

NORMANDY SCHOOLS COLLABORATIVE

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORTS  
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2023

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## Independent Auditors' Report

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Joint Executive Governing Board  
Normandy Schools Collaborative

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Normandy Schools Collaborative, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Normandy Schools Collaborative's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Normandy Schools Collaborative as of June 30, 2023, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Normandy Schools Collaborative 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 A 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 these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 GAAS, 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 Normandy Schools Collaborative'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 Normandy Schools Collaborative'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 Normandy Schools Collaborative's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards 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 schedule of selected statistics but does not include the financial statements and our auditors' report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the Normandy Schools Collaborative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Normandy Schools Collaborative's internal control over financial reporting and compliance.

*Kinber, Eck & Braeckel LLP*

St. Louis, Missouri  
March 18, 2024

**Normandy School Collaborative**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**June 30, 2023**

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|                                 | <b>Governmental<br/>Activities</b> |
|---------------------------------|------------------------------------|
| <b>ASSETS</b>                   |                                    |
| Cash and investments            | \$ 26,217,502                      |
| Restricted cash and investments | <u>12,413,433</u>                  |
| <br>TOTAL ASSETS                | <br>38,630,935                     |
| <b>LIABILITIES</b>              |                                    |
| Payroll withholdings            | <u>688,262</u>                     |
| <b>NET POSITION</b>             |                                    |
| Restricted for:                 |                                    |
| Capital projects                | 14,502,527                         |
| Debt service                    | 6,073,350                          |
| Teachers' salary and benefits   | 542,013                            |
| Unrestricted                    | <u>16,824,783</u>                  |
| <br>TOTAL NET POSITION          | <br><u><u>\$ 37,942,673</u></u>    |

The accompanying notes are an integral part of this statement.

**Normandy School Collaborative**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**Year ended June 30, 2023**

|                                                                 |               |                                      |                                                         |                                        |                                     | Net (expense)<br>revenue and<br>changes in<br>net position |
|-----------------------------------------------------------------|---------------|--------------------------------------|---------------------------------------------------------|----------------------------------------|-------------------------------------|------------------------------------------------------------|
| Function/program                                                | Expenses      | Program revenues                     |                                                         |                                        | Total<br>governmental<br>activities |                                                            |
|                                                                 |               | Charges for<br>services<br>and sales | Operating grants,<br>contributions and<br>debt proceeds | Capital grants<br>and<br>contributions |                                     |                                                            |
| <b>Governmental Activities</b>                                  |               |                                      |                                                         |                                        |                                     |                                                            |
| Instruction                                                     | \$ 17,535,052 | \$ 36,512                            | \$ 24,779,198                                           | \$ -                                   | \$ 7,280,658                        |                                                            |
| Attendance and social work services                             | 1,129,084     | -                                    | -                                                       | -                                      | (1,129,084)                         |                                                            |
| Guidance services                                               | 664,430       | -                                    | 141,288                                                 | -                                      | (523,142)                           |                                                            |
| Health services                                                 | 822,780       | -                                    | -                                                       | -                                      | (822,780)                           |                                                            |
| Improvement of instruction                                      | 615,803       | -                                    | 5,000                                                   | -                                      | (610,803)                           |                                                            |
| Professional development                                        | 272,896       | -                                    | -                                                       | -                                      | (272,896)                           |                                                            |
| Media services                                                  | 507,527       | -                                    | -                                                       | -                                      | (507,527)                           |                                                            |
| Board of Education services                                     | 433,795       | -                                    | -                                                       | -                                      | (433,795)                           |                                                            |
| Executive administration                                        | 5,626,863     | -                                    | -                                                       | -                                      | (5,626,863)                         |                                                            |
| Building level administration                                   | 3,215,079     | -                                    | -                                                       | -                                      | (3,215,079)                         |                                                            |
| Operation and maintenance of plant services                     | 6,059,076     | 14,600                               | -                                                       | -                                      | (6,044,476)                         |                                                            |
| Pupil transportation                                            | 2,615,141     | -                                    | 986,736                                                 | -                                      | (1,628,405)                         |                                                            |
| Food services                                                   | 2,237,358     | 853                                  | 2,661,622                                               | -                                      | 425,117                             |                                                            |
| Business and central services                                   | 4,125,557     | -                                    | -                                                       | -                                      | (4,125,557)                         |                                                            |
| Security services                                               | 1,113,648     | -                                    | -                                                       | -                                      | (1,113,648)                         |                                                            |
| Community services                                              | 1,878,304     | -                                    | -                                                       | -                                      | (1,878,304)                         |                                                            |
| Facilities acquisition and construction                         | 18,709,845    | -                                    | -                                                       | -                                      | (18,709,845)                        |                                                            |
| Debt service:                                                   |               |                                      |                                                         |                                        |                                     |                                                            |
| Principal retirements                                           | 12,677,565    | -                                    | 6,600,000                                               | -                                      | (6,077,565)                         |                                                            |
| Interest and fees                                               | 1,990,502     | -                                    | -                                                       | -                                      | (1,990,502)                         |                                                            |
| Total governmental activities                                   | \$ 82,230,305 | \$ 51,965                            | \$ 35,173,844                                           | \$ -                                   | (47,004,496)                        |                                                            |
|                                                                 |               |                                      |                                                         |                                        |                                     |                                                            |
| Taxes                                                           |               |                                      |                                                         |                                        |                                     |                                                            |
| Property taxes                                                  |               |                                      |                                                         |                                        |                                     | 19,727,360                                                 |
| Sales taxes                                                     |               |                                      |                                                         |                                        |                                     | 4,445,900                                                  |
| Other taxes                                                     |               |                                      |                                                         |                                        |                                     | 770,412                                                    |
| State aid                                                       |               |                                      |                                                         |                                        |                                     | 20,347,236                                                 |
| Grants and contributions not<br>restricted to specific programs |               |                                      |                                                         |                                        |                                     | 1,380                                                      |
| Fines and forfeitures                                           |               |                                      |                                                         |                                        |                                     | 28,343                                                     |
| State assessed utilities                                        |               |                                      |                                                         |                                        |                                     | 599,675                                                    |
| Miscellaneous                                                   |               |                                      |                                                         |                                        |                                     | 637,496                                                    |
| Investment earnings                                             |               |                                      |                                                         |                                        |                                     | 829,676                                                    |
| Total general revenues                                          |               |                                      |                                                         |                                        |                                     | 47,387,478                                                 |
|                                                                 |               |                                      |                                                         |                                        |                                     |                                                            |
| Change in net position                                          |               |                                      |                                                         |                                        |                                     | 382,982                                                    |
| Net position at July 1, 2022                                    |               |                                      |                                                         |                                        |                                     | 37,559,691                                                 |
|                                                                 |               |                                      |                                                         |                                        |                                     |                                                            |
| Net position at June 30, 2023                                   |               |                                      |                                                         |                                        |                                     | \$ 37,942,673                                              |

The accompanying notes are an integral part of this statement.

**Normandy School Collaborative**  
**BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**June 30, 2023**

|                                            | <b>General</b>       | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|----------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
| <b>ASSETS</b>                              |                      |                            |                         |                             |                                         |
| Cash and investments                       | \$ 16,844,698        | \$ 1,084,207               | \$ 3,137,493            | \$ 5,151,104                | \$ 26,217,502                           |
| Restricted cash and investments            | -                    | -                          | 3,062,010               | 9,351,423                   | 12,413,433                              |
| Due from other funds                       | 126,153              | -                          | -                       | -                           | 126,153                                 |
| <b>TOTAL ASSETS</b>                        | <b>\$ 16,970,851</b> | <b>\$ 1,084,207</b>        | <b>\$ 6,199,503</b>     | <b>\$ 14,502,527</b>        | <b>\$ 38,757,088</b>                    |
| <b>LIABILITIES</b>                         |                      |                            |                         |                             |                                         |
| Payroll withholdings                       | \$ 146,068           | \$ 542,194                 | \$ -                    | \$ -                        | \$ 688,262                              |
| Due to other funds                         | -                    | -                          | 126,153                 | -                           | 126,153                                 |
| <b>TOTAL LIABILITIES</b>                   | <b>146,068</b>       | <b>542,194</b>             | <b>126,153</b>          | <b>-</b>                    | <b>814,415</b>                          |
| <b>FUND BALANCES:</b>                      |                      |                            |                         |                             |                                         |
| Restricted for:                            |                      |                            |                         |                             |                                         |
| Capital projects                           | -                    | -                          | -                       | 14,502,527                  | 14,502,527                              |
| Debt service                               | -                    | -                          | 6,073,350               | -                           | 6,073,350                               |
| Teachers' salary and benefits              | -                    | 542,013                    | -                       | -                           | 542,013                                 |
| Unassigned                                 | 16,824,783           | -                          | -                       | -                           | 16,824,783                              |
| <b>Total Fund Balances</b>                 | <b>16,824,783</b>    | <b>542,013</b>             | <b>6,073,350</b>        | <b>14,502,527</b>           | <b>37,942,673</b>                       |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 16,970,851</b> | <b>\$ 1,084,207</b>        | <b>\$ 6,199,503</b>     | <b>\$ 14,502,527</b>        | <b>\$ 38,757,088</b>                    |

The accompanying notes are an integral part of this statement.

**Normandy School Collaborative**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**June 30, 2023**

|                                     | <b>General</b>    | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------------------|-------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
| <b>REVENUES:</b>                    |                   |                            |                         |                             |                                         |
| Local sources:                      |                   |                            |                         |                             |                                         |
| Property taxes                      | \$ 10,930,689     | \$ -                       | \$ 5,796,923            | \$ 2,999,749                | \$ 19,727,361                           |
| Sales taxes                         | -                 | 4,445,900                  | -                       | -                           | 4,445,900                               |
| Investment income                   | 376,127           | -                          | 57,707                  | 395,842                     | 829,676                                 |
| Gifts                               | 1,380             | -                          | -                       | -                           | 1,380                                   |
| Other local                         | 1,510,568         | -                          | 573                     | 841                         | 1,511,982                               |
| Total local                         | 12,818,764        | 4,445,900                  | 5,855,203               | 3,396,432                   | 26,516,299                              |
| County sources:                     |                   |                            |                         |                             |                                         |
| State assessed utilities            | 408,458           | -                          | 121,809                 | 69,408                      | 599,675                                 |
| Other county                        | -                 | 28,343                     | -                       | -                           | 28,343                                  |
| Total county                        | 408,458           | 28,343                     | 121,809                 | 69,408                      | 628,018                                 |
| State sources:                      |                   |                            |                         |                             |                                         |
| Basic formula                       | 4,762,510         | 14,287,531                 | -                       | -                           | 19,050,041                              |
| State grants and contributions      | 2,444,872         | 59,700                     | -                       | -                           | 2,504,572                               |
| Total state                         | 7,207,382         | 14,347,231                 | -                       | -                           | 21,554,613                              |
| Federal sources                     | 12,143,139        | -                          | -                       | 15,171,218                  | 27,314,357                              |
| <b>Total revenues</b>               | <b>32,577,743</b> | <b>18,821,474</b>          | <b>5,977,012</b>        | <b>18,637,058</b>           | <b>76,013,287</b>                       |
| <b>EXPENDITURES:</b>                |                   |                            |                         |                             |                                         |
| Current:                            |                   |                            |                         |                             |                                         |
| Instruction                         | 3,794,503         | 13,604,340                 | -                       | -                           | 17,398,843                              |
| Attendance and social work services | 1,060,622         | 68,462                     | -                       | -                           | 1,129,084                               |
| Guidance services                   | 773               | 663,657                    | -                       | -                           | 664,430                                 |
| Health services                     | 822,780           | -                          | -                       | -                           | 822,780                                 |
| Improvement of instruction          | 544,292           | 71,511                     | -                       | -                           | 615,803                                 |
| Professional development            | 239,194           | 33,702                     | -                       | -                           | 272,896                                 |
| Media services                      | 10,083            | 497,444                    | -                       | -                           | 507,527                                 |
| Board of Education services         | 433,795           | -                          | -                       | -                           | 433,795                                 |
| Executive administration            | 3,771,666         | 1,182,826                  | -                       | -                           | 4,954,492                               |
| Building level administration       | 680,636           | 2,534,443                  | -                       | -                           | 3,215,079                               |
| Operation and maintenance           |                   |                            |                         |                             |                                         |
| of plant services                   | 6,059,076         | -                          | -                       | -                           | 6,059,076                               |
| Pupil transportation                | 2,615,141         | -                          | -                       | -                           | 2,615,141                               |
| Food services                       | 2,237,358         | -                          | -                       | -                           | 2,237,358                               |
| Business and central services       | 3,197,306         | 928,251                    | -                       | -                           | 4,125,557                               |
| Security services                   | 1,113,648         | -                          | -                       | -                           | 1,113,648                               |
| Community services                  | 1,125,347         | 752,957                    | -                       | -                           | 1,878,304                               |
| Capital outlay                      | -                 | -                          | -                       | 19,518,425                  | 19,518,425                              |
| Debt service:                       |                   |                            |                         |                             |                                         |
| Principal retirements               | -                 | -                          | 12,254,000              | 423,565                     | 12,677,565                              |
| Interest                            | -                 | -                          | 1,792,295               | 141,707                     | 1,934,002                               |
| Fees                                | -                 | -                          | 56,500                  | -                           | 56,500                                  |
| <b>Total expenditures</b>           | <b>27,706,220</b> | <b>20,337,593</b>          | <b>14,102,795</b>       | <b>20,083,697</b>           | <b>82,230,305</b>                       |

The accompanying notes are an integral part of this statement.

**Normandy School Collaborative**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**June 30, 2023**

|                                                         | <b>General</b>       | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---------------------------------------------------------|----------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
| <b>EXCESS OF REVENUES (UNDER)<br/>OVER EXPENDITURES</b> | 4,871,523            | (1,516,119)                | (8,125,783)             | (1,446,639)                 | (6,217,018)                             |
| <b>OTHER FINANCING SOURCES (USES):</b>                  |                      |                            |                         |                             |                                         |
| Transfers in                                            | -                    | 49,715                     | -                       | -                           | 49,715                                  |
| Transfers out                                           | (49,715)             | -                          | -                       | -                           | (49,715)                                |
| Proceeds of current refunding bond issue                | -                    | -                          | 6,600,000               | -                           | 6,600,000                               |
| <b>Total Other Financing Sources (Uses)</b>             | (49,715)             | 49,715                     | 6,600,000               | -                           | 6,600,000                               |
| <b>NET CHANGE IN FUND BALANCES</b>                      | 4,821,808            | (1,466,404)                | (1,525,783)             | (1,446,639)                 | 382,982                                 |
| <b>FUND BALANCES, BEGINNING OF YEAR</b>                 | 12,002,975           | 2,008,417                  | 7,599,133               | 15,949,166                  | 37,559,691                              |
| <b>FUND BALANCES, END OF YEAR</b>                       | <u>\$ 16,824,783</u> | <u>\$ 542,013</u>          | <u>\$ 6,073,350</u>     | <u>\$ 14,502,527</u>        | <u>\$ 37,942,673</u>                    |

The accompanying notes are an integral part of this statement.

## **Normandy Schools Collaborative**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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#### **NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

On June 30, 2014, the Missouri State Board of Education lapsed the Normandy School District and replaced it with the Normandy Schools Collaborative (the “Collaborative”), effective July 1, 2014. The Missouri State Board of Education appointed the Joint Executive Governing Board to govern operations in place of an elected seven-member Board of Education. The Joint Executive Governing Board was authorized to retain and exercise all authority granted to the Normandy Board of Education and to take actions necessary for the operations of the Normandy Schools Collaborative subject to the advice and consent of the State Board of Education.

In December 2021, the Missouri State Board of Education voted to begin the transition back to an elected board. Two elected members joined the Board in April 2022, and additional elected members will continue to join the Board in subsequent years, until the Board is composed of seven elected members.

As discussed further in Note 1, these financial statements are presented on the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### *Principles Determining the Scope of Reporting Entity*

The financial statements of the Collaborative consist only of the funds of the Collaborative. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The Collaborative has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the Collaborative. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the Collaborative is not aware of any entity that would exercise such oversight which would result in the Collaborative being considered a component unit of the entity.

While the parent-teacher organizations of the Collaborative’s schools are organizations that provide financial support exclusively to the Collaborative, 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 Collaborative 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, liabilities, fund equity, revenues, and expenditures. Collaborative 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 following fund types are used by the Collaborative:

#### *Governmental Funds*

Governmental Funds are those through which all functions of the Collaborative are financed. The Collaborative’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 Collaborative’s governmental funds, each of which the Collaborative considers to be a major fund:

## **Normandy Schools Collaborative**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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#### *General Fund*

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

#### *Special Revenue Fund*

A special revenue fund accounts for revenues 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 revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and benefits.

#### *Debt Service Fund*

This fund is used 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 is used to account for the proceeds of long-term debt, taxes, and other revenues 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 Collaborative as a whole. These statements include the financial activities of the primary government. The effect of interfund activity has been eliminated for these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Net Position presents the financial condition of the governmental activities of the Collaborative at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Collaborative's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* 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. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Collaborative.

## **Normandy Schools Collaborative**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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#### *Fund Financial Statements*

The fund financial statements provide information about the Collaborative's funds. A balance sheet - modified cash basis and statement of revenues, expenditures, and changes in fund balances - modified cash basis are presented. The emphasis of fund financial statements is on *major* governmental funds, each displayed in a separate column. The Collaborative 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. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting.

This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets and payroll withholdings are reported as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of using this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, 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 Collaborative utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All 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 Collaborative.

The assessed valuations of the tangible taxable property for the calendar years 2022 and 2021, for purposes of local taxation were \$331,345,030 and \$308,148,190, respectively.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2022 and 2021, for purposes of local taxation were:

|                       | December 31, 2022<br>Adjusted | December 31, 2021<br>Adjusted |
|-----------------------|-------------------------------|-------------------------------|
| General Fund          | \$ 3.3405                     | \$ 3.3129                     |
| Special Revenue Fund  | -                             | -                             |
| Debt Service Fund     | 1.7825                        | 1.7825                        |
| Capital Projects Fund | 0.9800                        | 0.5600                        |
| Total                 | <u>\$ 6.1030</u>              | <u>\$ 5.6554</u>              |

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 101% of the current 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 Collaborative Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The Collaborative 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 which approximates fair value.

*Restricted Cash and Investments*

Restricted cash and investments represent amounts whose use is limited by legal requirements and consists of unspent bond proceeds, funds in the Missouri Securities Investment Program (MOSIP), an external investment pool, and amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program.

*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 are required to remain intact. The Collaborative has no nonspendable fund balance as of June 30, 2023.

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 Collaborative's restricted funds consist of amounts restricted for capital projects, debt service, and for teachers' salary and benefits.

## **Normandy Schools Collaborative**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 Joint Executive Governing Board, the Collaborative's highest level of decision-making authority. The Collaborative has no committed fund balances as of June 30, 2023.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by the Joint Executive Governing Board or the Superintendent.

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned." This includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Collaborative considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Collaborative considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed unless the Board has provided otherwise on its commitment or assignment actions.

#### *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 Collaborative or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Collaborative applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### *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. During the year ended June 30, 2023, the Collaborative transferred \$49,715 from the General Fund to the Special Revenue Fund to fund expenditures in excess of revenues.

Interfund balances are due to timing and are expected to be repaid in the next fiscal year. Interfund balances and transfers have been eliminated in the government-wide financial statements.

#### *Extraordinary and Special Items*

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Joint Executive Governing Board and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2023.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE B | CASH AND INVESTMENTS**

The Collaborative is governed by the deposit and investment limitations of state law. The depository bank is to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes.

The Collaborative may invest funds in bonds or any instrument permitted by law for the investment of state monies in accordance with section 165.051 of the Missouri Revised Statutes. The Collaborative participates in the Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the Collaborative's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The direct deposits occur monthly and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues.

The Collaborative also participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which the Collaborative's monies are pooled with other school Collaboratives' monies to purchase investments that are permitted by state statutes. The Collaborative's monies purchase a pro-rata share of the pool. A board of directors composed 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.

The deposits and investments held at June 30, 2023, and reported at cost, are as follows:

| Type                                  | Maturities       | Carrying Value              |
|---------------------------------------|------------------|-----------------------------|
| Deposits:                             |                  |                             |
| Cash and demand deposits              | N/A              | \$ 26,217,502               |
| Investments:                          |                  |                             |
| External investment pool - MOSIP      | Less than 1 year | 9,351,423                   |
| MOHEFA Bond Program:                  |                  |                             |
| Money market mutual funds             | Less than 1 year | <u>3,062,010</u>            |
| <b>TOTAL DEPOSITS AND INVESTMENTS</b> |                  | <u><b>\$ 38,630,935</b></u> |

**Custodial Credit Risk - Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Collaborative's deposits may not be returned to it. The Collaborative has a custodial credit risk policy for repurchase agreement investments and for certificates of deposit which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less and insurance (FDIC or NCUSIF), as applicable. As of June 30, 2023, the Collaborative's deposits were not exposed to custodial credit risk.

## Normandy Schools Collaborative

### NOTES TO THE BASIC FINANCIAL STATEMENTS

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**Custodial Credit Risk - Investments** - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Collaborative or its agent but not in the government's name. The Collaborative has no formal investment policy for custodial credit risk. All investments, evidenced by individual securities, are registered in the name of the Collaborative or are of a type not exposed to custodial credit risk.

**Investment Interest Rate Risk** - The Collaborative minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five years from purchase date. Maturities of investments held at June 30, 2023 are summarized in the schedule on the previous page.

**Investment Credit Risk** - Investment credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To minimize credit risk, the Collaborative prequalifies the institutions, brokers/dealers, intermediaries and advisors with which the Collaborative will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized. At June 30, 2023, the Collaborative's investments were rated as follows:

| Description               | Financial Institution | Amount       | Rating |
|---------------------------|-----------------------|--------------|--------|
| External investment pool  | MOSIP                 | \$ 9,351,423 | AAAm   |
| MOHEFA Bond Program:      |                       |              |        |
| Money market mutual funds | BOK Financial         | 3,062,010    | AAAmf  |

**Concentration of Investment Credit Risk** - Concentration of credit risk is required to be disclosed by the Collaborative for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

As a means of limiting its exposure to losses arising from concentration of investments, the Collaborative's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100%; (b) collateralized time and demand deposits, 100%; (c) U.S. Government agencies and government sponsored enterprises, no more than 60%; (d) collateralized repurchase agreements, no more than 50%; (e) U.S. Government agency callable securities, no more than 30%; (f) commercial paper and bankers' acceptances, no more than 50%. At June 30, 2023, the Collaborative did not have any concentrations of credit risk required to be disclosed.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE C | LONG-TERM LIABILITIES**

Long-term debt activity for the year ended June 30, 2023, is summarized as follows:

|                                              | Balance<br>July 1,<br>2022 | Additions    | Reductions    | Balance<br>June 30,<br>2023 | Amount Due<br>within One<br>Year |
|----------------------------------------------|----------------------------|--------------|---------------|-----------------------------|----------------------------------|
| Bonds payable:                               |                            |              |               |                             |                                  |
| General obligation bonds                     | \$ 48,729,000              | \$ -         | \$ 12,254,000 | \$ 36,475,000               | \$ 2,905,000                     |
| General obligation bonds - private placement | -                          | 6,600,000    | -             | 6,600,000                   | 1,535,000                        |
| Capital leases                               | 5,189                      | -            | 5,189         | -                           | -                                |
| Certificates of participation                | 2,201,000                  | -            | 131,000       | 2,070,000                   | 140,000                          |
| Energy loans                                 | 2,281,139                  | -            | 287,376       | 1,993,763                   | 294,682                          |
| Total long-term liabilities                  | \$ 53,216,328              | \$ 6,600,000 | \$ 12,677,565 | \$ 47,138,763               | \$ 4,874,682                     |

Payments on the general obligation bonds are paid by the debt service fund. Payments on the capital leases, certificates of participation and energy loans are paid by the capital projects fund.

*General Obligation Bonds*

Bonds payable consist of the following at June 30, 2023:

|                                                    | Maturity<br>Date | Interest<br>Rate | Original issue<br>Amount | Balance at<br>June 30, 2023 |
|----------------------------------------------------|------------------|------------------|--------------------------|-----------------------------|
| Series 2021A GO Refunding Bonds                    | 2024             | .40% - .55%      | 2,830,000                | 1,150,000                   |
| Series 2021B GO                                    | 2041             | 3.00%            | 26,500,000               | 26,500,000                  |
| Series 2019 GO                                     | 2029             | 5.00%            | 10,000,000               | 8,825,000                   |
|                                                    |                  |                  |                          | 36,475,000                  |
| Series 2023 GO Refunding Bonds - private placement | 2028             | 3.64%            | 6,600,000                | 6,600,000                   |
| Total                                              |                  |                  |                          | \$ 43,075,000               |

The annual requirements to amortize bonded debt outstanding as of June 30, 2023, are as follows:

| Year Ending June 30, | General obligation bonds |               |               | General obligation bonds - private placement |            |              |
|----------------------|--------------------------|---------------|---------------|----------------------------------------------|------------|--------------|
|                      | Principal                | Interest      | Total         | Principal                                    | Interest   | Total        |
| 2024                 | \$ 2,905,000             | \$ 1,313,075  | \$ 4,218,075  | \$ 1,535,000                                 | \$ 242,242 | \$ 1,777,242 |
| 2025                 | 3,590,000                | 1,224,050     | 4,814,050     | 1,015,000                                    | 184,366    | 1,199,366    |
| 2026                 | 3,505,000                | 1,067,450     | 4,572,450     | 1,300,000                                    | 147,420    | 1,447,420    |
| 2027                 | 1,425,000                | 913,750       | 2,338,750     | 1,385,000                                    | 100,100    | 1,485,100    |
| 2028                 | 1,500,000                | 842,500       | 2,342,500     | 1,365,000                                    | 49,686     | 1,414,686    |
| 2029-2033            | 8,250,000                | 3,074,500     | 11,324,500    | -                                            | -          | -            |
| 2034-2038            | 9,150,000                | 1,555,000     | 10,705,000    | -                                            | -          | -            |
| 2039-2041            | 6,150,000                | 268,000       | 6,418,000     | -                                            | -          | -            |
| Total                | \$ 36,475,000            | \$ 10,258,325 | \$ 46,733,325 | \$ 6,600,000                                 | \$ 723,814 | \$ 7,323,814 |

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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Repayment of the Series 2019, 2021 and 2023 bond issues are through the Missouri Direct Deposit Program which is a mechanism for public school bond repayments. It authorizes the direct deposit of a portion of the School Collaborative’s state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds.

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

On February 1, 2023, the District issued \$6,600,000 of general obligation refunding bonds. The net proceeds of the bonds, along with \$237,000 of other existing Collaborative resources, were used to refund the District’s Series 2018 general obligation bonds issued March 29, 2018 (scheduled to mature in 2024 and thereafter) on the call date of March 16, 2023. The refunding resulted in cash flow savings of \$441,186 and an economic gain of \$176,105.

*Legal Debt Margin*

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a Collaborative to fifteen (15%) percent of the assessed valuation of the Collaborative (including State assessed railroad and utility). The legal debt margin of the Collaborative at June 30, 2022, was:

|                                       |                             |
|---------------------------------------|-----------------------------|
| Constitutional debt limit             | \$ 49,701,755               |
| General obligation bonds payable      | (43,075,000)                |
| Amount available in Debt Service Fund | <u>6,073,350</u>            |
| Legal Debt Margin                     | <u><u>\$ 12,700,105</u></u> |

*Capital Lease Agreements*

During a prior fiscal year, the Collaborative entered into a lease purchase agreement with a leasing company for an equipment purchase. The lease calls for a total principal amount of \$42,481 and calls for thirty-six (36) monthly payments of \$1,315 including interest at a rate of 7.15%. The final payment under this lease was made in October 2022.

*Certificates of Participation*

During a prior fiscal year, the Collaborative issued \$1,088,000 in Series 2018A and \$941,500 in Series 2018B Certificates of Participation for the purpose of providing funds for energy improvements for the Collaborative’s schools. As described in Note H, the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate completion of the project. The Certificates bear interest at rates ranging from 3.94% to 4.74%. The final payment is due March 1, 2033 for the Series 2018A Certificates and March 1, 2028 for the Series 2018B Certificates.

During a prior fiscal year, the Collaborative issued \$485,000 in Series 2020 Certificates of Participation for the purpose of providing funds for energy improvements for the Collaborative’s schools. The Certificates bear interest at rates ranging from 2.25% to 2.75%. The final payment is due March 1, 2035.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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Future minimum payments for the Certificates described above is as follows:

| Year Ending June 30,                           | Amount                     |
|------------------------------------------------|----------------------------|
| 2024                                           | \$ 220,219                 |
| 2025                                           | 225,330                    |
| 2026                                           | 234,920                    |
| 2027                                           | 239,788                    |
| 2028                                           | 245,087                    |
| 2029-2033                                      | 1,308,333                  |
| 2034-2035                                      | <u>83,300</u>              |
| Total future minimum lease payments            | 2,556,977                  |
| Less amount representing interest              | <u>486,977</u>             |
| Present value of future minimum lease payments | <u><u>\$ 2,070,000</u></u> |

*Energy Loans*

During a prior fiscal year, the Collaborative entered into a loan in the amount of \$983,876, plus a 1% origination fee of \$9,839, from the Missouri Department of Economic Development Division of Energy for the purpose of providing funds for energy improvements for the Collaborative's schools. As described in Note H, during the prior fiscal year the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate completion of the project. Principal and interest are due semi-annually at a rate of 2.75% through December 2028.

During a prior fiscal year, the Collaborative entered into a loan in the amount of \$278,295 from the Missouri Department of Economic Development Division of Energy for the purpose of providing funds for energy improvements for the Collaborative's schools. As described in Note H, during the prior fiscal year, the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate completion of the project. Principal and interest are due semi-annually at a rate of 2.75% through November 2028.

During a prior fiscal year, the Collaborative entered into a loan in the amount of \$896,590 from the Missouri Department of Economic Development Division of Energy for the purpose of providing funds for energy improvements for the Collaborative's schools. As described in Note H, during a prior fiscal year, the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate completion of the project. Principal and interest are due semi-annually at a rate of 2.00% through September 2029.

During a prior fiscal year, the Collaborative entered into a loan in the amount of \$860,486 from the Missouri Department of Economic Development Division of Energy for the purpose of providing funds for energy improvements for the Collaborative's schools. As described in Note H, during a prior fiscal year, the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate completion of the project. Principal and interest are due semi-annually at a rate of 2.75% through October 2030.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The annual requirements to amortize energy loans outstanding as of June 30, 2023, are as follows:

| Year Ending June 30, | Principal    | Interest   | Total        |
|----------------------|--------------|------------|--------------|
| 2024                 | \$ 294,682   | \$ 48,657  | \$ 343,339   |
| 2025                 | 302,178      | 41,161     | 343,339      |
| 2026                 | 309,868      | 33,471     | 343,339      |
| 2027                 | 317,756      | 25,583     | 343,339      |
| 2028                 | 325,850      | 17,489     | 343,339      |
| 2029-2031            | 443,429      | 13,601     | 457,030      |
| Total                | \$ 1,993,763 | \$ 179,962 | \$ 2,173,725 |

**NOTE D | 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 Collaboratives in Missouri (except the school Collaboratives 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-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certified public school Collaborative employees (except the school Collaboratives 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 Collaboratives who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

## Normandy Schools Collaborative

### NOTES TO THE BASIC FINANCIAL STATEMENTS

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

PEERS is a defined benefit plan providing service retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for “Rule of 80” or “30-and-out” are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 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.psrs-peers.org](http://www.psrs-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% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June-to-June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June-to-June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

## **Normandy Schools Collaborative**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

*Contributions.* PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2021, 2022 and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2021, 2022 and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The Collaborative's contributions to PSRS and PEERS were \$2,316,085 and \$824,158, respectively, for the year ended June 30, 2023.

#### **NOTE E | EMPLOYEE BENEFIT PLANS**

The Collaborative offers its employees various tax-sheltered annuity programs created in accordance with Internal Revenue Code Section 403(b). The plans, available to all Collaborative employees, permit them to defer a portion of their salary for investment purposes. The Collaborative also offers a Section 125 Cafeteria Plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance benefits and reimbursement for qualified dependent care costs and medical expenses.

#### **NOTE F | INSURANCE PROGRAM**

The Collaborative, 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 estimated 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 Collaborative 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 Collaborative's premium assessment from MUSIC for 2023 was \$956,078. Settled claims have not exceeded insurance coverage in any of the past three years.

#### **NOTE G | SELF-INSURANCE PLANS**

The Collaborative has self-insurance plan which covers participating employees' and retirees' medical coverage. Both the members and the Collaborative contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The Collaborative utilizes the General Fund to account for the activity of the plan. A premium is charged to each fund that accounts for employees' salaries based on past trends and experience. The Collaborative purchases stop loss insurance coverage to limit exposure to catastrophic claims.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE H | COMMITMENTS AND CONTINGENCIES**

*Grant Audits*

The Collaborative receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The Collaborative is not aware of any noncompliance with the Federal or State provisions that might require the Collaborative to provide reimbursement.

*Protested Taxes*

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

*Litigation*

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

*Guaranteed Energy Savings Contract*

During a prior fiscal year, the Collaborative entered into a guaranteed energy savings contract with a contractor to facilitate energy improvements for the Collaborative's schools. This project is anticipated to result in energy and operational savings for a period of 15 years. As discussed in Note C, during a prior fiscal year, the Collaborative issued \$1,088,000 in Series 2018A and \$941,500 in Series 2018B and \$485,000 in Series 2020 Certificates of Participation for the purpose of providing funds for the project. Also as discussed in Note C, during a prior fiscal year, the Collaborative entered into four loans with the Missouri Department of Economic Development in the total amount of \$3,091,247 for the purpose of providing funds for the remainder of the project.

*Operating Leases*

During a prior fiscal year, the Collaborative entered into lease agreements, considered operating leases, for a total of 29 buses. The leases call for annual payments in varying amounts through fiscal year 2027. Lease payments of \$515,312 were made during the year ended June 30, 2023. Future minimum payments under these leases are as follows:

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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| Year Ending June 30, | Amount     |
|----------------------|------------|
| 2024                 | \$ 384,224 |
| 2025                 | 275,733    |
| 2026                 | 155,157    |
| 2027                 | 12,969     |
| Total                | \$ 828,083 |

*Proposition V Construction Projects*

As of June 30, 2023, the Collaborative has construction commitments of approximately \$35,469,540 related to the April 6, 2021 general obligation bond issuance of which approximately \$25,193,650 has been expended.

**NOTE I | POST-EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note D, the Collaborative allows employees who retire from the Collaborative to continue to participate in the Collaborative's health, dental, and life insurance plans. Upon meeting the retirement requirements, the retirees can elect to participate in the Collaborative's plans.

The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the Collaborative is considered to be a post-employment benefit. The Collaborative has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand alone financial report is not available for the plan.

**NOTE J – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2023, expenditures exceeded appropriations in the Debt Service Fund by \$19,650.

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE K | TAX ABATEMENTS**

As of June 30, 2023, the Collaborative is subject to the following real estate tax abatement programs initiated by other governmental entities:

|                                                 |            |
|-------------------------------------------------|------------|
| Enhanced enterprise zones:                      |            |
| City of Hazelwood                               | \$ 530     |
| City of Pagedale                                | 10,568     |
| City of Berkeley                                | 58         |
| Industrial development bonds/Port Authority:    |            |
| Chapter 68:                                     | 1,147      |
| Industrial development bonds/St. Louis County : |            |
| Chapter 100:                                    |            |
| City of Bellerive                               | 110,026    |
| City of Bridgeton                               | 5          |
| City of Clayton                                 | 3,806      |
| City of Eureka                                  | 185        |
| City of Ferguson                                | 298        |
| City of Hazelwood                               | 4,644      |
| City of Jennings                                | 10         |
| City of University City                         | 29         |
| St. Louis County                                | 8,689      |
| Urban redevelopment corporations:               |            |
| City of Brentwood                               | 631        |
| City of Bridgeton                               | 1,311      |
| City of Clayton                                 | 42         |
| City of Edmundson                               | 696        |
| City of Ferguson                                | 644        |
| City of Hazelwood                               | 7,374      |
| City of Kinloch                                 | 2,891      |
| City of Maplewood                               | 347        |
| City of Maryland Heights                        | 467        |
| City of Normandy                                | 74,625     |
| City of Northwoods                              | 29,236     |
| City of Overland                                | 238        |
| City of Richmond Heights                        | 350        |
| City of Rock Hill                               | 102        |
| City of Sunset Hills                            | 77         |
| City of Woodson Terrace                         | 10         |
| St. Louis County                                | 359,283    |
|                                                 | <hr/>      |
| Total                                           | \$ 618,319 |
|                                                 | <hr/>      |

**Normandy Schools Collaborative**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE L | SUBSEQUENT EVENTS**

In preparing these financial statements, the Collaborative has evaluated events and transactions for potential recognition or disclosure through March 18, 2024, the date the financial statements were available to be issued.

On October 17, 2023, the State Board of Education accepted the recommendation made by the Commission of Education to complete the transition back to local governance. With this action, the Joint Executive Governing Board was dissolved and will now be referred to as the Board of Education.

**Normandy Schools Collaborative**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS - GENERAL FUND – UNAUDITED**

**Year ended June 30, 2023**

|                                             | <b>Budgeted Amounts</b> |               | <b>Actual</b>  | <b>Variance with</b> |
|---------------------------------------------|-------------------------|---------------|----------------|----------------------|
|                                             | <b>Original</b>         | <b>Final</b>  | <b>Amounts</b> | <b>Final Budget</b>  |
|                                             |                         |               |                | <b>Positive</b>      |
|                                             |                         |               |                | <b>(Negative)</b>    |
| <b>REVENUES:</b>                            |                         |               |                |                      |
| Local                                       | \$ 10,569,709           | \$ 12,394,209 | \$ 12,818,764  | \$ 424,555           |
| County                                      | 440,000                 | 440,000       | 408,458        | (31,542)             |
| State                                       | 5,170,400               | 5,784,400     | 7,207,382      | 1,422,982            |
| Federal                                     | 13,409,179              | 14,717,624    | 12,143,139     | (2,574,485)          |
| Total Revenues                              | 29,589,288              | 33,336,233    | 32,577,743     | (758,490)            |
| <b>EXPENDITURES:</b>                        |                         |               |                |                      |
| Current:                                    |                         |               |                |                      |
| Instruction                                 | 4,097,877               | 3,770,067     | 3,794,503      | (24,436)             |
| Attendance and social work services         | 1,132,608               | 1,132,608     | 1,060,622      | 71,986               |
| Guidance services                           | 2,400                   | 2,400         | 773            | 1,627                |
| Health services                             | 823,943                 | 823,943       | 822,780        | 1,163                |
| Improvement of instruction                  | 2,240,650               | 2,240,650     | 544,292        | 1,696,358            |
| Professional development                    | 298,582                 | 298,582       | 239,194        | 59,388               |
| Media services                              | 2,183,888               | 2,183,888     | 10,083         | 2,173,805            |
| Board of Education services                 | 496,200                 | 496,200       | 433,795        | 62,405               |
| Executive administration                    | 1,808,849               | 1,808,849     | 3,771,666      | (1,962,817)          |
| Building level administration               | 721,854                 | 721,854       | 680,636        | 41,218               |
| Operation and maintenance of plant services | 2,786,978               | 5,661,104     | 6,059,076      | (397,972)            |
| Pupil transportation                        | 3,856,652               | 3,856,652     | 2,615,141      | 1,241,511            |
| Food services                               | 2,286,200               | 2,286,200     | 2,237,358      | 48,842               |
| Business and central services               | 974,613                 | 974,613       | 3,197,306      | (2,222,693)          |
| Security services                           | 1,155,785               | 1,155,785     | 1,113,648      | 42,137               |
| Community services                          | 2,625,089               | 2,625,089     | 1,125,347      | 1,499,742            |
| Other                                       | 1,338,794               | 1,338,794     | -              | 1,338,794            |
| Total Expenditures                          | 28,830,962              | 31,377,278    | 27,706,220     | 3,671,058            |
| <b>EXCESS OF REVENUES OVER</b>              |                         |               |                |                      |
| <b>EXPENDITURES</b>                         | 758,326                 | 1,958,955     | 4,871,523      | 2,912,568            |
| <b>OTHER FINANCING USES:</b>                |                         |               |                |                      |
| Transfer to other funds                     | -                       | -             | (49,715)       | (49,715)             |
| <b>NET CHANGE IN FUND BALANCE</b>           | \$ 758,326              | \$ 1,958,955  | 4,821,808      | \$ 2,862,853         |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>      |                         |               | 12,002,975     |                      |
| <b>FUND BALANCE, END OF YEAR</b>            |                         |               | \$ 16,824,783  |                      |

**Normandy Schools Collaborative**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS –**  
**SPECIAL REVENUE FUND – UNAUDITED**  
**Year ended June 30, 2023**

|                                        | <b>Budgeted Amounts</b> |                       | <b>Actual</b>      | <b>Variance with</b> |
|----------------------------------------|-------------------------|-----------------------|--------------------|----------------------|
|                                        | <b>Original</b>         | <b>Final</b>          | <b>Amounts</b>     | <b>Final Budget</b>  |
|                                        |                         |                       |                    | <b>Positive</b>      |
|                                        |                         |                       |                    | <b>(Negative)</b>    |
| <b>REVENUES:</b>                       |                         |                       |                    |                      |
| Local                                  | \$ 3,791,000            | \$ 4,361,000          | \$ 4,445,900       | \$ 84,900            |
| County                                 | 25,000                  | 30,000                | 28,343             | (1,657)              |
| State                                  | 15,400,000              | 15,657,600            | 14,347,231         | (1,310,369)          |
| Total Revenues                         | 19,216,000              | 20,048,600            | 18,821,474         | (1,227,126)          |
| <b>EXPENDITURES:</b>                   |                         |                       |                    |                      |
| Current:                               |                         |                       |                    |                      |
| Instruction                            | 14,325,207              | 14,524,697            | 13,604,340         | 920,357              |
| Attendance and social work services    | 63,188                  | 63,188                | 68,462             | (5,274)              |
| Guidance services                      | 657,421                 | 657,421               | 663,657            | (6,236)              |
| Health services                        | 222                     | 222                   | -                  | 222                  |
| Improvement of instruction             | 65,173                  | 65,173                | 71,511             | (6,338)              |
| Professional development               | 23,405                  | 23,405                | 33,702             | (10,297)             |
| Media services                         | 478,569                 | 478,569               | 497,444            | (18,875)             |
| Executive administration               | 1,249,083               | 1,249,083             | 1,182,826          | 66,257               |
| Building level administration          | 3,630,745               | 2,691,063             | 2,534,443          | 156,620              |
| Business and central services          | 690,444                 | 690,444               | 928,251            | (237,807)            |
| Community services                     | 788,848                 | 788,848               | 752,957            | 35,891               |
| Total Expenditures                     | 21,972,305              | 21,232,113            | 20,337,593         | 894,520              |
| <b>EXCESS OF REVENUES UNDER</b>        |                         |                       |                    |                      |
| <b>EXPENDITURES</b>                    | (2,756,305)             | (1,183,513)           | (1,516,119)        | (332,606)            |
| <b>OTHER FINANCING SOURCES:</b>        |                         |                       |                    |                      |
| Transfer from other funds              | -                       | -                     | 49,715             | 49,715               |
| <b>NET CHANGE IN FUND BALANCE</b>      | <u>\$ (2,756,305)</u>   | <u>\$ (1,183,513)</u> | <u>(1,466,404)</u> | <u>\$ (282,891)</u>  |
| <b>FUND BALANCE, BEGINNING OF YEAR</b> |                         |                       | <u>2,008,417</u>   |                      |
| <b>FUND BALANCE, END OF YEAR</b>       |                         |                       | <u>\$ 542,013</u>  |                      |

**Normandy Schools Collaborative**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS –**  
**DEBT SERVICE FUND – UNAUDITED**  
**Year ended June 30, 2023**

|                                          | <b>Budgeted Amounts</b> |                       | <b>Actual</b>       | <b>Variance with</b> |
|------------------------------------------|-------------------------|-----------------------|---------------------|----------------------|
|                                          | <b>Original</b>         | <b>Final</b>          | <b>Amounts</b>      | <b>Final Budget</b>  |
|                                          |                         |                       |                     | <b>Positive</b>      |
|                                          |                         |                       |                     | <b>(Negative)</b>    |
| <b>REVENUES:</b>                         |                         |                       |                     |                      |
| Local                                    | \$ 6,086,000            | \$ 6,097,000          | \$ 5,855,203        | \$ (241,797)         |
| County                                   | 12,000                  | 80,000                | 121,809             | 41,809               |
| Total Revenues                           | 6,098,000               | 6,177,000             | 5,977,012           | (199,988)            |
| <b>EXPENDITURES:</b>                     |                         |                       |                     |                      |
| Debt service:                            |                         |                       |                     |                      |
| Principal retirements                    | 5,654,000               | 12,212,600            | 12,254,000          | (41,400)             |
| Interest                                 | 1,778,545               | 1,870,545             | 1,792,295           | 78,250               |
| Fees                                     | -                       | -                     | 56,500              | (56,500)             |
| Total Expenditures                       | 7,432,545               | 14,083,145            | 14,102,795          | (19,650)             |
| <b>OTHER FINANCING SOURCES:</b>          |                         |                       |                     |                      |
| Proceeds of current refunding bond issue | -                       | 6,544,000             | 6,600,000           | 56,000               |
| <b>NET CHANGE IN FUND BALANCE</b>        | <u>\$ (1,334,545)</u>   | <u>\$ (1,362,145)</u> | <u>(1,525,783)</u>  | <u>(163,638)</u>     |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>   |                         |                       | <u>7,599,133</u>    |                      |
| <b>FUND BALANCE, END OF YEAR</b>         |                         |                       | <u>\$ 6,073,350</u> |                      |

**Normandy Schools Collaborative**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS –**  
**CAPITAL PROJECTS FUND – UNAUDITED**  
**Year ended June 30, 2023**

|                                        | <b>Budgeted Amounts</b> |                       | <b>Actual</b>        | <b>Variance with</b> |
|----------------------------------------|-------------------------|-----------------------|----------------------|----------------------|
|                                        | <b>Original</b>         | <b>Final</b>          | <b>Amounts</b>       | <b>Final Budget</b>  |
|                                        |                         |                       |                      | <b>Positive</b>      |
|                                        |                         |                       |                      | <b>(Negative)</b>    |
| <b>REVENUES:</b>                       |                         |                       |                      |                      |
| Local                                  | \$ 2,831,000            | \$ 2,941,000          | \$ 3,396,432         | \$ 455,432           |
| County                                 | 25,000                  | 125,000               | 69,408               | (55,592)             |
| Federal                                | 19,079,000              | 13,716,000            | 15,171,218           | 1,455,218            |
| Other                                  | 1,000                   | -                     | -                    | -                    |
| Total Revenues                         | 21,936,000              | 16,782,000            | 18,637,058           | 1,855,058            |
| <b>EXPENDITURES:</b>                   |                         |                       |                      |                      |
| Capital outlay                         | 25,421,144              | 22,968,508            | 19,518,425           | 3,450,083            |
| Debt service:                          |                         |                       |                      |                      |
| Principal retirements                  | 421,599                 | 424,599               | 423,565              | 1,034                |
| Interest                               | 142,838                 | 142,838               | 141,707              | 1,131                |
| Total Expenditures                     | 25,985,581              | 23,535,945            | 20,083,697           | 3,452,248            |
| <b>EXCESS OF REVENUES UNDER</b>        |                         |                       |                      |                      |
| <b>EXPENDITURES</b>                    | <u>\$ (4,049,581)</u>   | <u>\$ (6,753,945)</u> | (1,446,639)          | <u>\$ 5,307,306</u>  |
| <b>FUND BALANCE, BEGINNING OF YEAR</b> |                         |                       | <u>15,949,166</u>    |                      |
| <b>FUND BALANCE, END OF YEAR</b>       |                         |                       | <u>\$ 14,502,527</u> |                      |

**Normandy Schools Collaborative**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**

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**NOTE A | BUDGETS AND BUDGETARY ACCOUNTING**

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

1. In accordance with Chapter 67 RSMo, the Collaborative adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Joint Executive Governing Board a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all Collaborative funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Joint Executive Governing Board, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Joint Executive Governing Board.
5. Subsequent to its formal approval of the budget, the Joint Executive Governing Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
  - a. Budgeted amounts are as originally adopted on June 14, 2022, or as amended by the Joint Executive Governing Board on June 13, 2023.
6. Budgets are adopted on a modified cash basis of accounting.



## **Independent Accountants' Report on Compliance with Specified Requirements of Missouri Laws and Regulations**

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Joint Executive Governing Board  
Normandy Schools Collaborative

We have examined Normandy Schools Collaborative's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, and accurate disclosure by Normandy Schools Collaborative's records of average daily attendance and average daily pupil transportation for the year ended June 30, 2023. Management is responsible for the Normandy Schools Collaborative's compliance with those requirements. Our responsibility is to express an opinion on Normandy Schools Collaborative's compliance with the specified requirements based on our examination.

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

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

Our examination does not provide a legal determination on Normandy Schools Collaborative's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the accurate disclosure of average daily transportation applicable to Normandy Schools Collaborative for the year ended June 30, 2023. Average daily transportation disclosed by the Collaborative did not agree with the underlying ridership and mileage data.

In our opinion, because of the effect of the noncompliance described in the preceding paragraph, Normandy Schools Collaborative has not complied, in all material respects, with the aforementioned requirements as it relates to the accurate disclosure of average daily transportation for the year ended June 30, 2023. It's further our opinion, that Normandy Schools Collaborative did comply in all material respects with Missouri laws and regulations regarding budgetary and disbursement procedures and accurate disclosure of average daily attendance for the year ended June 30, 2023.

This report is intended solely for the information and use of the Joint Executive Governing Board, Collaborative 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.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
March 18, 2024

**Normandy Schools Collaborative**  
**SCHEDULE OF SELECTED STATISTICS – UNAUDITED**

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County Collaborative Number: 096-109

*1. Calendar (Sections 160.041, 171.031 and 171.033 RSMO)*

Report each unique calendar the Collaborative/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           | 12        | -                  | 6.7500              | 158  | 1,056.9300       |
| 4010        | 1           | 8         | -                  | 6.7500              | 159  | 1,073.2500       |
| 4090        | 1           | 5         | -                  | 6.7500              | 159  | 1,073.2500       |
| 4100        | 1           | 8         | -                  | 6.7500              | 159  | 1,073.2500       |
| 4145        | 1           | 8         | -                  | 6.7500              | 159  | 1,073.2500       |
| 4160        | 1           | 8         | -                  | 6.7500              | 159  | 1,073.2500       |
| 5020        | PK          | K         | -                  | 6.7500              | 159  | 1,073.2500       |

*2. Attendance Hours*

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

| School Code | Grade Level | Full-Time Hours       | Part-Time Hours    | Remedial Hours | Other Hours | Summer School Hours | Total Hours           |
|-------------|-------------|-----------------------|--------------------|----------------|-------------|---------------------|-----------------------|
| 1050        | 9-12        | 522,482.9807          | 29,247.6499        | -              | -           | 20,887.7000         | 572,618.3306          |
| 4010        | 1-8         | 374,792.4017          | -                  | -              | -           | 33,594.4100         | 408,386.8117          |
| 4090        | 1-5         | 180,088.5026          | -                  | -              | -           | -                   | 180,088.5026          |
| 4100        | 1-8         | 249,056.5396          | -                  | -              | -           | -                   | 249,056.5396          |
| 4145        | 1-8         | 596,120.4406          | 161.2500           | -              | -           | 18,879.4500         | 615,161.1406          |
| 4160        | 1-8         | 329,506.0242          | -                  | -              | -           | -                   | 329,506.0242          |
| 5020        | PK-K        | 204,412.1831          | 2,263.7333         | -              | -           | -                   | 206,675.9164          |
|             |             | <u>2,456,459.0725</u> | <u>31,672.6332</u> | -              | -           | <u>73,361.5600</u>  | <u>2,561,493.2657</u> |

**Normandy Schools Collaborative**  
**SCHEDULE OF SELECTED STATISTICS – UNAUDITED**

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3. *September Membership*

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

| School Code | Grade Level | Full-Time | Part-Time | Other | Total    |
|-------------|-------------|-----------|-----------|-------|----------|
| 1050        | 9-12        | 742.00    | 0.57      | -     | 742.57   |
| 4010        | 1-8         | 272.00    | -         | -     | 272.00   |
| 4090        | 1-5         | 179.00    | -         | -     | 179.00   |
| 4100        | 1-8         | 636.00    | -         | -     | 636.00   |
| 4145        | 1-8         | 359.00    | -         | -     | 359.00   |
| 4160        | 1-8         | 398.00    | -         | -     | 398.00   |
| 5020        | PK-K        | 329.00    | -         | -     | 329.00   |
|             |             | 2,915.00  | 0.57      | -     | 2,915.57 |

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

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

| School Code | Free Lunch | Reduced Lunch | Deseg In Free | Deseg In Reduced | Total    |
|-------------|------------|---------------|---------------|------------------|----------|
| N/A         | 8.00       | -             | -             | -                | 8.00     |
| 1050        | 684.96     | -             | -             | -                | 684.96   |
| 4010        | 404.00     | -             | -             | -                | 404.00   |
| 4090        | 197.00     | -             | -             | -                | 197.00   |
| 4100        | 265.00     | -             | -             | -                | 265.00   |
| 4145        | 633.00     | -             | -             | -                | 633.00   |
| 4160        | 336.00     | -             | -             | -                | 336.00   |
| 5020        | 225.50     | -             | -             | -                | 225.50   |
|             | 2,753.46   | -             | -             | -                | 2,753.46 |

**Normandy Schools Collaborative**  
**SCHEDULE OF SELECTED STATISTICS – UNAUDITED**

5. *Finance*

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

| Section | Question                                                                                                                                                                                                                                                                                                                         | Answer   |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 5.1     | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.                                                                                                                                                                        | TRUE     |
| 5.2     | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance 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                                                                                                                                                                                                                                                                                          | N/A      |
|         | Cooperative Occupational Education (COE) or Supervised                                                                                                                                                                                                                                                                           | N/A      |
|         | Occupational Experience Program                                                                                                                                                                                                                                                                                                  | N/A      |
|         | Dual enrollment                                                                                                                                                                                                                                                                                                                  | TRUE     |
|         | Homebound instruction                                                                                                                                                                                                                                                                                                            | TRUE     |
|         | Missouri Options                                                                                                                                                                                                                                                                                                                 | N/A      |
|         | Prekindergarten eligible to be claimed for state aid                                                                                                                                                                                                                                                                             | TRUE     |
|         | Remediation                                                                                                                                                                                                                                                                                                                      | N/A      |
|         | Sheltered Workshop participation                                                                                                                                                                                                                                                                                                 | N/A      |
|         | Students participating in the school flex program                                                                                                                                                                                                                                                                                | N/A      |
|         | Traditional instruction (full and part-time students)                                                                                                                                                                                                                                                                            | TRUE     |
|         | Virtual instruction (MOCAP or other option)                                                                                                                                                                                                                                                                                      | TRUE     |
|         | Work Experience for Students with Disabilities                                                                                                                                                                                                                                                                                   | N/A      |
| 5.3     | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.                                                                                                    | TRUE     |
| 5.4     | The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.                                                       | TRUE     |
| 5.5     | As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:                                                                                                                                                                                                 | \$50,000 |

**Normandy Schools Collaborative**  
**SCHEDULE OF SELECTED STATISTICS – UNAUDITED**

| 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.                                                                                                                                                                                                        | TRUE      |
| 5.9     | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)                                                 | N/A       |
| 5.10    | The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.                                                                                                                                                                                                       | TRUE      |
| 5.11    | The district has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. | TRUE      |
| 5.12    | The amount spent for approved professional development committee plan activities was:                                                                                                                                                                                                                                                                                    | \$273,228 |
| 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      |

**Normandy Schools Collaborative**  
**SCHEDULE OF SELECTED STATISTICS – UNAUDITED**

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 pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.  | FALSE   |
| 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                                                                                                                                                                        | 1,379   |
|         | Ineligible ADT                                                                                                                                                                      | 0       |
| 6.4     | The District’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. | FALSE   |
| 6.5     | Actual odometer records show the total District-operated and contracted mileage for the year was:                                                                                   | 268,205 |
| 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                                                                                                                                                                      | 208,942 |
|         | Ineligible Miles (Non-Route/Disapproved)                                                                                                                                            | 59,263  |
| 6.7     | Number of days the District operated the school transportation system during the regular school year:                                                                               | 161     |

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

|                            |                |
|----------------------------|----------------|
| Findings #:                | 2023-05        |
| Management Letter Comment: | Not applicable |

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

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Joint Executive Governing Board  
Normandy Schools Collaborative

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Normandy Schools Collaborative as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Normandy Schools Collaborative's basic financial statements, and have issued our report thereon dated March 18, 2024. Our report on the basic financial statements disclosed that, as described in Note A to the financial statements, the Collaborative prepares its financial statements on the 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 Normandy Schools Collaborative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Normandy Schools Collaborative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Normandy Schools Collaborative'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Collaborative's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiencies described in the accompanying schedule of findings and questioned cost as items 2023-001 through 2023-005 to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Normandy Schools Collaborative's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are reported in the schedule of findings and questioned costs as items 2023-002 through 2023-005.

**Normandy School Collaborative's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Normandy School Collaborative's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Normandy Schools Collaborative's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

*Kirby, Eck & Braedel LLP*

St. Louis, Missouri  
March 18, 2024



## **Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance**

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Joint Executive Governing Board  
Normandy Schools Collaborative

### **Report on Compliance for Each Major Federal Program**

#### **Qualified and Unmodified Opinions**

We have audited Normandy Schools Collaborative's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Normandy Schools Collaborative's major federal programs for the year ended June 30, 2023. Normandy Schools Collaborative's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

##### *Qualified Opinion on Title 1 (Assistance Listing No. 84.010)*

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Normandy Schools Collaborative complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *[identify the major federal program]* for the year ended June 30, 2023.

##### *Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, Normandy Schools Collaborative complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

#### **Basis for Qualified and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Normandy Schools Collaborative 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 Normandy Schools Collaborative's compliance with the compliance requirements referred to above.

##### *Matter Giving Rise to Qualified Opinion on Title I (Assistance Listing No. 84.010)*

As described in the accompanying schedule of findings and questioned costs, Normandy did not comply with requirements regarding Assistance Listing No. 84.010 Title I as described in finding number 2023-006 for Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for Normandy Schools Collaborative to comply with the requirements applicable to that program.

### **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 Normandy Schools Collaborative's federal programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Normandy Schools Collaborative'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is 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 Normandy Schools Collaborative's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Normandy Schools Collaborative'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 Normandy Schools Collaborative'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 Normandy Schools Collaborative'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.

### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on Normandy School Collaborative's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Normandy Schools Collaborative's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-006 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

Government Auditing Standards requires the auditor to perform limited procedures on Normandy Schools Collaborative's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Normandy School Collaborative's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Kuhn, Eck & Braedel LLP*

St. Louis, Missouri  
March 18, 2024

**Normandy Schools Collaborative**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

| <b>Federal Grantor/<br/>Pass-Through Grantor/or Cluster Title</b>                                       | <b>Federal<br/>Assistance<br/>Listing</b> | <b>Pass -<br/>Through Entity<br/>Identification<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------|---------------------------------------|
| <b><u>Federal Communications Commission:</u></b>                                                        |                                           |                                                                |                                       |
| <b>Direct award:</b>                                                                                    |                                           |                                                                |                                       |
| Emergency Connectivity Fund Program                                                                     | 32.009                                    |                                                                | \$ 65,385                             |
| <b><u>U.S. Department of Education:</u></b>                                                             |                                           |                                                                |                                       |
| <b>Passed through University of Missouri - St. Louis</b>                                                |                                           |                                                                |                                       |
| Comprehensive Literacy Development                                                                      | 84.371                                    |                                                                | 11,200                                |
| <b>Passed through Missouri Department of Elementary<br/>and Secondary Education:</b>                    |                                           |                                                                |                                       |
| Title I Grants to Local Educational Agencies                                                            | 84.010                                    | 096-109                                                        | 2,678,646                             |
| Title I Preschool                                                                                       | 84.010                                    | 096-109                                                        | 1,038,594                             |
| Subtotal Assistance Listing #84.010                                                                     |                                           |                                                                | <u>3,717,240</u>                      |
| Career and Technical Education                                                                          | 84.048                                    | 096-109                                                        | 201,819                               |
| Special Education Grants to States                                                                      | 84.027                                    | 096-109                                                        | 147                                   |
| 21st Century Community Learning Center                                                                  | 84.287                                    | 096-109                                                        | 264,532                               |
| English Language Acquisition State Grant                                                                | 84.365                                    | 096-109                                                        | 1,878                                 |
| Supporting Effective Instruction State Grant                                                            | 84.367                                    | 096-109                                                        | 394,132                               |
| Student Support and Academic Enrichment Program                                                         | 84.424                                    | 096-109                                                        | 349,605                               |
| COVID-19 - Education Stabilization Fund - ESSER                                                         | 84.425D                                   | 096-109                                                        | 5,743,937                             |
| COVID-19 - Education Stabilization Fund - American Rescue Plan -<br>ESSER - Homeless Children and Youth | 84.425W                                   | 096-109                                                        | 115,880                               |
| COVID-19 - Education Stabilization Fund - American Rescue Plan - ESSER                                  | 84.425U                                   | 096-109                                                        | 9,029,500                             |
| Subtotal Assistance Listing #84.425                                                                     |                                           |                                                                | <u>14,889,317</u>                     |
| Total U.S. Department of Education                                                                      |                                           |                                                                | <u>19,829,870</u>                     |
| <b><u>U.S. Department of Agriculture:</u></b>                                                           |                                           |                                                                |                                       |
| <b>Passed through Missouri Department of Elementary<br/>and Secondary Education:</b>                    |                                           |                                                                |                                       |
| Fresh Fruit and Vegetable Program                                                                       | 10.582                                    | 096-109                                                        | 55,182                                |
| Child Nutrition Cluster                                                                                 |                                           |                                                                |                                       |
| National School Breakfast                                                                               | 10.553                                    | 096-109                                                        | 782,542                               |
| National School Lunch                                                                                   | 10.555                                    | 096-109                                                        |                                       |
| Cash                                                                                                    | 10.555                                    | 096-109                                                        | 1,568,629                             |
| Commodities                                                                                             | 10.555                                    | 096-109                                                        | 498,423                               |
| Subtotal Assistance Listing #10.555                                                                     |                                           |                                                                | <u>2,067,052</u>                      |
| Total U.S. Department of Agriculture/Child Nutrition Cluster                                            |                                           |                                                                | <u>2,904,776</u>                      |
| <b><u>U.S. Department of Health and Human Services</u></b>                                              |                                           |                                                                |                                       |
| <b>Passed through Missouri Department of Social Services:</b>                                           |                                           |                                                                |                                       |
| Every Student Succeeds Act                                                                              | 93.434                                    | M00681-041                                                     | 1,500                                 |
| <b>TOTAL</b>                                                                                            |                                           |                                                                | <u><u>\$ 22,801,531</u></u>           |

**Normandy Schools Collaborative**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Collaborative under programs of the federal government for the fiscal year ended June 30, 2023. 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 Collaborative, it is not intended to and does not present the financial position, changes in net position or cash flows of the Collaborative.

Note 2 - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is a summary of the cash activity of the Collaborative's federal award programs and does not present transactions that would be included in financial statements of the Collaborative presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Note 3 - Indirect Cost Rate

The Collaborative has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed by the Collaborative during the fiscal year ended June 30, 2023.

Note 5 - Insurance

The Collaborative did not have any federal insurance in effect during the fiscal year ended June 30, 2023.

Note 6 - Loan/Loan Guarantees

The Collaborative did not have any loans or loan guarantees outstanding as of June 30, 2023.

Note 7 - Subrecipients

The Collaborative did not provide federal awards to any subrecipients during the fiscal year ended June 30, 2023.

**Normandy Schools Collaborative**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued on financial statements: Unmodified opinions

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified that are not considered material weaknesses? None reported

Noncompliance material to financial statements noted? Yes

*Federal Awards*

Type of auditors' report issued on compliance for major programs: Qualified opinion

Internal control over major programs:

Material weaknesses identified? Yes

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Guidance? Yes

The programs tested as major programs include:

| <u>CFDA Number(s)</u>     | <u>Name of Federal Program or Cluster</u>    |
|---------------------------|----------------------------------------------|
| 84.425D, 84.425W, 84.425U | COVID 19 - Education Stabilization Fund      |
| 84.010                    | Title I                                      |
| 84.367                    | Supporting Effective Instruction State Grant |

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

Normandy Schools Collaborative qualified as low risk auditee? No

**Normandy Schools Collaborative**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 2023-001**

Criteria: All financial transactions should be recorded in the general ledger on a timely basis and cash balances should be reconciled to bank balances monthly to ensure any errors or adjustments are quickly identified and corrected.

Condition: Payroll transactions were not recorded in the general ledger on a timely basis and cash balances were not regularly reconciled to the bank balances throughout the year.

Cause: During the year, the Collaborative outsourced its payroll processing to a service provider. The Collaborative could not obtain the necessary reports from the service provider to record the payroll transactions. As a result of the unrecorded payroll transactions, bank reconciliations could not be prepared.

Effect: A bank reconciliation performed after year end identified a net unreconciled cash difference of \$341,865, which was written off to the miscellaneous revenue account.

Recommendation: We recommend that all transactions be recorded in the general ledger on a timely basis and cash accounts be reconciled to the bank statements monthly. Any reconciliation differences should be promptly investigated and corrected.

Views of the responsible officials and planned corrective actions: We will record all transactions in the general ledger on a timely basis and will complete a reconciliation of bank account balances in a timely manner through our monthly bank statement reconciliation process. Reconciliation variances, if any, will be promptly investigated and corrected. The Accounting Coordinator will be primarily responsible for completing these monthly processes. Please note that we migrated all payroll processes into one accounting system (SISFIN) in January 2024 which will help ensure all payroll transactions are recorded in the general ledger timely.

**Finding 2023-002**

Criteria: In accordance with 5 CSR 30-4.020, the Collaborative is responsible for preparing accurate financial statements.

Condition: Debt transactions and balances recorded in the financial statements and Annual Secretary of the Board Report (ASBR) were inaccurate.

Cause: Debt transactions recorded in the financial statements and ASBR were not reconciled to the debt amortization schedule to ensure their accuracy.

Effect: Audit adjustments were necessary to correct debt transactions recorded in the financial statements and ASBR. After these correcting entries, expenditures exceeded the approved budget by \$19,650 in violation of Chapter 67, RSMo.

Recommendation: We recommend that debt transactions recorded in the financial statements and ASBR be reconciled with debt amortization schedules to ensure their accuracy.

## **Normandy Schools Collaborative**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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Views of the responsible officials and planned corrective actions: We will ensure Debt service transactions, including the semi-annual interest payments, principal payments, and associated issuance costs and fees, etc., are properly recorded in the general ledger and reconciled to related debt amortization schedules provided by our bond underwriter. The CFO and Accounting Coordinator will be charged with these responsibilities.

#### **Finding 2023-003**

Criteria: 5 CSR 30.4.030 requires that the annual audit report be submitted to DESE by December 31 each year.

Condition: The audit report for the year ended June 30, 2023 was not submitted to DESE by December 31, 2023.

Cause: Requested accounting records were not available during audit fieldwork and the accounting records had to be revised multiple times to correct errors during the performance of the audit. These conditions contributed to a delay in the annual audit.

Effect: Subsequent to the December 31 due date, DESE will withhold funds due to the Collaborative until the audit is received.

Recommendations: To ensure all requested accounting records are available in time for the annual audit, we recommend the Collaborative develop a formal year-end closing schedule that indicates personnel responsibilities and corresponding time requirements. We also recommend that the accounting records requested for the annual audit be reviewed, in advance, by someone other than the preparer of those records.

Views of the responsible officials and planned corrective actions: We will develop a formal and comprehensive year-end closing schedule that outlines the specific responsibilities and personnel accountable for the compiling and providing the requested audit information and corresponding time requirements and deadlines to ensure the examination is completed, received and approved by the Board and submitted to DESE by or prior to the December 31st deadline. The CFO and Accounting Coordinator will work with all responsible parties to gather this information and present it to the auditors in conformity with the audit schedule.

Please note that this issue was largely impacted by extensive turnover and transition in personnel charged with completing, compiling, and evaluating many of the associated tasks (e.g., transition in the CFO, Federal Programs Director, and Operations Director positions as well as with the lead auditor, etc.). Moving forward, we believe that the stability in the ranks acquired with help to sufficiently address this matter.

#### **Finding 2023-004**

Criteria: 2 CFR 200.510 requires that the Collaborative prepare the Schedule of Expenditures of Federal Awards which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) was not complete and accurate.

**Normandy Schools Collaborative**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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Expenditures incurred for certain Federal programs were not reported on the SEFA, and expenditures reported for certain other Federal programs were inaccurate.

Cause: Expenditures reported on the SEFA were not compared to Federal revenue sources reported in the general ledger to ensure all Federal programs had been identified. Also, expenditures reported on the SEFA were not always reconciled to the Final Expenditure Reports (FER) submitted to DESE.

Effect: Audit adjustments were necessary to correct Federal expenditures reported on the SEFA.

Recommendation: We recommend that expenditures reported on the SEFA be compared to Federal revenue sources reported in the general ledger to ensure all Federal programs are identified. We also recommend that expenditures reported on the SEFA be reconciled to the general ledger and FER submitted to DESE.

Views of the responsible officials and planned corrective actions: We will ensure that all expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA) are reconciled to the federal revenue transactions reported in the District's general ledger and ensure all federal programs and associated income are reported and identified. The Federal Programs Director will work with the Accounting Coordinator to ensure these activities take place.

**Finding 2023-005**

Criteria: 5 CSR 30-261 requires that the Collaborative maintain accurate ridership and mileage data upon which its transportation aid will be computed.

Condition: Student ridership and mileage data maintained by the Collaborative was inaccurate.

Cause: Clerical and formula errors in the summarization of the detailed student ridership and mileage data caused the totals to be inaccurate.

Effect: The student ridership and mileage data reported to DESE on the Application for State Transportation Aid was inaccurate. The Application for State Transportation Aid is the basis for transportation aid.

Recommendation: We recommend that student ridership and mileage data reported on the Application for State Transportation Aid be subjected to review by the Collaborative's Business Operations department before submission to DESE.

Views of the responsible officials and planned corrective actions: The Accounting Coordinator and the Accounting Specialist will work with the Transportation Director to gather and review associated ridership information reported on the Application for State Transportation Aid to ensure the correctness of the reported student ridership and mileage data.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2023-006**

Assistance Listing number: 84.010

Program title: Title I

Agency: U.S. Department of Education

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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Pass-Through entity: Missouri Department of Elementary and Secondary Education  
Compliance Requirement: Allowable Costs  
Type of Finding: Material noncompliance

Criteria: In accordance with 2 CFR 200.403, costs must be adequately documented to be allowable under Federal awards. Furthermore, under 2 CFR 200.431 employee benefit costs must be allocated to Federal awards in a manner consistent with the pattern of benefits attributable to the employees whose salaries and wages are chargeable to such Federal awards.

Condition: We tested twenty-one transactions for employee benefits totaling \$9,801 that were allocated to the Title I program general ledger. The Collaborative could not support these allocations.

Cause: The Collaborative did not verify the accuracy of the allocation of employee benefits charged to the Title I general ledger by the payroll system.

Effect: The allocation of employee benefit costs to the Title I program was not adequately supported as required by 2 CFR 200.403 for the transactions tested.

Questioned costs: \$9,801.

Context: Total benefits charged to the Title 1 program were \$337,839.

Repeat finding: Not applicable.

Recommendation: We recommend the Collaborative maintain a schedule detailing salary and benefit costs by employee for each Federal award. The Collaborative should recalculate the benefit costs for each employee to ensure their accuracy. Total salaries and benefits on the schedule should then be reconciled to the general ledger and to the Final Expenditure Report submitted to DESE.

Views of the responsible officials and planned corrective actions: We will maintain a schedule that details all salary and benefit expenses charged against each Federal award and ensure that these totals are reconciled back to the general ledger and the Final Expenditure Report. We take some exception with this finding, as we believe the audit sample was pulled and formatted in a cumbersome manner and did not facilitate the process of clearly identifying all of the expenditures cited, which often represented portions of benefit costs paid for personnel and reflected in total on related insurance invoices, etc. The Director of Federal Programs and the Payroll Coordinator will be charged with ensuring the accuracy of this information and the related processes moving forward.

**Normandy Schools Collaborative**  
**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

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**Finding 2022-001**

Condition: A contract obligating the Collaborative to purchase uniforms was signed by the former Superintendent prior to Board approval. In accordance with DJF-2 of the Board Policy Manual, no contract will be entered into without an affirmative vote from the majority of the whole Board. The procurement of uniforms violated DJF-2 of the Board Policy. We recommend that executed contracts be reviewed by someone other than the contract signer for compliance with the Board Policy Manual.

Status: The District requires that all contracts be signed by the Board President or the President's designee, in conformity with Board policies DGA and DJF-2. Under the Board's direction, policy DGA allows the District's authorized signers to sign agreements on behalf of the Board or District as long as the document is accurate, has been adequately approved by the Board when necessary, and is in the best interest of the district. In addition, the Joint Executive Governing Board (JEGB) Secretary is responsible for securing signatures for all contracts upon Board approval. This staff member uploads the signed agreement into the Board Docs depository. These measures help the District avoid approving agreements and any associated purchases that are not properly authorized by the Board.