
Child and Adult Care Food Program	10.558	23CACFP-CIL	3,300
Child and Adult Care Food Program	10.558	24CACFP	15,343
Child and Adult Care Food Program	10.558	24CACFP-CIL	7,094
Total ALN 10.558			<u>33,501</u>
<b>Total U.S. Department Of Agriculture</b>			<u>677,324</u>

# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) For The Fiscal Year Ended June 30, 2024

<b>Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Identification Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Health And Human Services</b>			
Passed through Missouri Department of Elementary and Secondary Education:			
Parent Education Program	94.434	096-092	9,900
<b>Total U.S. Department Of Health And Human Services</b>			9,900
			\$ 1,710,128

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# KIRKWOOD SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### 1. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. The information reported 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. **Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the cash activity of the District's federal award programs and does not present transactions that would be included in financial statements of the District presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

### 3. **Indirect Cost Rate**

The District has elected not to use the 10.00% de minimis indirect cost rate allowed under the Uniform Guidance.

### 4. **Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

### 5. **Insurance**

The District did not have any federal insurance in effect during the year ended June 30, 2024.

### 6. **Loans Or Loan Guarantees**

The District did not have any loans or loan guarantees outstanding as of June 30, 2024.

### 7. **Subrecipients**

The District did not provide federal awards to any subrecipients during the year ended June 30, 2024.

## **KIRKWOOD SCHOOL DISTRICT**

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Schedule Of Expenditures Of Federal Awards *(Continued)*

### **8. Donated Personal Protective Equipment (Unaudited)**

The District did not receive donations of personal protective equipment during the year ended June 30, 2024.



**KIRKWOOD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2024**

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**1. Summary Of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified on the modified cash basis of accounting

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

Federal Awards

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes  X  No

Identification of major programs:

Assistance Listing Number(s)      Name of Federal Program or Cluster

84.425D, 84.425U      Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No

# **KIRKWOOD SCHOOL DISTRICT**

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## Schedule Of Findings And Questioned Costs *(Continued)*

### **2. Financial Statement Findings**

There were no financial statement findings.

### **3. Federal Award Findings And Questioned Costs**

There were no findings and questioned costs related to Federal Awards.