
NORMANDY SCHOOLS COLLABORATIVE

***FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
AND SUPPLEMENTARY INFORMATION***

JUNE 30, 2022

Contents

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
BASIC FINANCIAL STATEMENTS:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis.....	5
<i>Fund Financial Statements:</i>	
Balance Sheet - Modified Cash Basis - Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	7 - 8
Notes to Basic Financial Statements	9 - 25
OTHER INFORMATION:	
Budgetary Comparison Schedule – Modified Cash Basis:	
General Fund - Unaudited	26
Special Revenue Fund - Unaudited	27
Debt Service Fund - Unaudited	28
Capital Projects Fund - Unaudited.....	29
Notes to the Budgetary Comparison Schedules.....	30
STATE COMPLIANCE SECTION:	
Independent Accountants' Report on Compliance with Specified Requirements of Missouri State Laws and Regulations.....	31
Schedule of Selected Statistics	32-36

Contents

	Page
FEDERAL COMPLIANCE SECTION:	
Schedule of Expenditures of Federal Awards.....	37
Notes to the Schedule of Expenditures of Federal Awards	38
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39 – 40
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	41 - 42
Schedule of Findings and Questioned Costs	43 - 44

Independent Auditors' Report

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, 2022, 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, 2022, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 but does not include the financial statements and our auditor's 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 November 1, 2022, 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.

Kirby, Eck & Braeckel LLP

St. Louis, Missouri
November 1, 2022

Basic Financial Statements

NORMANDY SCHOOLS COLLABORATIVE

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2022**

	Governmental Activities
	<hr/>
-- ASSETS --	
Cash and investments	\$ 16,519,876
Restricted cash and investments	<hr/> 21,670,979
TOTAL ASSETS	<hr/> \$ 38,190,855 <hr/>
-- LIABILITIES AND NET POSITION --	
LIABILITIES:	
Payroll withholdings	<hr/> \$ 631,164
NET POSITION:	
Restricted for:	
Capital projects	15,949,166
Debt service	7,599,133
Teachers' salary and benefits	2,008,417
Unrestricted	<hr/> 12,002,975
Total Net Position	<hr/> 37,559,691 <hr/>
TOTAL LIABILITIES AND NET POSITION	<hr/> \$ 38,190,855 <hr/>

See accompanying notes to basic financial statements

NORMANDY SCHOOLS COLLABORATIVE

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

			Program Revenues			Net (Expense) Revenue and Changes in Net Position
			Charges for Services and Sales	Operating Grants, Contributions and Debt Proceeds	Capital Grants and Contributions	
Expenses						Total Governmental Activities
GOVERNMENTAL ACTIVITIES:						
Instruction	\$ 18,619,576	\$ 45,548	\$ 19,274,562	\$ -	\$ -	700,534
Attendance and social work services	954,535	-	-	-	-	(954,535)
Guidance services	868,276	-	96,796	-	-	(771,480)
Health services	603,076	-	-	-	-	(603,076)
Improvement of instruction	2,157,787	-	-	-	-	(2,157,787)
Professional development	214,291	-	-	-	-	(214,291)
Media services	498,453	-	-	-	-	(498,453)
Board of Education services	364,543	-	-	-	-	(364,543)
Executive administration	7,791,594	-	-	-	-	(7,791,594)
Building level administration	2,296,994	-	-	-	-	(2,296,994)
Operation and maintenance of plant services	6,318,018	35,169	-	-	-	(6,282,849)
Pupil transportation	2,197,668	-	334,889	-	-	(1,862,779)
Food services	1,822,528	963	2,161,565	-	-	340,000
Business and central services	3,812,861	-	-	-	-	(3,812,861)
Security services	996,426	-	-	-	-	(996,426)
Community services	2,009,209	-	-	-	-	(2,009,209)
Facilities acquisition and construction	17,445,409	-	-	-	-	(17,445,409)
Debt service:						
Principal retirements	2,514,072	-	-	-	-	(2,514,072)
Interest	1,760,436	-	-	-	-	(1,760,436)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 73,245,752	\$ 81,680	\$ 21,867,812	\$ -	\$ -	(51,296,260)
General Revenues						
Taxes:						
						18,002,914
Property taxes						4,284,704
Sales taxes						807,024
Other taxes						20,581,588
State aid						241,805
Grants and contributions not restricted to specific programs						11,604
Fines and forfeitures						546,055
State assessed utilities						64,768
Miscellaneous						1,000
Sale of Property						92,910
Investment earnings						
TOTAL GENERAL REVENUES						44,634,372
CHANGE IN NET POSITION						(6,661,888)
NET POSITION, BEGINNING OF YEAR						44,221,579
NET POSITION, END OF YEAR						\$ 37,559,691

See accompanying notes to basic financial statements

NORMANDY SCHOOLS COLLABORATIVE

**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
-- ASSETS --					
Cash and investments	\$ 9,102,488	\$ 2,534,063	\$ 4,883,325	\$ -	\$ 16,519,876
Restricted cash and investments	-	-	2,715,808	18,955,171	21,670,979
Due from other funds	3,006,005	-	-	-	3,006,005
TOTAL ASSETS	\$ 12,108,493	\$ 2,534,063	\$ 7,599,133	\$ 18,955,171	\$ 41,196,860
-- LIABILITIES AND FUND BALANCES --					
LIABILITIES:					
Payroll withholdings	\$ 105,518	\$ 525,646	\$ -	\$ -	\$ 631,164
Due to other funds	-	-	-	3,006,005	3,006,005
Total Liabilities	105,518	525,646	-	3,006,005	3,637,169
FUND BALANCES:					
Restricted for:					
Capital projects	-	-	-	15,949,166	15,949,166
Debt service	-	-	7,599,133	-	7,599,133
Teachers' salary and benefits	-	2,008,417	-	-	2,008,417
Unassigned	12,002,975	-	-	-	12,002,975
Total Fund Balances	12,002,975	2,008,417	7,599,133	15,949,166	37,559,691
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,108,493	\$ 2,534,063	\$ 7,599,133	\$ 18,955,171	\$ 41,196,860

See accompanying notes to basic financial statements

NORMANDY SCHOOLS COLLABORATIVE

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES:					
Local sources:					
Property taxes	\$ 10,664,948	\$ -	\$ 5,639,936	\$ 1,698,031	\$ 18,002,915
Sales taxes	-	4,284,704	-	-	4,284,704
Investment income	15,506	1,325	34,036	42,043	92,910
Gifts	241,805	-	-	-	241,805
Other local	367,923	-	250,233	357,427	975,583
Total local	11,290,182	4,286,029	5,924,205	2,097,501	23,597,917
County sources:					
State assessed utilities	377,977	-	122,972	45,106	546,055
Other county	-	11,604	-	-	11,604
Total county	377,977	11,604	122,972	45,106	557,659
State sources:					
Basic formula	3,531,556	15,786,600	-	-	19,318,156
State grants and contributions	1,793,078	-	-	-	1,793,078
Total state	5,324,634	15,786,600	-	-	21,111,234
Federal sources	16,287,910	-	-	5,028,144	21,316,054
Total Revenues	33,280,703	20,084,233	6,047,177	7,170,751	66,582,864
EXPENDITURES:					
Current:					
Instruction	4,542,488	13,885,066	-	-	18,427,554
Attendance and social work services	954,535	-	-	-	954,535
Guidance services	997	867,279	-	-	868,276
Health services	603,076	-	-	-	603,076
Improvement of instruction	1,840,443	317,344	-	-	2,157,787
Professional development	156,991	57,300	-	-	214,291
Media services	7,972	490,481	-	-	498,453
Board of Education services	364,543	-	-	-	364,543
Executive administration	4,700,415	1,428,445	-	-	6,128,860
Building level administration	480,692	1,816,302	-	-	2,296,994
Operation and maintenance of plant services	6,318,018	-	-	-	6,318,018
Pupil transportation	2,197,668	-	-	-	2,197,668
Food services	1,822,528	-	-	-	1,822,528
Business and central services	2,973,456	831,017	-	-	3,804,473
Security services	996,426	-	-	-	996,426
Community services	1,303,999	705,210	-	-	2,009,209
Capital outlay	-	-	-	19,308,553	19,308,553
Debt service:					
Principal retirements	-	-	2,100,000	414,072	2,514,072
Interest	-	-	1,605,043	155,393	1,760,436
Total Expenditures	29,264,247	20,398,444	3,705,043	19,878,018	73,245,752

See accompanying notes to basic financial statements

NORMANDY SCHOOLS COLLABORATIVE

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	4,016,456	(314,211)	2,342,134	(12,707,267)	(6,662,888)
OTHER FINANCING SOURCES (USES):					
Sale of surplus property	-	-	-	1,000	1,000
Total Other Financing Sources (Uses)	-	-	-	1,000	1,000
NET CHANGE IN FUND BALANCES	4,016,456	(314,211)	2,342,134	(12,706,267)	(6,661,888)
FUND BALANCES, BEGINNING OF YEAR	7,986,519	2,322,628	5,256,999	28,655,433	44,221,579
FUND BALANCES, END OF YEAR	<u>\$ 12,002,975</u>	<u>\$ 2,008,417</u>	<u>\$ 7,599,133</u>	<u>\$ 15,949,166</u>	<u>\$ 37,559,691</u>

See accompanying notes to basic financial statements

NORMANDY SCHOOLS COLLABORATIVE

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On June 30, 2014, the Missouri State Board of Education lapsed the Normandy School Collaborative 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 Basic Financial Statements (continued)

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 Basic Financial Statements (continued)

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 2021 and 2020, for purposes of local taxation were \$308,148,190 and \$296,568,280, respectively.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2021 and 2020, for purposes of local taxation were:

	December 31, 2021	December 31, 2020
	Adjusted	Adjusted
General Fund	\$ 3.3129	\$ 3.6841
Special Revenue Fund	-	-
Debt Service Fund	1.7825	1.7825
Capital Projects Fund	0.5600	0.4100
Total	\$ 5.6554	\$ 5.8766

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 103% 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, including those restricted under Qualified Zone Academy Bond agreements, 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, 2022.

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 Basic Financial Statements (continued)

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, 2022.

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 receivables and payables are eliminated in the statement of net position to reduce the "grossing up" effect on assets and liabilities within the governmental activities column. 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, 2022, no interfund transfers were made.

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, 2022.

Subsequent Events

In preparing these financial statements, the Collaborative has evaluated events and transactions for potential recognition or disclosure through November 1, 2022, the date the financial statements were available to be issued.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

2. 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. At June 30, 2022, the Collaborative had \$1,400,376 in this program.

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. At June 30, 2022, the Collaborative had \$18,960,498 invested through MOSIP.

The deposits and investments held at June 30, 2022, and reported at cost, are as follows:

Type	Maturities	Carrying Value
Deposits:		
Cash and demand deposits	N/A	\$ 16,519,515
Investments:		
Federal Home Loan Bank Discount Note	Less than 1 year	1,310,466
External investment pool	Less than 1 year	18,960,498
MOHEFA Bond Program:		
Money market mutual funds	Less than 1 year	1,400,376
TOTAL DEPOSITS AND INVESTMENTS		\$ 38,190,855

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, 2022, the Collaborative's deposits were not exposed to custodial credit risk.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

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, 2022 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, 2022, the Collaborative's investments were rated as follows:

Description	Financial Institution	Amount	Rating
External investment pool	MOSIP	\$ 18,960,498	AAAm
MOHEFA Bond Program:			
Money market mutual funds	BOK Financial	1,400,376	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, 2022, the Collaborative did not have any concentrations of credit risk required to be disclosed.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

3. LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2022, is summarized as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due within One Year
Bonds payable:					
General obligation bonds	\$ 50,829,000	\$ -	\$ 2,100,000	\$ 48,729,000	\$ 5,654,000
Capital leases	18,791	-	13,602	5,189	5,189
Certificates of participation	2,322,000	-	121,000	2,201,000	131,000
Energy loans	2,560,608	-	279,469	2,281,139	208,658
Total long-term liabilities	\$ 55,730,399	\$ -	\$ 2,514,071	\$ 53,216,328	\$ 5,998,847

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

Bonds payable consist of the following at June 30, 2022:

	Maturity Date	Interest Rate	Original issue Amount	Balance at June 30, 2022
Series 2018 GO	2028	2.20 - 2.75%	\$ 8,000,000	\$ 8,000,000
Series 2012 GO Refunding Bonds	2022	.8% - 2%	10,000,000	10,000,000
Series 2021A GO Refunding Bonds	2024	.4% - .9%	2,830,000	2,830,000
Series 2021B GO	2041	3.00%	26,500,000	26,500,000
Series 2006 GO QZAB	2022	-	1,399,000	1,399,000
Total			\$ 48,729,000	\$ 48,729,000

In prior years, the Collaborative issued \$4,399,000 in Qualified Zone Academy Bonds ("QZAB"). The Collaborative will make payments one year in arrears into an escrow fund at the buyer's bank for the previous issues, and will receive interest at a rate specified by the bidder. These payments will also be escrowed at the buyer's bank and receive interest at a rate specified by the bidder. At maturity, the amounts in the repayment fund will be used to pay the principal amount of the bonds. The balance of the repayment funds at June 30, 2022 is \$1,310,466. These amounts are reported in the Debt Service Fund.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

The annual requirements to amortize bonded debt outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 5,654,000	\$ 1,778,545	\$ 7,432,545
2024	4,405,000	1,643,075	6,048,075
2025	4,590,000	1,479,050	6,069,050
2026	4,805,000	1,272,450	6,077,450
2027	2,825,000	1,053,750	3,878,750
2028-2032	9,500,000	3,503,500	13,003,500
2033-2037	8,850,000	1,837,000	10,687,000
2038-2041	8,100,000	469,500	8,569,500
Total	\$ 48,729,000	\$ 13,036,870	\$ 61,765,870

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. Repayment of the Series 2012, 2018 and 2021 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

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.

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	\$ 46,222,229
General obligation bonds payable	(48,729,000)
Amount available in Debt Service Fund	7,599,133
Legal Debt Margin	<u><u>\$ 5,092,362</u></u>

Capital Lease Agreements

Equipment Lease

During prior 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 is due in October 2022.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

Future minimum lease payments under the lease described above is as follows:

Year Ending June 30,	Amount
2023	\$ 5,258
Total future minimum lease payments	5,258
Less amount representing interest	69
Present value of future minimum lease payments	<u>\$ 5,189</u>

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 8, 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.

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

Year Ending June 30,	Amount
2023	\$ 216,681
2024	220,219
2025	225,330
2026	234,920
2027	239,788
2028-2032	1,276,255
2033-2035	<u>360,465</u>
Total future minimum lease payments	2,773,658
Less amount representing interest	<u>572,658</u>
Present value of future minimum lease payments	<u>\$ 2,201,000</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

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

described in Note 8, 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 July 2029.

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 8, 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 July 2029.

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 8, 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. The funds on this note were drawn on during the fiscal year ended June 30, 2021.

During a prior fiscal year, the Collaborative entered into a loan in the amount of \$985,620 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 8, 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 July 2031. Principal amount of \$851,966 was drawn on this loan in fiscal year ended June 30, 2021.

The annual requirements to amortize energy loans outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 208,658	\$ 36,108	\$ 244,766
2024	291,696	51,643	343,339
2025	299,109	44,230	343,339
2026	306,713	36,626	343,339
2027	314,515	28,824	343,339
2028-2032	860,448	46,107	906,555
Total	\$ 2,281,139	\$ 243,538	\$ 2,524,677

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

4. 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.

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

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

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.psr-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.

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 2020, 2021 and 2022. 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 2020, 2021 and 2022. 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 \$2,338,298 and \$811,298, respectively, for the year ended June 30, 2022.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

5. 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.

6. INSURANCE PROGRAM

The Collaborative, along with various other local school Collaboratives, 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 2022 was \$778,334. Settled claims have not exceeded insurance coverage in any of the past three years.

7. 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.

8. 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

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

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 3, 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 3, during a prior fiscal year, the Collaborative entered into four loans with the Missouri Department of Economic Development in the total amount of \$3,144,381 for the purpose of providing funds for the remainder of the project.

Operating Leases

During a prior fiscal year, the Collaborative entered into a lease agreement, considered an operating lease with a company for a total of 28 buses. The lease calls for annual payment in varying amounts. The final payment under this lease is due in July 2026. The Collaborative has consistently made a payment in June for the amount due in July. Therefore, the following repayment schedule reflects the early payments such that the final payment is shown as due in fiscal year 2026. The amount of the payment made for the year ended June 30, 2022, was \$492,332. During the year ended June 30, 2022, the Collaborative entered into an additional operating lease for one additional bus. The lease calls for annual payments in August of \$21,218 with the final payment due in fiscal year 2027. Future minimum payments under these leases are as follows:

Year Ending June 30,	Amount
2023	\$ 513,550
2024	382,552
2025	274,061
2026	153,485
2027	21,218
Total	<u><u>\$ 1,344,866</u></u>

Proposition V Construction Projects

As of June 30, 2022, the Collaborative has construction commitments of approximately \$33,569,000 related to April 6, 2021 general obligation bond issuance of which approximately \$11,665,000 has been expended.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

9. POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4, 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.

During the year ended June 30, 2022, 51 retirees received benefits.

10. TRANSFER PROGRAM

Beginning with the fiscal year ended June 30, 2014, a court ruling on RSMo 167.131 requires unaccredited school Collaboratives to pay for student transfer tuition and transportation costs to accredited schools. On January 2, 2018, the Missouri Department of Elementary and Secondary Education awarded the Collaborative with provisional accreditation status. The Collaborative continues to pay student transfer tuition for high school students enrolled in other Collaboratives at the time provisional accreditation was awarded. The cost of the transfer program was approximately \$106,548 for the fiscal year ended June 30, 2022.

NORMANDY SCHOOLS COLLABORATIVE

Notes to Basic Financial Statements (continued)

12. TAX ABATEMENTS

As of June 30, 2022, the Collaborative is subject to the following tax abatement programs initiated by other governmental entities:

	Real Estate Tax	Surcharge	Property Tax
Enhanced enterprise zones:			
City of Hazelwood	\$ -	\$ 473	\$ -
City of Berkeley	-	140	-
Industrial development bonds/St. Louis County :			
Chapter 100:			
City of Bellerive	92,599	196	-
City of Bridgeton	-	5	-
City of Clayton	-	3,970	-
City of Eureka	-	193	-
City of Ferguson	-	313	-
City of Hazelwood	-	3,599	-
City of Jennings	-	10	-
St. Louis County	-	9,476	-
St. Louis County Port Authority	-	1,199	-
Urban redevelopment corporations:			
City of Brentwood	-	495	-
City of Bridgeton	-	1,364	-
City of Clayton	-	44	-
City of Edmundson	-	726	-
City of Ferguson	-	52	-
City of Frontenac	-	663	-
City of Hazelwood	-	7,691	-
City of Kinloch	-	3,030	-
City of Maplewood	-	362	-
City of Maryland Heights	-	491	-
City of Normandy	70,731	-	-
City of Olivette	-	136	-
City of Overland	-	248	-
City of Richmond Heights	-	389	-
City of Rock Hill	-	106	-
City of Sunset Hills	-	80	-
City of Woodson Terrace	-	11	-
St. Louis County	302,376	640	-
Total	\$ 465,706	\$ 36,102	\$ -

Other Information

NORMANDY SCHOOLS COLLABORATIVE

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
GENERAL FUND - UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Local	\$ 10,757,709	\$ 11,349,709	\$ 11,290,182	\$ (59,527)
County	475,000	450,000	377,977	(72,023)
State	4,570,630	5,030,630	5,324,634	294,004
Federal	14,665,628	16,610,931	16,287,910	(323,021)
Total Revenues	30,468,967	33,441,270	33,280,703	(160,567)
EXPENDITURES:				
Current:				
Instruction	7,522,422	5,127,422	4,542,488	584,934
Attendance and social work services	354,600	981,400	954,535	26,865
Guidance services	3,900	2,600	997	1,603
Health services	503,400	586,900	603,076	(16,176)
Improvement of instruction	1,257,507	2,029,007	1,840,443	188,564
Professional development	350,067	258,067	156,991	101,076
Media services	76,580	23,500	7,972	15,528
Board of Education services	377,800	385,100	364,543	20,557
Executive administration	3,444,000	5,048,950	4,700,415	348,535
Building level administration	460,880	552,157	480,692	71,465
Operation and maintenance of plant services	5,801,200	6,379,200	6,318,018	61,182
Pupil transportation	2,156,232	2,271,232	2,197,668	73,564
Food services	1,787,000	1,884,900	1,822,528	62,372
Business and central services	2,870,553	3,141,953	2,973,456	168,497
Security services	1,048,200	1,004,200	996,426	7,774
Community services	1,886,400	1,561,400	1,303,999	257,401
Total Expenditures	29,900,741	31,237,988	29,264,247	1,973,741
NET CHANGE IN FUND BALANCE	\$ 568,226	\$ 2,203,282	4,016,456	\$ 1,813,174
FUND BALANCE, BEGINNING OF YEAR			7,986,519	
FUND BALANCE, END OF YEAR			\$ 12,002,975	

See accompanying notes to the budgetary comparison schedules

NORMANDY SCHOOLS COLLABORATIVE

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
SPECIAL REVENUE FUND - UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Local	\$ 3,386,475	\$ 4,326,475	\$ 4,286,029	\$ (40,446)
County	40,000	20,000	11,604	(8,396)
State	16,025,000	15,825,000	15,786,600	(38,400)
Total Revenues	19,451,475	20,171,475	20,084,233	(87,242)
EXPENDITURES:				
Current:				
Instruction	14,827,851	14,495,251	13,885,066	610,185
Attendance and social work services	2,179	179	-	179
Guidance services	795,549	878,549	867,279	11,270
Health services	211	211	-	211
Improvement of instruction	58,241	329,241	317,344	11,897
Professional development	233,113	55,613	57,300	(1,687)
Media services	599,396	505,896	490,481	15,415
Executive administration	1,556,702	1,416,202	1,428,445	(12,243)
Building level administration	1,880,028	1,947,128	1,816,302	130,826
Business and central services	685,474	998,474	831,017	167,457
Community services	1,172,708	711,708	705,210	6,498
Total Expenditures	21,811,452	21,338,452	20,398,444	940,008
NET CHANGE IN FUND BALANCE	\$ (2,359,977)	\$ (1,166,977)	(314,211)	\$ 852,766
FUND BALANCE, BEGINNING OF YEAR			2,322,628	
FUND BALANCE, END OF YEAR			\$ 2,008,417	

See accompanying notes to the budgetary comparison schedules

NORMANDY SCHOOLS COLLABORATIVE

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS
DEBT SERVICE FUND - UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Local	\$ 5,898,000	\$ 6,223,000	\$ 5,924,205	\$ (298,795)
County	125,000	115,000	122,972	7,972
Total Revenues	6,023,000	6,338,000	6,047,177	(290,823)
EXPENDITURES:				
Debt service:				
Principal retirements	2,100,000	2,100,000	2,100,000	-
Interest	1,855,051	1,855,051	1,605,043	250,008
Total Expenditures	3,955,051	3,955,051	3,705,043	250,008
NET CHANGE IN FUND BALANCE	\$ 2,067,949	\$ 2,382,949	2,342,134	\$ (40,815)
FUND BALANCE, BEGINNING OF YEAR			5,256,999	
FUND BALANCE, END OF YEAR			\$ 7,599,133	

See accompanying notes to the budgetary comparison schedules

NORMANDY SCHOOLS COLLABORATIVE

**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND - UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Local	\$ 2,035,000	\$ 2,258,000	\$ 2,097,501	\$ (160,499)
County	25,000	43,000	45,106	2,106
Federal	7,412,000	9,863,500	5,028,144	(4,835,356)
Total Revenues	9,472,000	12,164,500	7,170,751	(4,993,749)
EXPENDITURES:				
Capital outlay	31,406,000	35,237,129	19,308,553	15,928,576
Debt service:				
Principal retirements	389,731	392,731	414,072	(21,341)
Bond fees	8,000	-	-	-
Interest	206,612	178,912	155,393	23,519
Total Expenditures	32,010,343	35,808,772	19,878,018	15,930,754
EXCESS OF REVENUES UNDER EXPENDITURES	(22,538,343)	(23,644,272)	(12,707,267)	10,937,005
OTHER FINANCING SOURCES:				
Sale of surplus property	2,000	2,000	1,000	(1,000)
NET CHANGE IN FUND BALANCE	\$ (22,536,343)	\$ (23,642,272)	(12,706,267)	\$ 10,936,005
FUND BALANCE, BEGINNING OF YEAR			28,655,433	
FUND BALANCE, END OF YEAR			\$ 15,949,166	

See accompanying notes to the budgetary comparison schedules

NORMANDY SCHOOLS COLLABORATIVE

**NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2022**

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.

Budgeted amounts are as originally adopted on June 14, 2021, or as amended by the Joint Executive Governing Board on June 14, 2022.

6. Budgets are adopted on a modified cash basis of accounting.

State Compliance Section



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

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, accurate disclosure by Normandy Schools Collaborative's records of average daily attendance and average daily pupil transportation for the year ended June 30, 2022. 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.

In our opinion, Normandy Schools Collaborative complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

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
November 1, 2022

NORMANDY SCHOOLS COLLABORATIVE

**SCHEDULE OF SELECTED STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	164	1,047.4160
4010	1	8	-	6.7500	164	1,046.2500
4090	1	5	-	6.7500	164	1,046.2500
4100	1	8	-	6.7500	164	1,046.2500
4145	1	8	-	6.7500	164	1,046.2500
4160	1	8	-	6.7500	164	1,046.2500
5020	PK	K	-	6.7500	164	1,046.2500

Notes: _____

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	521,991.0822	6,325.3600	-	-	18,428.6656	546,745.1078
4010	1-8	370,154.4869	-	-	-	4,124.9833	374,279.4702
4090	1-5	167,521.6200	-	-	-	-	167,521.6200
4100	1-8	283,417.7300	-	-	-	149.5000	283,567.2300
4145	1-8	548,165.6417	1,015.7400	-	-	42,549.5514	591,730.9331
4160	1-8	328,421.5018	672.0500	-	-	579.1667	329,672.7185
5020	PK-K	200,259.7300	5,916.3000	-	-	2,483.4166	208,659.4466
		2,419,931.7926	13,929.4500	-	-	68,315.2836	2,502,176.5262

Notes: _____

NORMANDY SCHOOLS COLLABORATIVE

Schedule of Selected Statistics (continued)

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	684.00	8.57	-	692.57
4010	1-8	396.00	-	-	396.00
4090	1-5	188.00	-	-	188.00
4100	1-8	297.00	-	-	297.00
4145	1-8	627.00	0.90	-	627.90
4160	1-8	367.00	-	-	367.00
5020	PK-K	207.00	2.50	-	209.50
		2,766.00	11.97	-	2,777.97

Notes: _____

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	10.00	3.00	-	-	13.00
1050	685.12	-	-	-	685.12
4010	387.00	-	-	-	387.00
4090	192.00	-	-	-	192.00
4100	311.00	-	-	-	311.00
4145	641.50	-	-	-	641.50
4160	345.40	-	-	-	345.40
5020	229.50	-	-	-	229.50
		2,801.52	3.00	-	2,804.52

Notes: _____

NORMANDY SCHOOLS COLLABORATIVE

Schedule of Selected Statistics (continued)

5. Finance

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

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

NORMANDY SCHOOLS COLLABORATIVE*Schedule of Selected Statistics (continued)*

Section	Question	Answer
5.6	The district's charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo, and the Missouri Financial Accounting Manual.	TRUE
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools.)	TRUE
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	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.	N/A
5.11	The district has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$214,291
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	TRUE

Notes: _____

NORMANDY SCHOOLS COLLABORATIVE

Schedule of Selected Statistics (continued)

6. Transportation (Section 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	TRUE
6.2	The District's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	
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: <ul style="list-style-type: none">• Eligible ADT• Ineligible ADT	<div>1,210.5</div> <div>0</div>
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.	TRUE
6.5	Actual odometer records show the total District-operated and contracted mileage for the year was:	283,619
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was: <ul style="list-style-type: none">• Eligible Miles• Ineligible Miles (Non-Route/Disapproved)	<div>242,028</div> <div>41,591</div>
6.7	Number of days the District operated the school transportation system during the regular school year:	165

Notes: _____

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

Finding:	
Management Letter Comment:	

Federal Compliance Section

NORMANDY SCHOOLS COLLABORATIVE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass-Through Grantor/or Cluster Title	Federal Assistance Listing	Pass - Through Entity Identification Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies	84.010	096-109	\$ -	\$ 4,668,356
Career and Technical Education	84.048	096-109	-	186,056
21st Century Community Learning Center	84.287	096-109	-	336,926
English Language Acquisition State Grant	84.365	096-109	-	10,316
Supporting Effective Instruction State Grant	84.367	096-109	-	440,478
Student Support and Academic Enrichment Program	84.424	096-109	-	293,208
COVID19: Governor's Emergency Education Relief (GEER) Fund	84.425C	096-109	-	42,216
COVID-19: Elementary and Secondary School Emergency Relief (ESSER)	84.425D	096-109	-	7,461,572
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	096-109	-	9,806,629
Subtotal Assistance Listing #84.425			-	17,310,417
Total U.S. Department of Education			-	23,245,757
<u>U.S. Department of Agriculture:</u>				
Passed through Department of Health and Senior Services:				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.559	213MO305N1199	-	251,154
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster				
National School Breakfast	10.553	096-109	-	603,177
COVID-19: Child Nutrition Emergency Operational Grant	10.555	096-109	-	154,983
National School Lunch	10.555	096-109	-	1,237,904
Lunch Supply Chain	10.555	096-109	-	55,402
Commodities	10.555	096-109	-	64,154
Subtotal Assistance Listing #10.555			-	1,512,443
Fresh Fruit and Vegetable Program	10.582	096-109	-	106,558
Total U.S. Department of Agriculture/Total Child Nutrition Cluster			-	2,473,332
<u>U.S. Department of Health and Human Services</u>				
Passed through Missouri Department of Social Services:				
477 Cluster:				
Temporary Assistance for Needy Families	93.558	M00681-041	-	30,000
Total U.S. Department of Health and Human Services			-	30,000
TOTAL			\$ -	\$ 25,749,089

See accompanying notes to the schedule of expenditures of federal awards

NORMANDY SCHOOLS COLLABORATIVE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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, 2022.

Note 5 - Insurance

The Collaborative did not have any federal insurance in effect during the fiscal year ended June 30, 2022.

Note 6 - Loan/Loan Guarantees

The Collaborative did not have any loans or loan guarantees outstanding as of June 30, 2022.

Note 7 - Subrecipients

The Collaborative did not provide federal awards to any subrecipients during the fiscal year ended June 30, 2022.

Note 8 - Donated Personal Protective Equipment (Unaudited)

The Collaborative received approximately \$8,640 in donated personal protective equipment during the fiscal year ended June 30, 2022.

**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**

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, 2022, 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 November 1, 2022. 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.

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.

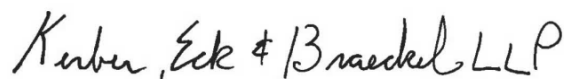
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned cost as item 2022-001 that we consider to be a significant deficiency.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Handwritten signature of Kurber, Eck & Braeckel LLP in black ink.

St. Louis, Missouri
November 1, 2022

Report on compliance for each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Joint Executive Governing Board
Normandy Schools Collaborative

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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, 2022. 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.

In our opinion, Normandy Schools Collaborative complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kurber, Eck & Braedel LLP

St. Louis, Missouri
November 1, 2022

NORMANDY SCHOOLS COLLABORATIVE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditors' report issued on compliance for major programs: Unmodified opinions

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None noted

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Guidance? No

The programs tested as major programs include:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID-19: Education Stabilization Fund
84.287	21 st Century Community Learning Center

Dollar threshold used to distinguish between type A and type B programs: \$771,883

Normandy Schools Collaborative qualified as low risk auditee? No

NORMANDY SCHOOLS COLLABORATIVE

Schedule Of Findings And Questioned Costs – (continued)

FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2022-001

Condition: A contract obligating the Collaborative to purchase uniforms was signed by the former Superintendent prior to Board approval.

Criteria: 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.

Effect: The procurement of uniforms violated DJF-2 of the Board Policy.

Recommendation: We recommend that executed contracts be reviewed by someone other than the contract signer for compliance with the Board Policy Manual.

Views of Responsible Official: Since discovering that the former superintendent had signed the agreement prior to Board approval, NSC has taken steps to mitigate against a recurrence. First, NSC is piloting a procedure whereby all contracts are signed by the Board President or the President's delegate, rather than by an authorized staff signer. Policy DGA allows for district authorized signers to sign agreements on behalf of the district or Board 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. By piloting the new procedure where agreements are Board-signed upon approval, the chances of recurrence will be mitigated. Second, the employee Secretary to the School Board is now responsible for securing signatures for all agreements upon Board approval. This Secretary then will upload the signed agreements to BoardDocs and keep them on file. These steps will help ensure compliance with the Board Policy Manual.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

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