INDEPENDENCE 30 SCHOOL DISTRICT

JACKSON COUNTY, MISSOURI

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2022

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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Independence 30 School District

Report on the Audit of Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Independence 30 School District (District), Missouri, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the District as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note I.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter-Basis of Accounting

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District'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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

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 basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 1, 2023

BASIC FINANCIAL STATEMENTS

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets:	
Cash and Investments (Note II)	$ 83,619,189.97
Prepaid Expense	14,981.75
TOTAL CURRENT ASSETS	83,634,171.72
Restricted Assets:	
Cash and Cash Equivalents - Student Scholarships	292,020.20
Cash and Cash Equivalents - Inspiring Greatness	892,114.76
Cash and Cash Equivalents - Nutrition Service	1,006,643.53
Cash and Cash Equivalents - Debt Service	8,074,171.53
Cash and Cash Equivalents - Bond Projects	18,410,019.06
Investments - Student Scholarships	1,997,000.00
Investments - Debt Service	6,301,189.11
TOTAL RESTRICTED ASSETS	36,973,158.19
TOTAL ASSETS	120,607,329.91
LIABILITIES	
Current Liabilities:	
Payroll Withholdings	11,589,757.43
Unearned Income	4,617.75
TOTAL CURRENT LIABILITIES	11,594,375.18
TOTAL LIABILITIES	11,594,375.18
NET POSITION	
Restricted:	
Student Scholarships	2,289,020.20
Bond Projects	18,410,019.06
Nutrition Service	1,006,643.53
Inspiring Greatness Activity	892,114.76
Debt Service	14,375,360.64
Unrestricted:	72,039,796.54
TOTAL NET POSITION	109,012,954.73
TOTAL LIABILITIES AND NET POSITION	$ 120,607,329.91

The notes to the financial statements are an integral part of this statement.

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

		PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
FUNCTIONS / PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS, CONTRIBUTIONS AND DEBT PROCEEDS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**
GOVERNMENTAL ACTIVITIES					
Instruction	$ 81,896,078.79	$ 1,257,941.18	$ 20,865,237.48	$ 898,976.57	$ (58,873,923.56)
Student Services	13,008,081.65	-	4,390,383.43	7,164.00	(8,610,534.22)
Instructional Staff Support	9,726,534.80	-	4,593,609.49	1,265.00	(5,131,660.31)
Building Administration	10,580,699.59	-	1,627,576.84	93,535.72	(8,859,587.03)
General Admin & Central Services	15,235,326.30	-	5,507,444.43	-	(9,727,881.87)
Operation of Plant	27,044,479.80	247,365.27	8,028.01	83,629.76	(26,705,456.76)
Transportation	11,190,218.03	4,297.00	3,924,999.74	196,650.00	(7,064,271.29)
Food Services	9,156,128.32	165,197.69	8,504,943.18	-	(485,987.45)
Community Services	10,718,375.56	2,402,465.89	4,492,827.91	8,767.00	(3,814,314.76)
Facility Projects	36,353,407.02	-	-	33,429.00	(36,319,978.02)
Debt Service:					
Principal	6,760,000.00	-	-	-	(6,760,000.00)
Interest and Fiscal Charges	7,117,500.42	-	-	-	(7,117,500.42)
TOTAL GOVERNMENTAL ACTIVITIES	$ 238,786,830.28	$ 4,077,267.03	$ 53,915,050.51	$ 1,323,417.05	(179,471,095.69)
GENERAL REVENUES					
Property Taxes, Levied For General Purposes					49,313,087.61
Property Taxes, Levied For Debt Service					15,439,294.51
Other Taxes					3,551,237.66
Prop C - Sales Tax					18,737,351.85
Federal, State and County Aid Not Restricted To Specific Purposes					78,129,541.43
Interest and Investment Earnings					1,346,476.87
Miscellaneous					150,137.14
SUBTOTAL GENERAL REVENUES					**166,667,127.07**
CHANGE IN NET POSITION					(12,803,968.62)
NET POSITION JULY 1, 2021					121,816,923.35
NET POSITION JUNE 30, 2022					**$ 109,012,954.73**

The notes to the financial statements are an integral part of this statement.

INDEPENDENCE 30 SCHOOL DISTRICT
BALANCE SHEET
MODIFIED CASH BASIS - ALL GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	$ 58,741,764.12	$ 824,341.15	$ -	$ 24,053,084.70	$ 83,619,189.97
Prepaid Expense	14,981.75	-	-	-	14,981.75
Total Current Assets	58,756,745.87	824,341.15	-	24,053,084.70	83,634,171.72
Restricted Assets:					
Cash and Cash Equivalents - Student Scholarships	292,020.20	-	-	-	292,020.20
Cash and Cash Equivalents - Inspiring Greatness	-	892,114.76	-	-	892,114.76
Cash and Cash Equivalents - Nutrition Service	1,006,643.53	-	-	-	1,006,643.53
Cash and Cash Equivalents - Debt Service	-	-	8,074,171.53	-	8,074,171.53
Cash and Cash Equivalents - Bond Projects	-	-	-	18,410,019.06	18,410,019.06
Investments - Student Scholarships	1,997,000.00	-	-	-	1,997,000.00
Investments - Debt Service	-	-	6,301,189.11	-	6,301,189.11
TOTAL ASSETS	$ 62,052,409.60	$ 1,716,455.91	$ 14,375,360.64	$ 42,463,103.76	$ 120,607,329.91
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll Withholdings	$ 10,765,416.28	$ 824,341.15	$ -	$ -	$ 11,589,757.43
Unearned Income	4,617.75	-	-	-	4,617.75
TOTAL LIABILITIES	10,770,034.03	824,341.15	-	-	11,594,375.18
Fund Balances:					
Restricted:					
Student Scholarships	2,289,020.20	-	-	-	2,289,020.20
Bond Projects	-	-	-	18,410,019.06	18,410,019.06
Nutrition Service	1,006,643.53	-	-	-	1,006,643.53
Inspiring Greatness Activity	-	892,114.76	-	-	892,114.76
Debt Service	-	-	14,375,360.64	-	14,375,360.64
Committed:					
Special Insurance Fund	1,801,024.05	-	-	-	1,801,024.05
NGE Bus Project	-	-	-	-	-
HVAC Project	-	-	-	3,716,230.51	3,716,230.51
Assigned:					
Student Activities	2,106,508.74	-	-	-	2,106,508.74
Unassigned	44,079,179.05	-	-	20,336,854.19	64,416,033.24
TOTAL FUND BALANCES	51,282,375.57	892,114.76	14,375,360.64	42,463,103.76	109,012,954.73
TOTAL LIABILITIES AND FUND BALANCES	$ 62,052,409.60	$ 1,716,455.91	$ 14,375,360.64	$ 42,463,103.76	$ 120,607,329.91

The notes to the financial statements are an integral part of this statement.

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources:					
Property Taxes	$ 49,313,087.61	$ -	$ 15,439,294.51	$ -	$ 64,752,382.12
School District Trust Fund (Prop C)	-	18,737,351.85	-	-	18,737,351.85
Financial Institution Tax	-	-	-	312,103.94	312,103.94
Adult/ Continuing Education - Post Secondary	-	5,855.00	-	-	5,855.00
Transportation Fees From Patrons	160.00	-	-	-	160.00
Investment Income	1,035,607.13	-	261,050.76	49,818.98	1,346,476.87
M&M Surtax	-	-	-	1,355,460.78	1,355,460.78
In Lieu of Tax	-	-	-	1,883,672.94	1,883,672.94
Other Pupil Activity	1,457,529.60	-	-	-	1,457,529.60
Community Services	2,047,279.78	-	-	-	2,047,279.78
Other Local	948,131.81	1,990.79	-	68,709.26	1,018,831.86
Total Local	54,801,795.93	18,745,197.64	15,700,345.27	3,669,765.90	92,917,104.74
County Sources:					
Fines, Escheats, Etc.	-	128,375.17	-	-	128,375.17
State Assessed Utilities	2,350,168.95	-	739,146.99	-	3,089,315.94
Other County	270,711.75	-	-	-	270,711.75
Total County	2,620,880.70	128,375.17	739,146.99	-	3,488,402.86
State Sources:					
Basic Formula	-	70,908,786.74	-	4,700,000.00	75,608,786.74
State Grants and Contributions	4,338,428.60	-	-	35,518.30	4,373,946.90
Total State	4,338,428.60	70,908,786.74	-	4,735,518.30	79,982,733.64
Federal Sources:	40,859,626.72	7,007,513.02	-	1,128,765.27	48,995,905.01
Other	367,538.79	209,589.39	-	21,587.23	598,715.41
TOTAL REVENUES	**102,988,270.74**	**96,999,461.96**	**16,439,492.26**	**9,555,636.70**	**225,982,861.66**
EXPENDITURES					
Current					
Instruction	10,609,318.80	70,292,975.55	-	993,784.44	81,896,078.79
Student Services	7,081,684.95	5,919,232.70	-	7,164.00	13,008,081.65
Instructional Support Staff	2,316,244.77	7,410,290.03	-	-	9,726,534.80
Building Level Administration	3,222,955.51	7,352,698.68	-	5,045.40	10,580,699.59
General Admin. & Central Services	10,789,865.22	3,800,181.48	-	645,279.60	15,235,326.30
Operation of Plant	21,700,176.83	-	-	5,344,302.97	27,044,479.80
Pupil Transportation	8,458,133.23	-	-	2,732,084.80	11,190,218.03
Food Service	9,103,610.68	-	-	52,517.64	9,156,128.32
Community Services	8,682,076.52	2,008,150.94	-	28,148.10	10,718,375.56
Facility Project	-	-	-	36,353,407.02	36,353,407.02
Debt Service					
Principal	-	-	6,760,000.00	-	6,760,000.00
Interest and Charges	-	-	6,698,718.67	418,781.75	7,117,500.42
TOTAL EXPENDITURES	**81,964,066.51**	**96,783,529.38**	**13,458,718.67**	**46,580,515.72**	**238,786,830.28**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**21,024,204.23**	**215,932.58**	**2,980,773.59**	**(37,024,879.02)**	**(12,803,968.62)**
OTHER FINANCING SOURCES (USES)					
Transfers	(2,013,159.44)	-	(1,077,100.00)	3,090,259.44	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,013,159.44)	-	(1,077,100.00)	3,090,259.44	-
NET CHANGE IN FUND BALANCES	**19,011,044.79**	**215,932.58**	**1,903,673.59**	**(33,934,619.58)**	**(12,803,968.62)**
FUND BALANCES JULY 1, 2021	32,271,330.78	676,182.18	12,471,687.05	76,397,723.34	121,816,923.35
FUND BALANCES JUNE 30, 2022	**$ 51,282,375.57**	**$ 892,114.76**	**$ 14,375,360.64**	**$ 42,463,103.76**	**$ 109,012,954.73**

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Independence 30 School District (District) was established in 1866 under the Statutes of the State of Missouri. The District operates as a "six director" District (with seven members of the Board of Education) as described in RSMo Chapter 162.

The District, located in Jackson County, serves an area of approximately 31 square miles. It is staffed by 1,082 non-certified employees, 1,157 certificated full-time teaching personnel, and 88 administrative employees who provide services to approximately 13,822 students and other community members. The District currently operates 20 early education/elementary schools (PK-5), four middle schools (6-8), three high schools (9-12), one alternative school and two Early Education Centers.

Reporting Entity

A reporting entity comprises the primary government, component units, and other organizations that are included to ensure that the District's financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the District, this includes general operations, food service, and student-related activities.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. As of June 30, 2022, the District has the following component unit:

Independence School District Public Building Corporation

This component unit was incorporated under Missouri statutes as a not-for-profit organization for acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of public sites, buildings, furnishings and equipment for the District's use for educational purposes.

Due to the nature of the Corporation's business, the District has elected not to present the component unit separately, but rather to report it in the Governmental Activities.

The District's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting (OCBOA) other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. For the year ended June 30, 2022, all of the District's activities are classified as governmental.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the non-fiduciary financial activities of the primary government. The effect of inter-fund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e. generally supported by taxes and intergovernmental revenues). Fiduciary funds are not included in the government-wide financial statements.

The Statement of Net Position presents the financial condition of the District's governmental activities at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as the District's general revenues, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or drawing from the District's general receipts.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its government-wide financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The purchase of investments is recorded as assets.

Fund Financial Statements

Fund financial statements report detailed information about the District. The District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The District believes that all the funds presented are important to the users of its financial statements; therefore, it considers the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund all to be major

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its fund financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather that when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General (incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and local tax levy for paying teacher salaries and certain employee benefits.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, principal, interest and finance charges on general long-term debt.

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets.

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position or Balance Sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, payroll withholdings and deferred revenue arising from cash transactions or events.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and post-employment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and 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.

Cash with Fiscal Agents

To improve cash management, all cash received by the District is pooled. Monies for all funds, except for the Debt Service funds are maintained in this pool. Individual fund integrity is maintained through District records. (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet as "Cash and Cash Equivalents and Investments" under each fund's caption.

The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements Debt Service Fund as "Investments" and "Investments in Escrow" and includes MOHEFA funds and other District purchased U.S. Government Securities.

Teachers' Salaries

Payroll checks written and dated in June 2022, for July and August 2022, payrolls from 2021-2022 contracts as well as June 2022 summer service hours written and paid in July 2022 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in the previous years.

Post-Employment Benefits

In addition to the pension benefits described in Note VII, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board Policy. The District has not made a formal evaluation or projection on the future cost of the existing healthcare benefit plan in relation to retirees. There were 53 retiree participants with premiums totaling $70,358.89 at year end.

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former and retired employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid by the insured monthly for the next month's coverage. This program is offered for 18 months after the termination date. There is no associated cost to the District under this program, and there were 37 participants at year end. Premiums of $96,056.20 were paid during the year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position / Fund Balance Classifications

Net position represents the difference between assets and liabilities.

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

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact.

- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education. Formal action by vote must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

- Assigned Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education, or a body or official, such as the Chief Financial Officer, who has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The Board delegates the authority to assign amounts for specific purpose(s) to the chief financial officer.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

As of June 30, 2022, fund balance components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund	$ -	$ 3,295,663.73	$ 1,801,024.05	$ 2,106,508.74
Special Revenue Fund	-	892,114.76	-	-
Debt Service Fund	-	14,375,360.64	-	-
Capital Projects Fund	-	18,410,019.06	3,716,230.51	-
Total	$ -	$ 36,973,158.19	$ 5,517,254.56	$ 2,106,508.74

Interfund Activity

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

Extraordinary and Nonrecurring Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Nonrecurring items are transactions or events that are within the control of the Board of Education and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year 2022.

Revenues-Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the modified cash basis when the District receives the revenue.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On a modified cash basis, revenue from property taxes is recognized in the fiscal year for which the taxes are collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which the funds are received and eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Flex Spending Arrangement

This arrangement allows participating employees to make pre-tax contributions to the flexible spending arrangement accounts for reimbursements of health and/or dependent care expenses.

Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and is accounted for using the purchase method in which supplies are charged to expenditures when purchased.

II. CASH AND INVESTMENTS

The District 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 Statues.

The District 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 District 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 District'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 District had $6,301,189.11 in the program.

The District also participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which the District's monies are pooled with other school Districts' monies to purchase investments that are permitted by state statutes. The District'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 District had $93,248,692.40 invested through MOSIP.

The carrying values of deposits and investments shown above are included in the financial statements at June 30, 2022, and reported at cost, are as follows:

TYPE	MATURITIES	Carrying Value
Deposits:		
Cash and Demand Deposits	N/A	$ 19,045,465.58
External Investment Pool	N/A	93,248,692.40
Investments – Tennessee Valley Authority	More than 5 years	1,997,000.00
Investments - MOHEFA Bond Program: Money Market Mutual Fund	N/A	6,301,189.11
Investments – UMB - Money Market Mutual Fund	N/A	1.07
Total Deposits and Investments		$ 120,592,348.16

I. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District 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 any insurance (FDIC or NCUSIF), as applicable. As of June 30, 2022, the District's deposits were not exposed to custodial credit risk.

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 District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

The District 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 above.

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 District prequalifies the institutions, brokers/dealers, intermediaries and advisors with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized. At June 30, 2022, the District's investments were rated as follows:

Description	Financial Institution	Amount	Rating
External Investment Pool - Liquid Series	MOSIP	$ 93,248,692.40	AAAm
MOHEFA Bond Program:			
Money market mutual funds	BOK Financial	6,301,189.11	AAAmf
Money market mutual funds	UMB Bank	1.07	AAAm
Tennessee Valley Authority Bonds	Commerce Bank	1,997,000.00	AAA

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District 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).

II. CASH AND INVESTMENTS (CONCLUDED)

As a means of limiting its exposure to losses arising from concentration of investments, the District'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 District did not have any concentrations of credit risk required to be disclosed.

State law is very strict regarding allowable investments for school districts. Under a very limited situation, the District has made an investment purchase that exceeds the maturity period allowable but is of a type allowable under state law. Two Tennessee Valley Authority bonds maturing April 1, 2056, were purchased by the District with a par value of $1,000,000 each for purposes of the Phil Roberts Scholarship Fund. The purchase of the specific TVAs was a requirement by the donor to provide consistent revenue for future scholarships. The District has no other investments or intentions of purchasing other investments outside of those allowable by state law.

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The county collects the property tax and remits it to the District. The District also receives sales tax collected by the State, and it is remitted based on a prior year weighted average attendance. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. In October 1994, the patrons of the District voted to forego this reduction in property taxes, thus earmarking the entire amount for education.

The assessed valuation of the tangible taxable property for the calendar year 2021, for purposes of local taxation, was $1,214,144,871.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2021, for purposes of local taxation, was:

	Unadjusted	Adjusted
General Fund	$ 4.1407	$ 4.1407
Debt Service Fund	1.2964	1.2964
Total	$ 5.4371	$ 5.4371

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 98.09% of the current assessment computed on the basis of the levy as shown above.

IV. INTERFUND TRANSFERS

	Transfer In	Transfer Out
General Fund	$ -	$ 2,013,159.44
Special Revenue Fund	-	-
Debt Service Fund	-	1,077,100.00
Capital Projects Fund	3,090,259.44	-
Total	$ 3,090,259.44	$ 3,090,259.44

Interfund transfers for the year ended June 30, 2022, consisted of $3,090,259.44 to the Capital Projects Fund; $2,013,159.44 from the General Fund to the Capital Projects Fund; and $1,077,100.00 from the Debt Service Fund to the Capital Projects Fund. The transfer from the General Fund was for food service equipment, grant match, 7%xSATxWADA, and DESE calculated transportation costs. The transfer from the Debt Service Fund was for the building portion of lease series 2008A refunded in 2016.

V. LONG-TERM DEBT

Long-term debt balances and activity of the District's governmental activities for the year ended June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
General Obligation Bonds	$ 169,610,000.00	$ -	$ 6,760,000.00	$ 162,850,000.00	$ 8,045,000.00
Total Long-Term Debt	$ 169,610,000.00	$ -	$ 6,760,000.00	$ 162,850,000.00	$ 8,045,000.00

General obligation bonds payable at June 30, 2022, consist of:

$5,925,000 qualified school construction bonds, dated June 15, 2010, due in varying installments through March 1, 2027, interest at 5.35% being funded by taxable build America funds	$ 5,925,000.00
$6,905,000 general obligation refunding bonds, dated February 28, 2013, due in varying installments through March 1, 2023, interest at 4.91% to 5.00%	1,800,000.00
$21,790,000 general obligation refunding bond, dated May 3, 2016, due in varying installments through March 1, 2030, interest at 3.00% to 4.00%	18,340,000.00
$28,130,000 general obligation refunding bonds dated November 1, 2016, due in varying installments through March 1, 2034, interest at 5.00%	28,130,000.00
$9,505,000 general obligation refunding bonds dated March 1, 2017, due in varying installments through March 1, 2023, interest at 3.00%	3,825,000.00

V. LONG-TERM DEBT (CONCLUDED)

$38,000,000 general obligation school building bonds dated June 30, 2017, due in varying installments through March 2037, interest at 5.50%	38,000,000.00
$5,315,000 general obligation refunding bonds dated June 30, 2017, due in varying installments through March 2029, interest at 4.00%	5,315,000.00
$19,165,000 general obligation refunding bonds dated September 27, 2018, due in varying installments through March 2029, interest at 3.56% to 4.25%	18,515,000.00
$43,000,000 general obligation school building bonds dated June 24, 2021, due in varying installments through March 2041, interest at 3.25% to 5.00%	43,000,000.00
Total	$ 162,850,000.00

General obligation bond debt service requirements to maturity are:

Year Ended June 30,	Principal	Interest	Total
2023	$ 8,045,000.00	$ 7,330,236.50	$ 15,375,236.50
2024	7,390,000.00	7,082,686.50	14,472,686.50
2025	7,865,000.00	6,785,886.50	14,650,886.50
2026	8,320,000.00	6,462,486.50	14,782,486.50
2027	8,020,000.00	6,118,436.50	14,138,436.50
2028-2032	47,710,000.00	24,290,298.00	72,000,298.00
2033-2037	48,500,000.00	11,582,500.00	60,082,500.00
2038-2041	27,000,000.00	2,236,487.50	29,236,487.50
Totals	$ 162,850,000.00	$ 71,889,018.00	$ 234,739,018.00

General obligation bond debt service payments are made from the Debt Service Fund.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a district (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2022.

VI. LEASES

Operating Leases:

The District leases early education buses under operating lease agreements with Kansas State Bank of Manhattan that will expire in 2022. The terms of the agreements include varying annual lease payments, totaling $16,729.23 for the year ended June 30, 2022. Although all lease agreements provide for cancellation of the lease at the District's option at the renewal date each year, the District does not foresee exercising its option to cancel. The final payment of $16,729.23 was made during the year and the balance due at June 30, 2022 is $0. Payments are made from the General Fund.

VI. LEASES (CONTINUED)

The District entered into a copier lease agreement with Sumner One that will expire in October 2024. The terms of the agreement include 36 monthly payments of $22,973.03 with modifications totaling $826,699.28. The balance due at June 30, 2022 is $643,244.84. Payments are made from the General Fund.

The District entered into a rental agreement with Blue Ridge Bank and Trust Co in July 2019 subletting space for a classroom. The terms of the agreement are for the period August 1, 2019 through July 31, 2029 and require various rental amounts throughout the agreement term totaling $60,180.00. The balance due at June 30, 2022 is $44,837.50. Payments are made from the General Fund.

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

Year Ended June 30,		Leases
2023	$	281,286.36
2024		281,753.86
2025		98,012.12
2026		6,587.50
2027		6,630.00
2028-2030		13,812.50
Totals	$	688,082.34

Capital Leases:

The District has entered into lease agreements for the Annexation and Independence Regional Ennovation Center Projects as described below. The terms of the agreements include varying semi-annual lease payments totaling $1,465,000.00 for the year ended June 30, 2022.

Eight school buildings and approximately 2,500 students were annexed from Kansas City, Missouri School District following a November 2007 vote that included voters of both districts. The State appointed Board of Arbitration decided that the District would compensate the Kansas City, Missouri School District for the real and personal property transferred July 2008. The District worked with the Missouri School Boards Association, Commerce Bank, N.A. and George K. Baum & Company to issue lease certificates to pay for the property transferred.

In November 2008, $16,055,000.00 in lease certificates were issued as Series 2008A for purchase of the annexation property. On May 3, 2016, the District entered into an agreement of $11,580,000.00 refunding lease certificates to refinance the Series 2008A lease certificates. Under the lease agreement, the District makes annual lease payments, which are used to pay the principal and interest payments of the lease certificates.

VI. LEASES (CONTINUED)

Independence Regional Ennovation Center Project Lease

The City of Independence created a Building Rehabilitation Fund funded with tax increment financing (TIF) revenues generated within the TIF Redevelopment Project Area of the TIF Redevelopment Plan for the Independence Regional Health Center and Medical Center of Independence campuses after they closed and reopened in a new location as Centerpoint Medical Center. In March 2009, the City Council adopted a resolution directing that $10 million from the Building Rehabilitation Fund be allocated to redevelopment of the Independence Regional Health Center and selected Edwards Management Group LLC and the District as the developer. The Independence Regional Ennovation Center Project ("IREC Project") consists of the acquisition of the former Independence Regional Medical Center facility and the renovation, remodeling, repair and improvement and equipping and furnishing of the facility.

The redeveloped facility will be partially occupied by the District and partially a business incubator for bioscience wet and dry labs, commercial kitchen facilities, and technology laboratories.

Initial available funds from the Building Rehabilitation Fund were not sufficient for the renovation phases. The District worked with the Missouri School Boards Association, Commerce Bank, N.A. and George K. Baum & Company to develop financing that includes Lease Participation Certificates. Under the lease agreement, the District will make semi-annual lease payments to Missouri School Boards Association's Trustee Commerce Bank. The lease payments match the principal and interest schedule for the Lease Participation Certificates. Funds available to make the lease payments are derived from various IREC project funds including future rental payments and Building Rehabilitation Funds.

In June 2009, the District issued $4,310,000.00 in Lease Participation Certificates for the IREC Project in two parts: Series 2009A $1,525,000.00 was Insured Lease Participation Certificates for the District portion of the project and Series 2009B $2,785,000.00 was Insured Taxable Lease Participation Certificates for the business incubator portion of the project. On February 26, 2019, the District entered into an agreement of $1,475,000.00 refunding lease certificates to refinance the Series 2009A lease certificates. In June 2010, the District issued $4,045,000.00 in Lease Participation Certificates for phase three of the IREC Project in two series.

Series 2010A, $1,590,000.00 was Insured Lease Participation Certificates for the District portion of the project and Series 2010B $2,455,000.00 was Insured Lease Participation Certificates for the business incubator portion of the project. On March 17, 2020, the District entered into an agreement of $985,000.00, $1,690,000.00 and $60,000.00 refunding lease certificates to refinance the Series 2010A and 2010B lease certificates. In February 2011, the Board of Education issued $3,075,000.00 in Lease Participation Certificates for phase four of the IREC Project.

On December 1, 2020, the District entered into an agreement of $1,890,000.00 refunding lease certificates to refinance the Series 2011 lease certificates.

VI. LEASES (CONTINUED)

Capital lease balances and activity of the District for the year ended June 30, 2022, were as follows:

Lease Certificates Of Participation	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Series 2016, Rfdg	$ 7,570,000.00	$ -	$ 850,000.00	$ 6,720,000.00	$ 875,000.00
Series 2019	1,020,000.00	-	240,000.00	780,000.00	250,000.00
Series 2020A	910,000.00	-	85,000.00	825,000.00	85,000.00
Series 2020B	1,555,000.00	-	130,000.00	1,425,000.00	155,000.00
Series 2020C	60,000.00	-	-	60,000.00	-
Series 2020D	1,890,000.00	-	160,000.00	1,730,000.00	175,000.00
Total Lease Certificates of Participation	$ 13,005,000.00	$ -	$ 1,465,000.00	$ 11,540,000.00	$ 1,540,000.00

Lease certificates of participation payable at June 30, 2022, consist of:

$11,580,000 Series 2016 refunding lease certificates, dated May 3, 2016, due in varying installments through June 30, 2029, interest at 2.00% to 3.00%	$ 6,720,000.00
$1,475,000 Series 2019 refunding lease certificates, dated September 2019, due in varying installments through March 2025, interest at 4.00%	780,000.00
$985,000 Series 2020A refunding lease certificates, dated March 17, 2020, due in varying installments through March 2030, interest at 3.00%	825,000.00
$1,690,000 Series 2020B refunding recovery zone facility lease participation certificates, dated March 17, 2020, due in varying installments through March 2030, interest at 3.00%	1,425,000.00
$60,000 Series 2020C taxable refunding lease participation certificates, dated March 17, 2020, due in one payment March 2030, interest at 3.00%	60,000.00
$1,890,000 Series 2020D refunding lease participation certificates, dated December 1, 2020, due in varying installments through March, 2031, interest at 3.75% to 7.38%	1,730,000.00
Total Lease Certificates of Participation	$ 11,540,000.00

VI. LEASES (CONCLUDED)

The following is a schedule of the future minimum lease payments for the lease certificates of participation:

Year Ended June 30,	Principal	Interest	Total
2023	$ 1,540,000.00	$ 350,450.00	$ 1,890,450.00
2024	1,605,000.00	303,500.00	1,908,500.00
2025	1,650,000.00	254,550.00	1,904,550.00
2026	1,415,000.00	202,350.00	1,617,350.00
2027	1,475,000.00	159,900.00	1,634,900.00
2028-2032	3,855,000.00	213,600.00	4,068,600.00
Totals	$ 11,540,000.00	$ 1,484,350.00	$ 13,024,350.00

Payments are made from the Capital Projects Fund.

VII. RETIREMENT PLAN

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

General Information about the Pension Plans

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-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 district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

VII. RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plans (Concluded)

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

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

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at *www.psrs-peers.org*.

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 (CPl-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 CPl-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.

VII. RETIREMENT PLAN (CONCLUDED)

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 District's contributions to PSRS and PEERS were $11,382,466.60 and $2,616,809.50, respectively, for the year ended June 30, 2022.

VIII. INSURANCE

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks.

The District was not able to obtain workers' compensation insurance at a cost it considered to be economically justifiable. During 2017, the District was approved to be self-insured by the state of Missouri. The District contracts with PMA Group to be a third party claims processor. The District paid three months of estimated claims payments and loss adjustment expenses to PMA held in escrow. PMA pays claims from the escrow and the District reimburses the escrow monthly for the claims. The state of Missouri also required the District to purchase a temporary letter of credit to cover risk of assessment for short-term shortfalls prior to final premium payments. In addition, the District purchases excess insurance to reduce risk. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

IX. COMMITMENTS AND CONTINGENCIES

During the course of ordinary operations, the District is subjected to various lawsuits. The District's insurance carrier and attorneys are vigorously contesting all the claims. The District believes that all lawsuits outstanding at June 30, 2022, will have no material impact on the finances of the District.

As of June 30, 2022, the District had $18,647,896.63 outstanding contract commitments for construction and repair projects. In addition, the District has unfunded retiree and sick leave benefits.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Total vested and unpaid sick leave at June 30, 2022, amounted to 45,273.93 days. This number is unaudited.

X. POST-EMPLOYMENT BENEFITS

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits (health, dental and/or vision) to eligible former and retired employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid by the insured monthly for the current month's coverage plus a 2% administration fee. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program. At June 30, 2022, there were 37 participants in COBRA benefits. The amount of premiums paid during the fiscal year was $96,056.20.

In addition to the pension benefits described in Note VII, the District makes available post-retirement benefits to employees who retire from the District in the form of payment for accumulated sick leave benefits at time of retirement, participation in the District healthcare plan, and an incentive for June 30, 2022, qualifying retirees.

Under Board Policy, retirees are paid $50 per day for their accumulated sick leave benefits at time of their retirement not to exceed 65 days. The maximum number of reimbursable days was set by a change in Board Policy on June 30, 2004. Employees who were active at June 30, 2004, with more than 65 days of accumulated sick leave have been grandfathered to reimbursable days not to exceed their accumulated sick leave benefits as of June 30, 2004. As of June 30, 2022, active employees have 45,273 days of accumulated sick leave. Retiree sick leave is considered an expenditure in the year paid. During the year ended June 30, 2022, $189,571.00 for 3,791 days was paid to retirees under this policy.

Under state law, retirees of the District can choose to participate in the District's health plan within one year of retirement. They must receive the same level of benefits, options, and rates as active employees. Retirees pay the full premium cost to participate in the District's health plan unless they qualified for a retiree supplemental rate benefit under Board Policy before June 30, 2003. If a retiree leaves the District's retiree plan, they cannot return to the plan.

Under prior Board Policy, those who retired prior to June 30, 2003, may have qualified for the District to pay a portion of the retiree's health plan premium for the rest of his or her life. Those that did not qualify for the District supplemental rate plan pay the full premium cost to participate in the District's health plan. Qualifications included: (1) served a minimum of 10 years in the District, (2) assumed retirement status with the Public School Retirement or Public Education Employee Retirement Systems of Missouri, (3) was a member of the District health insurance plan for at least one year prior to retirement and (4) accumulated 100 sick leave days at the time of retirement and chose the benefit option in lieu of cash payment for the days.

Rate caps apply to the District-paid portion dependent upon whether the retiree was 57 or younger or was 58 or older at time of retirement, current age over or under 65, and if seven years has passed since retirement. Caps include the District-paid portion of active employees at time of retirement until age 65, at age 65 converts to current plan Medicare carve-out rate until 7 years following retirement date, and thereafter, the Medicare carve-out rate at time of retirement. Medicare carve-out rates are further limited to the District-paid plan for active employees during the applicable period. District retiree benefit contributions are considered an expenditure in the year paid. During the year ended June 30, 2022, $70,358.89 was paid on behalf of 53 retirees under the above plan.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XII. TAX ABATEMENTS

The District is subject to tax abatement agreements entered into by the City of Independence. The City of Independence negotiates sales and property tax abatement agreements. The City has four types of tax abatement agreements within the District as of June 30, 2022:

Project	Tax Abatement Agreement Type	Amount of Taxes Abated during the Fiscal Year
Fairmount Carlisle	Chapter 353	$ 215,956.28
Midtown Truman Road Corridor	Chapter 353	356,062.79
Independence Square	Chapter 353	181,345.61
St. Clair Park	Chapter 353	2,623.35
		$ 755,988.03
Unilever – Real Estate	Chapter 100	$ 718,132.76
Unilever – Personal Property	Chapter 100	41,047.18
		$ 759.179.94
No Projects Currently	EE Zone	$ -
Tax Increment Financing – Real Estate	Local TIF	$ 1,058,131.54
Tax Increment Financing – PILOTS Increment	Local TIF	-
		$ 1,058,131.54
Total All Projects		$ 2,573,299.51

The Chapter 353 program authorized by Section 353.110 RSMo, provides tax abatement for a period of 25 years, which begins to run when the Urban Redevelopment Corporation takes title to the property. During the first 10 years, the property is not subject to real property taxes except in the amount real property taxes assessed on the land, exclusive of improvements, during the calendar year preceding the calendar year during which the Urban Redevelopment Corporation acquired title to the real property. During the next 15 years, the real property may be assessed up to 50% of its true value. This means that the City may approve a development plan, which provides full tax abatement for 25 years. Payments in lieu of taxes (PILOTS) may be imposed on the Urban Redevelopment Corporation by contract with the City. PILOTS are paid on an annual basis to replace all or part of the real estate taxes, which are abated. The PILOTS must be allocated to each taxing district according to their proportionate share of ad valorem property taxes.

XII. TAX ABATEMENTS (CONCLUDED)

The Chapter 100 program authorized by Section 144.054 RSMo, provides a state and local sales tax and local property tax exemption on tangible personal property, which is used directly in the process or production that is leased by the Company from the City of Independence.

The Enhanced Enterprise Zone (EE Zone) program authorized by Section 135.950 to 135.973, RSMo, is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises. Currently no projects have been funded.

Local Tax Increment Financing (Local TIF) permits the use of a portion of local property and sales taxes to assist funding the redevelopment of certain designated areas within your community. Areas eligible for Local TIF must contain property classified as a “blighted”, “conservation”, or an “economic development” area, or any combination thereof, as defined by Missouri Statutes.

SUPPLEMENTARY INFORMATION

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 53,098,862.00	$ 52,968,560.93	$ 54,801,795.93	$ 1,833,235.00
County Sources	2,300,000.00	2,605,744.00	2,620,880.70	15,136.70
State Sources	5,453,610.00	5,002,116.39	4,338,428.60	(663,687.79)
Federal Sources	40,979,211.50	46,472,255.27	40,859,626.72	(5,612,628.55)
Other	88,000.00	88,000.00	367,538.79	279,538.79
TOTAL REVENUES	**101,919,683.50**	**107,136,676.59**	**102,988,270.74**	**(4,148,405.85)**
EXPENDITURES				
Instruction	10,366,744.98	17,611,903.61	10,609,318.80	7,002,584.81
Student Services	7,266,812.31	7,724,124.14	7,081,684.95	642,439.19
Instructional Staff Support	2,608,515.09	3,186,091.03	2,316,244.77	869,846.26
Building Administration	3,002,842.98	2,975,289.14	3,222,955.51	(247,666.37)
General Admin. & Central Services	11,271,742.04	11,768,379.90	10,789,865.22	978,514.68
Operation of Plant	22,355,360.16	22,605,335.16	21,700,176.83	905,158.33
Transportation	8,751,645.47	9,075,456.47	8,458,133.23	617,323.24
Food Service	8,707,356.77	9,571,781.13	9,103,610.68	468,170.45
Community Services	10,778,100.51	10,111,578.16	8,682,076.52	1,429,501.64
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	**85,109,120.31**	**94,629,938.74**	**81,964,066.51**	**12,665,872.23**
REVENUES OVER (UNDER) EXPENDITURES	**16,810,563.19**	**12,506,737.85**	**21,024,204.23**	**8,517,466.38**
OTHER FINANCING SOURCES (USES)				
Transfers	(7,484,644.00)	(5,767,089.71)	(2,013,159.44)	3,753,930.27
TOTAL OTHER FINANCING SOURCES (USES)	**(7,484,644.00)**	**(5,767,089.71)**	**(2,013,159.44)**	**3,753,930.27**
NET CHANGE IN FUND BALANCE	9,325,919.19	6,739,648.14	19,011,044.79	$ 12,271,396.65
FUND BALANCE JULY 1, 2021	32,271,330.78	32,271,330.78	32,271,330.78	
FUND BALANCE JUNE 30, 2022	**$ 41,597,249.97**	**$ 39,010,978.92**	**$ 51,282,375.57**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - SPECIAL REVENUE FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 16,761,733.00	$ 16,766,545.50	$ 18,745,197.64	$ 1,978,652.14
County Sources	55,000.00	55,000.00	128,375.17	73,375.17
State Sources	69,833,668.00	69,833,668.00	70,908,786.74	1,075,118.74
Federal Sources	10,577,180.50	9,268,382.61	7,007,513.02	(2,260,869.59)
Other	150,000.00	150,000.00	209,589.39	59,589.39
TOTAL REVENUES	**97,377,581.50**	**96,073,596.11**	**96,999,461.96**	**925,865.85**
EXPENDITURES				
Instruction	71,547,410.17	71,870,908.83	70,292,975.55	1,577,933.28
Student Services	6,359,178.58	6,378,647.36	5,919,232.70	459,414.66
Instructional Staff Support	7,366,385.71	7,368,609.16	7,410,290.03	(41,680.87)
Building Administration	7,681,888.45	7,857,967.10	7,352,698.68	505,268.42
General Admin. & Central Services	2,792,875.28	3,692,875.28	3,800,181.48	(107,306.20)
Operation of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	2,074,212.72	2,214,140.65	2,008,150.94	205,989.71
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	**97,821,950.91**	**99,383,148.38**	**96,783,529.38**	**2,599,619.00**
REVENUES OVER (UNDER) EXPENDITURES	(444,369.41)	(3,309,552.27)	215,932.58	3,525,484.85
OTHER FINANCING SOURCES (USES)				
Transfers	444,378.00	3,309,552.27	-	(3,309,552.27)
TOTAL OTHER FINANCING SOURCES (USES)	**444,378.00**	**3,309,552.27**	**-**	**(3,309,552.27)**
NET CHANGE IN FUND BALANCE	8.59	0.00	215,932.58	$ 215,932.58
FUND BALANCE JULY 1, 2021	676,182.18	676,182.18	676,182.18	
FUND BALANCE JUNE 30, 2022	**$ 676,190.77**	**$ 676,182.18**	**$ 892,114.76**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - DEBT SERVICE FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 13,757,676.00	$ 13,757,676.00	$ 15,700,345.27	$ 1,942,669.27
County Sources	670,000.00	670,000.00	739,146.99	69,146.99
State Sources	-	-	-	-
Federal Sources	300,000.00	300,000.00	-	(300,000.00)
Other	-	-	-	-
TOTAL REVENUES	**14,727,676.00**	**14,727,676.00**	**16,439,492.26**	**1,711,816.26**
EXPENDITURES				
Instruction	-	-	-	-
Student Services	-	-	-	-
Instructional Staff Support	-	-	-	-
Building Administration	-	-	-	-
General Admin. & Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	6,760,000.00	6,760,000.00	6,760,000.00	-
Interest and Charges	7,001,037.89	7,001,037.89	6,698,718.67	302,319.22
TOTAL EXPENDITURES	**13,761,037.89**	**13,761,037.89**	**13,458,718.67**	**302,319.22**
REVENUES OVER (UNDER) EXPENDITURES	**966,638.11**	**966,638.11**	**2,980,773.59**	**2,014,135.48**
OTHER FINANCING SOURCES (USES)				
Sale Of Bonds	-	-	-	-
Transfers	(1,077,100.00)	(1,077,100.00)	(1,077,100.00)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(1,077,100.00)**	**(1,077,100.00)**	**(1,077,100.00)**	**-**
NET CHANGE IN FUND BALANCE	(110,461.89)	(110,461.89)	1,903,673.59	$ 2,014,135.48
FUND BALANCE JULY 1, 2021	12,471,687.05	12,471,687.05	12,471,687.05	
FUND BALANCE JUNE 30, 2022	**$ 12,361,225.16**	**$ 12,361,225.16**	**$ 14,375,360.64**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 3,169,750.00	$ 3,222,629.99	$ 3,669,765.90	$ 447,135.91
County Sources	-	-	-	-
State Sources	4,841,800.00	4,802,500.00	4,735,518.30	(66,981.70)
Federal Sources	-	509,044.93	1,128,765.27	619,720.34
Other	-	-	21,587.23	21,587.23
TOTAL REVENUES	**8,011,550.00**	**8,534,174.92**	**9,555,636.70**	**1,021,461.78**
EXPENDITURES				
Instruction	261,930.00	997,027.92	993,784.44	3,243.48
Student Services	9,649.00	7,164.79	7,164.00	0.79
Instructional Staff Support	-	-	-	-
Building Administration	-	-	5,045.40	(5,045.40)
General Admin. & Central Services	1,042,900.00	1,042,900.00	645,279.60	397,620.40
Operation of Plant	6,922,650.00	6,892,540.00	5,344,302.97	1,548,237.03
Transportation	944,480.00	2,809,313.00	2,732,084.80	77,228.20
Food Service	165,000.00	90,000.00	52,517.64	37,482.36
Community Services	12,500.00	12,844.00	28,148.10	(15,304.10)
Facility Projects	21,665,000.00	57,823,162.00	36,353,407.02	21,469,754.98
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	420,087.50	420,087.50	418,781.75	1,305.75
TOTAL EXPENDITURES	**31,444,196.50**	**70,095,039.21**	**46,580,515.72**	**23,514,523.49**
REVENUES OVER (UNDER) EXPENDITURES	**(23,432,646.50)**	**(61,560,864.29)**	**(37,024,879.02)**	**24,535,985.27**
OTHER FINANCING SOURCES (USES)				
Transfers	8,117,366.00	3,090,259.44	3,090,259.44	-
Sale Of Bonds	-	-	-	-
Premium On Bonds Sold	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	**8,117,366.00**	**3,090,259.44**	**3,090,259.44**	**-**
NET CHANGE IN FUND BALANCE	(15,315,280.50)	(58,470,604.85)	(33,934,619.58)	$ 24,535,985.27
FUND BALANCE JULY 1, 2021	76,397,723.34	76,397,723.34	76,397,723.34	
FUND BALANCE JUNE 30, 2022	**$ 61,082,442.84**	**$ 17,927,118.49**	**$ 42,463,103.76**	

BUDGETS AND BUDGETARY ACCOUNTING

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund of the political subdivision.

- Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

- A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.

- The budget was legally enacted by a vote of the Board of Education on June 30, 2021.

- Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education.

- Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenue when collected and expenditures when paid.

STATE COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI STATE LAWS AND REGULATIONS

To the Members of the Board of Education
Independence 30 School District

Report on Compliance with State Requirements

We have examined management's assertions that the Independence 30 School District (District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of pupil attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the Independence 30 School District complied with the aforementioned requirements for the year ended June 30, 2022 are fairly stated, in all material respects.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 1, 2023

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INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
COUNTY DISTRICT NUMBER 048-077
FOR THE YEAR ENDED JUNE 30, 2022

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Grade	Grade	Indicator	Day Length	Days	Session
PK	PK	-	6.7667	169	1,143.5723
K	K	-	6.7667	169	1,143.5723
1	5	-	6.7667	169	1,143.5723
2	5	-	6.7667	168	1,136.8056
6	8	-	6.7167	169	1,135.1223
9	12	-	6.7167	169	1,115.8723

2. ATTENDANCE HOURS

Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
PK	192,042.0282	-	-	-	-	192,042.0282
K	1,095,968.9005	-	203.4200	-	28,721.5144	1,124,893.8349
1-5	5,509,797.7295	-	5,892.5800	-	141,851.6204	5,657,541.9299
6-8	3,336,282.3197	2,916.9722	574.4600	-	97,263.3016	3,437,037.0535
9-12	3,657,344.7316	232,042.3278	1,397.2800	-	80,165.8228	3,970,950.1622
Total	13,791,435.7095	234,959.3000	8,067.7400	-	348,002.2592	14,382,465.0087

3. SEPTEMBER MEMBERSHIP

Grade Level	Full-Time	Part-Time	Other	Total
PK	150.00	-	-	150.00
K	1,048.00	-	-	1,048.00
1-5	5,200.00	-	-	5,200.00
6-8	3,297.00	0.86	-	3,297.86
9-12	4,123.00	3.00	-	4,126.00
	13,818.00	3.86	-	13,821.86

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	460.00	93.00	-	-	553.00
1075	602.20	101.49	-	-	703.69
1090	497.20	64.25	-	-	561.45
3000	407.86	53.00	-	-	460.86
3050	360.00	65.00	-	-	425.00
3060	493.00	68.00	-	-	561.00
3070	269.00	64.00	-	-	333.00
4040	233.00	26.00	-	-	259.00
4060	116.00	26.00	-	-	142.00
4080	108.00	8.00	-	-	116.00
4090	194.00	25.00	-	-	219.00
4100	188.00	17.00	-	-	205.00
5010	201.00	32.00	-	-	233.00
5040	124.00	24.00	-	-	148.00
5070	128.00	17.00	-	-	145.00
5100	259.00	24.00	-	-	283.00
6020	204.00	32.00	-	-	236.00
6030	110.00	16.00	-	-	126.00
6040	188.00	26.00	-	-	214.00
6050	156.00	21.00	-	-	177.00
6060	161.00	22.00	-	-	183.00
6070	124.00	14.00	-	-	138.00
6080	63.50	10.00	-	-	73.50
6090	170.00	30.00	-	-	200.00
6100	167.00	27.00	-	-	194.00
6120	98.00	16.00	-	-	114.00
6130	143.00	17.00	-	-	160.00
Total	6224.76	938.74	-	-	7163.50

5. FINANCE

5.1	The District 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 maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	TRUE
	Academic Programs Off-Campus	TRUE
	Career Exploration Program – Off Campus	TRUE
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	TRUE
	Dual Enrollment	TRUE
	Homebound Instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	TRUE
	Remediation	TRUE
	Sheltered Workshop participation	TRUE
	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 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 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 treasurer in the total amount of:	$25,000
35.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	TRUE
5.7	The District maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	TRUE

5. FINANCE (Concluded)

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 approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	TRUE
5.10	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
5.11	The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	$580,937.80
5.13	The District 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

6. TRANSPORTATION (SECTION 163.161, RSMO)

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	TRUE
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	6,986.50
	Ineligible ADT	1,215.50
6.4	The District's transportation odometer mileage records are maintained in a manner as 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:	1,513,977
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles (including food/instructional delivery miles 2020-21)	1,287,453
	Ineligible Miles (Non-Route/Disapproved)	226,524
6.7	Number of days the District operated the school transportation system during the regular school year:	169

I. CHAPTER 67 RSMO (BUDGET STATUTE)

Chapter 67 RSMO requires that each political subdivision of the State of Missouri adopt an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

II. STATE FINDINGS

2022-001 The District shall not obtain investments with maturities greater than 5 years. The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement. Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of Education
Independence 30 School District

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 Independence 30 School District (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 1, 2023. Our report on the basic financial statements disclosed that, as described in Note I to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

District's Response to Finding

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

Purpose of this Report

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 1, 2023

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of Education
Independence 30 School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Independence 30 School District's (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 1, 2023

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. Department of Education				
Passed through Missouri Department of Elementary and Secondary Education				
Special Education Cluster				
COVID-19: IDEA 611/ARP	84.027	048-077	$ -	$ 389,256.67
Special Education-Grants to States-IDEA - Assistive Technology Reimbursement	84.027	048-077	-	7,895.95
Special Education-Grants to States-IDEA - Early Childhood	84.027	048-077	-	239,524.00
Special Education-Grants to States-IDEA - High Needs Fund	84.027	048-077	-	7,342.09
Special Education-Grants to States-IDEA - Part B	84.027	048-077	-	3,071,248.08
Total Special Education-Grants to States			-	3,715,266.79
COVID-19: IDEA 619/ARP	84.173	048-077	-	54,029.00
Special Education-Preschool Grants-IDEA - Early Childhood	84.173	048-077	-	81,447.00
Total Special Education - Preschool Grants			-	135,476.00
Total Special Education Cluster			-	3,850,742.79
Title I Grants to Local Educational Agencies	84.010	048-077	-	881,642.17
Title I Grants to Local Educational Agencies - SWP	84.010	048-077	-	2,784,501.23
Total for Title I Grants to Local Educational Agencies			-	3,666,143.40
Career and Technical Education-Basic Grants to States	84.048	048-077	-	327,808.54
Education of Homeless Children and Youth	84.196	048-077	-	112,819.38
English Language Acquisition Grants - Title III - LEP	84.365	048-077	-	64,148.43
Supporting Effective Intrustion State Grants - Title IIA	84.367	048-077	-	1,221,148.60
Comprehensive Literacy State Development Grant	84.371	048-077	-	1,265.00
Title IV.A Student Support and Academic Enrichment	84.424	048-077	-	643,057.61
Adult Basic Education - Basic Grant ISD 30	84.002	048-077	-	157,008.94
Adult Basic Education - Basic Grant ISD 30 Recovery Funds	84.002	048-077	-	33,637.35
Total Adult Basic Education			-	190,646.29
Education Stabilization Fund				
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	048-077	-	55,029.32
COVID-19: Elementary and Secondary School Emergency Relief Fund-Student Connectivity	84.425D	048-077	-	15,533.03
COVID-19: Elementary and Secondary School Emergency Relief Fund-Teacher Retention	84.425D	048-077	-	144,699.24
COVID-19: Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	048-077	-	15,601,302.00
COVID-19: Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	048-077	-	13,411,007.51
COVID-19: Governor's Emergency Education Relief Fund-Transportation Supplement	84.425C	048-077	-	22,177.87
Total Education Stabilization Fund			-	29,249,748.97
Total U.S. Department of Education			-	39,327,529.01
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed through Missouri Department of Elementary and Secondary Education				
COVID-19: School Breakfast Program	10.553	048-077	-	1,946,174.83
COVID-19: National School Lunch Program	10.555	048-077	-	5,504,212.44
Child Nutrition Emergency Operational Costs Reimbursement Program	10.555	048-077	-	222,842.39
National School Lunch Snack Program	10.555	048-077	-	58,896.92
Commodities - Non-Cash Assistance	10.555	048-077	-	587,890.41
Subtotal National School Lunch Program			-	8,320,016.99

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
Passed through Missouri Department of Health and Senior Services				
Summer Food Service Program for Children	10.559	ERS0462060S	-	334,233.81
Total Summer Food Service Program			-	334,233.81
Total Child Nutrition Cluster			-	8,654,250.80
Passed through Missouri Department of Health and Senior Services				
Child and Adult Care Food Program - Head Start Feeding Program	10.558	ERS46112086	-	152,584.10
Child and Adult Care Food Program - Emergency Operational Costs Reimbursement Program	10.558	12CACFP-EMOP	-	11,550.95
Total Child and Adult Care Food Program				164,135.05
Total U.S. Department of Agriculture			-	8,818,385.85
U.S. Department of Health and Human Services				
Passed through Missouri Departent of Elementary and Secondary Education				
Preschool Development Grant Birth to Five	93.434	048-077	-	674.09
Passed through Mid-America Regional Council				
Head Start Cluster				
Early Head Start-Permanent COLA Funds (GY21)	93.600	07CH010610	-	6,423.00
Early Head Start (GY21)	93.600	07CH010610	-	153,394.96
Early Head Start (GY22)	93.600	07CH010610	-	420,587.27
COVID-19: Head Start (GY21)	93.600	07CH010610	-	121,414.54
Head Start-Permanent COLA Funds (GY21)	93.600	07CH010610	-	24,595.73
Head Start (GY21)	93.600	07CH010610	-	545,037.18
Head Start (GY22)	93.600	07CH010610	-	1,880,983.15
COVID-19: Head Start (GY22)			-	398,496.49
Total Head Start Cluster			-	3,550,932.32
Total U.S. Department of Health and Human Services			-	3,551,606.41
U.S. Department of Defense				
Direct Program				
Junior ROTC - Minimum Instructor Pay	12.000	MO07-1183/MO251755	-	212,485.38
Total U.S. Department of Defense			-	212,485.38
U.S. Environmental Protection Agency				
Passed through Leonardo Academy				
Diesel Emission Reduction Act	66.039	DE-97785001-0	-	196,650.00
Total U.S. Department of Treasury			-	196,650.00
Total Schedule of Expenditures of Federal Awards			$ -	$ 52,106,656.65

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

Federal Sources	
General Fund	$ 40,859,626.72
Special Revenue Fund	7,007,513.02
Capital Projects Fund	1,128,765.27
	$ 48,995,905.01

NOTE 5 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with the modified cash basis of accounting.

NOTE 6 –MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 – NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 8 - DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

The District received approximately $10,677.00 donated personal protective equipment during the year ended June 30, 2022.

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Modified Cash Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified? ____ Yes _X_ No

b. Significant deficiency(ies) identified? _X_ Yes ____ None Reported

3. Noncompliance material to financial statements noted? ____ Yes _X_ No

B. Federal Awards

1. Internal control over major federal programs:

a. Material weakness(es) identified? ____ Yes _X_ No

b. Significant deficiency(ies) identified? ____ Yes _X_ None Reported

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

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes _X_ No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	COVID-19: Education Stabilization Fund

5. Dollar threshold used to distinguish between type A and type B programs: $ 1,564,036

6. Auditee qualified as low-risk auditee? ____ Yes _X_ No

II. FINANCIAL STATEMENT FINDINGS

2022-001

Criteria: The District shall not obtain investments with maturities greater than 5 years.

Condition: The District is not in compliance with state investment statutes.

Context: During the course of our audit, we noted that the District obtained investments with maturities greater than the 5 year maximum established by state statutes.

Cause: The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement.

Effect: Due to a donor's investment requirement, the District is not in compliance with state statute investment policies.

Recommendation: We recommend the District discuss the state statute requirements with the donor as a means to possibly invest in other government securities to be in state compliance.

Views of responsible officials: Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs for the year ended June 30, 2022.

INDEPENDENCE 30 SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

2021-001 Criteria: The District shall not obtain investments with maturities greater than 5 years.

Condition: The District is not in compliance with state investment statutes.

Context: During the course of our audit, we noted that the District obtained investments with maturities greater than the 5 year maximum established by state statutes.

Cause: The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement.

Effect: Due to a donor's investment requirement, the District is not in compliance with state statute investment policies.

Recommendation: We recommend the District discuss the state statute requirements with the donor as a means to possibly invest in other government securities to be in state compliance.

Views of responsible officials and planned corrective actions: Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

Status: This Finding has not been resolved and is repeated in the current year as finding 2022-001.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no federal award findings or questioned costs for the year ended June 30, 2021.