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INDEPENDENT AUDITORS' REPORT

Board of Education
Macon County R-I School District
702 North Missouri
Macon, Missouri 63552

Opinions

We have audited accompanying financial statements of the governmental activities and each major fund of Macon County R-I School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Macon County R-I School District, as of June30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Macon County R-I School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; which includes the determination that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 that collectively comprise the District's basic financial statements. The accompanying Schedule of Receipts by Source, Schedule of Disbursements by object, Schedule of Transportation Costs Eligible for State Aid, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation Costs Eligible for State Aid, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our 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 informaiton 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 matierla misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023 on our consideration of Macon County R-I School District's internal control over financial reporting and on our tests of its compliance with certain provisions of the 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 Macon County R-I School District's internal control over financial reporting and compliance.

Conrad & Higgins, LLC

Conrad and Higgins, LLC
Princeton, Missouri
December 19, 2023

BASIC FINANCIAL STATEMENTS

Macon County R-I School District
Statement of Net Position Arising From Modified
Cash Basis Transactions - Governmental Activities
For the Year Ended June 30, 2023

ASSETS:	
Cash	$ 5,852,548
Land, buildings and equipment, net of accumulated depreciation	14,080,645
Total Assets	$ 19,933,193
LIABILITIES:	
Lease payable	$ 6,685,021
Total Liabilities	$ 6,685,021
NET POSITION:	
Net investment in capital assets	$ 7,395,624
Restricted for:	
Teacher fund	-
Capital projects	949,834
Unrestricted	4,902,714
Total Net Position	$ 13,248,172

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

Macon County R-I School District
Statement of Activities Arising From Modified
Cash Basis Transactions - Governmental Activities
For the Year Ended June 30, 2023

		Program Receipts			
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Expenses and Changes in Net Position
Instruction	$ 9,016,740	$ 915,912	$ 2,858,739	$ 1,455,962	$ (3,786,127)
Student services	615,357	-	-	-	(615,357)
Instructional staff support	337,492	-	-	-	(337,492)
Building administration	803,992	-	-	-	(803,992)
General administration	1,562,436	-	-	-	(1,562,436)
Operation of plant	55,758	-	-	-	(55,758)
Pupil transportation	796,030	-	372,463	-	(423,567)
Food services	597,849	205,582	550,386	-	158,119
Interest	230,501	-	-	-	(230,501)
Facilities acquisition and construction	1,791,546	-	-	-	(1,791,546)
Other	-	-	-	-	-
Adult education and community services	24,536	-	-	-	(24,536)
Total	$ 15,832,237	$ 1,121,494	$ 3,781,588	$ 1,455,962	(9,473,193)
General Revenues:					
Property and other taxes					6,248,287
Proposition C revenue					1,613,566
Basic formula					3,921,183
Earnings on investments					77,217
Other					170,823
Increase/(decrease) in net position					2,557,883
Net Position, July 1, 2022					10,690,289
Net Position, June 30, 2023					$ 13,248,172

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

FUND FINANCIAL STATEMENTS

Macon County R-I School District
Combined Statement of Assets and Fund Balance
Arising from Modified Cash Transactions - All Fund Types
June 30, 2023

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
ASSETS				
Cash	$ 4,902,714	$ -	$ 949,834	$ 5,852,548
Total Assets	$ 4,902,714	$ -	$ 949,834	$ 5,852,548
FUND BALANCE				
Net Position:				
Restricted for:				
Special revenue	$ -	$ -	$ -	-
Capital projects	-	-	949,834	949,834
Unassigned:	4,902,714	-	-	4,902,714
Total Fund Balance	$ 4,902,714	$ -	$ 949,834	5,852,548

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources, and therefore, are not reported in the funds.	14,080,645
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	(6,685,021)
Fund Balance of governmental activities	$ 13,248,172

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

Macon County R-I School District
Combined Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - All Governmental Fund Types
for the Year Ended June 30, 2023

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Funds	Totals (Governmental Funds)
REVENUES COLLECTED:				
Local	$ 5,575,864	$ 1,411,152	$ 709,383	$ 7,696,399
County	1,041,654	64,949	209,773	1,316,376
State	826,400	4,655,810	47,345	5,529,555
Federal	1,042,679	1,177,883	1,408,617	3,629,179
Other revenue	-	-	1,220	1,220
From other districts	-	217,391	-	217,391
Total Revenues Collected	8,486,597	7,527,185	2,376,338	18,390,120
EXPENDITURES PAID:				
Instruction	1,253,975	7,271,317	82,298	8,607,590
Attendance	10,183	-	-	10,183
Guidance	106,527	201,271	-	307,798
Health services	175,216	122,160	-	297,376
Improvement of instruction	63,375	29,624	-	92,999
Professional development	33,417	21,478	-	54,895
Media services	53,441	136,157	-	189,598
Executive administration	1,157,561	381,351	23,524	1,562,436
Building level administration	230,490	571,003	2,500	803,993
Operation of plant	1,264,018	-	20,130	1,284,148
Pupil transportation	710,871	-	5,799	716,670
Food services	597,849	-	-	597,849
Adult/community programs	221,490	91,012	-	312,502
Facilities acquisition and construction	-	-	1,791,547	1,791,547
Debt service:				
Principal	-	-	464,979	464,979
Interest and other charges	-	-	230,501	230,501
Total Expenditures Paid	5,878,413	8,825,373	2,621,278	17,325,064
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	2,608,184	(1,298,188)	(244,940)	1,065,056
OTHER FINANCING SOURCES (USES):				
Transfers	(840,976)	326,731	514,245	-
Total other financing sources (uses)	(840,976)	326,731	514,245	-
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	1,767,208	(971,457)	269,305	1,065,056
FUND BALANCE, JULY 1, 2022	3,135,506	971,457	680,529	
FUND BALANCE, JUNE 30, 2023	$ 4,902,714	$ -	$ 949,834	

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities capital costs are allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays were exceeded by depreciation.	1,027,848
Borrowing/repayment of long-term debt provides/consumes current financial resources but has no effect on net position.	464,979
CHANGES IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES	$ 2,557,883

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

NOTES TO FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Macon County R-I School District was established in 1865 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 financial statements of Macon County R-I School District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

*The financial statements include:

** Financial statements prepared using modified-cash basis for government-wide financial statements and for the fund financial statements for all of the District's activities.

* Change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, no additional component units should be included in the reporting entity.

B. Basis of Presentation - Fund Accounting

The District's financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's General, Special Revenue, Debt Service and Capital Projects funds are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column (b) and are reported on a modified cash basis of accounting, which recognizes all long-term assets as well as long-term debt and obligations. The District's net position is reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operation and capital grants. Program revenues must be directly associated with the function (food services, instruction, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, reserves, net position, revenue collected and expenditures paid, arising from cash transactions.

The following governmental fund types are used by the District:

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 the local tax levy for the payment of teacher salaries and certain employee benefits.

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

D. Basis of Accounting

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 which recognizes all long-term assets and long term-term debt obligations. 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 than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

E. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Equipment	7 years
Improvements	20 years

G. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts unused and which are vested in the employee are payable upon termination. Total vested and unpaid sick leave at June 30, 2023, amounted to $122,700.

H. Teachers' Salaries

Payroll checks, written and dated in June 2023 for July 2023 payroll, in the amount of $905,866, from 2022-2023 contracts were released in June and are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

I. Post Employment Benefits

COBRA Benefits: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration charge, which the District has elected to waive, is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. 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, and there were no participants in the program as of June 30, 2023.

J. Inventories

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

K. Public School Retirement System of Missouri

Financial reporting information pertaining to our participation in the Public School Retirement System of Missouri ("PSRS") and the Public Education Employee Retirement System of Missouri ("PEERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions,* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement*

The fiduciary net position, as well as additions to and deductions from the fiduciary net positions, of PSRS and PEERS have been determined on the same basis as they are reported by PSRS and PEERS. The financial statements were prepared using the modified cash basis of accounting. Members and employer contrubitions are recognized when paid, pursuant to formal commitments and statutory requirements. Expenses are recognized when the payment is made.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Restricted Assets

Restricted assets of the District consist of checking, certificates of deposit and investments which have been set aside based on 1) certain debt covenants, 2) taxing authority guidelines and 3) state statutory compliance. Debt covenants provide for the redemption of debt in future years and to service outstanding debt. Taxing authority guidelines provide for the taxes collected to be disbursed in accordance with the terms that the patrons of the District approved when they voted. State statutory compliance restricts transfers from the Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund. It is the District's policy to first use restricted net position prior to the use of unrestricted net position when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

2 DEPOSITS

Custodial Credit Risk - Missouri State Statutes authorize the Board of Education, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposits. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the District or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State. At June 30, 2023, the carrying amount of deposits was $5,852,549 and the bank balance was $7,459,268. All of the bank balances were covered by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the District's name.

Bond covenants authorize the District to invest in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States, or in other obligations in which public funds are permitted to be invested under Missouri law.

Interest Rate Risk - The District has no formal investment policy regarding interest rate risk.

Credit Risk - The District has no investment policy that limits in investment choice other than the limitation of state law as follows:

a. District obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial

Concentration of Investment Credit Risk - The District places no limit on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

A reconciliation of cash as shown on the Balance Sheet was as follows:

	Carrying Amount
Cash on hand	$ -
Carrying amount of deposits	5,852,548
Total	$ 5,852,548
Cash	$ 4,902,714
Cash - restricted	949,834
Total	$ 5,852,548

3 TAXES

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

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The district has a full waiver of this requirement that was approved by the voters in April 2004.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2022 for purposes of local taxation were:

Real Estate:	
Residential	$ 61,625,090
Agriculture	5,183,360
Commercial	22,263,670
Personal Property:	49,568,208
Total	$ 138,640,328

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

	Unadjusted	Adjusted
General Fund	$ 3.0000	$ 3.0000
Special Revenue Fund	-	-
Capital Project Fund	0.4598	0.4598
Total	$ 3.4598	$ 3.4598

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023 aggregated approximately 97.76 percent of the current assessment computed on the basis of the levy as shown above.

4 CAPITAL LEASES

During the previous seven fiscal years, the District entered into cancelable ten, fifteen-year and eight year leases as lessee to finance the purchase of building improvements, which cost $2,290,000, $1,355,000, $370,000, $4,250,000, $399,960 and $865,000. Although the agreements provide for cancellation of the lease at the District's option at the renewal date of June 1 each year, the District does not foresee exercising its options to cancel. Therefore, these leases are accounted for as noncancelable capital leases in accordance with Statement of Financial Accounting Standards No. 13, "Accounting for Leases". The new leases provide for interest at 0.6-3.0 and 3.75 percent.

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

Year ending June 30	Principal	Interest	Total
2024	$ 632,779	$ 211,585	$ 844,364
2025	642,779	340,035	982,814
2026	657,779	177,573	835,352
2027	627,779	159,148	786,927
2028	613,905	141,898	755,803
2029-2033	3,510,000	388,433	3,898,433
Total	$ 6,685,021	$1,418,672	$ 8,103,693

Interest paid for the fiscal year ended June 30, 2023 was $222,180.

5 INTERFUND TRANSFERS

During the year ended June 30, 2023, the district transferred $326,731 from the General Fund to the Special Revenue Fund for teachers' salaries and $514,245 from the General Fund to the Capital Projects Fund for capital expenditures.

6 GASB STATEMENT NO. 54 - FUND BALANCE (NET POSITION) REPORTING

The objective of this Statement is to enhance the usefulness of net position information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes net position classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting net position information is identifying amounts that are considered *nonspendable*, such as fund balance associated with scholarships.

The *restricted* net position category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation such as taxes levied by a vote of the public.

Unassigned net position is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

7 CONTINGENCIES

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

8 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 234,482	$ -	$ -	$ 234,482
Total capital assets not being depreciated	234,482	-	-	234,482
Other capital assets:				
Buildings and improvements	14,894,869	1,811,676	-	16,706,545
Equipment	6,140,619	114,121	-	6,254,740
School buses and vehicles	2,024,869	-	-	2,024,869
Total other capital assets at historical cost	23,060,357	1,925,797	-	24,986,154

8 CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Buildings and improvements	3,351,109	583,286	-	3,934,395
Equipment	5,193,812	235,303	-	5,429,115
School buses and vehicles	1,697,121	79,360	-	1,776,481
Total accumulated depreciation	10,242,042	897,949	-	11,139,991
Other capital assets, net	12,818,315	1,027,848	-	13,846,163
Governmental activities capital assets, net	$ 13,052,797	$ 1,027,848	$ -	$ 14,080,645

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	$ 235,303
Operation of plant	583,286
Pupil transportation	79,360
Total governmental activities depreciation expense	$ 897,949

9 RISK MANAGEMENT

The District is exposed to various risks of losses related to litigation; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

10 PENSION PLANS

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

Plan Description PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of 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.

Plan Description 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 the 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 statues place responsibility for operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Benefits Provided PEERS is a defined benefit plan providing retirement, disability and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 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 lifelong 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.

10 PENSION PLANS (Continued)

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

-If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2% at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceeding the January 1 at which the 2% cost-of-living increase is granted.

-If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

-If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

-If the CPI decreases, no COLA is provided.

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

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

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

The District's contributions to PSRS and PEERS were $933,893 and $151,456, respectively, for the year ended June 30, 2023.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psrs-peers.org.

SUPPLEMENTARY INFORMATION

Macon County R-I School District
General (Incidental) Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	$ 4,794,997	$ 5,575,864	$ 5,575,864	$ 780,867
County	987,558	1,041,654	1,041,654	54,096
State	446,000	826,400	826,400	380,400
Federal	903,649	1,042,679	1,042,679	139,030
Total Revenues Collected	7,132,204	8,486,597	8,486,597	1,354,393
EXPENDITURES PAID:				
Instruction	1,088,934	1,253,975	1,253,975	(165,041)
Attendance	34,526	10,183	10,183	24,343
Guidance	107,481	106,527	106,527	954
Health services	162,603	175,216	175,216	(12,613)
Improvement of instruction	-	63,375	63,375	(63,375)
Professional development	25,200	33,417	33,417	(8,217)
Media services	57,905	53,441	53,441	4,464
Executive administration	895,973	1,157,561	1,157,561	(261,588)
Building level administration	200,381	230,490	230,490	(30,109)
Operation of plant	1,308,159	1,264,018	1,264,018	44,141
Pupil transportation	705,152	710,871	710,871	(5,719)
Food services	505,958	597,849	597,849	(91,891)
Adult/community programs	169,494	221,490	221,490	(51,996)
Interest and fees	-	-	-	-
Total Expenditures Paid	5,261,766	5,878,413	5,878,413	(616,647)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	$ 1,870,438	$ 2,608,184	2,608,184	$ 737,746
OTHER FINANCING SOURCES (USES):				
Transfers			(840,976)	
Total other financing sources (uses):			(840,976)	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES			1,767,208	
FUND BALANCE, JULY 1, 2022			3,135,506	
FUND BALANCE, JUNE 30, 2023			$ 4,902,714	

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

Macon County R-I School District
Special Revenue (Teachers') Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	$ 1,588,508	$ 1,411,152	$ 1,411,152	$ (177,356)
County	50,000	64,949	64,949	14,949
State	4,831,691	4,655,810	4,655,810	(175,881)
Federal	1,087,166	1,177,883	1,177,883	90,717
From other districts	241,020	217,391	217,391	(23,629)
Total Revenues Collected	7,798,385	7,527,185	7,527,185	(271,200)
EXPENDITURES PAID:				
Instruction	6,814,016	7,271,317	7,271,317	(457,301)
Guidance	206,582	201,271	201,271	5,311
Health services	122,103	122,160	122,160	(57)
Improvement of instruction	37,434	51,102	51,102	(13,668)
Professional development	19,500	-	-	19,500
Media services	126,370	136,157	136,157	(9,787)
Executive administration	331,677	381,351	381,351	(49,674)
Building level administration	546,544	571,003	571,003	(24,459)
Operation of plant	-	-	-	-
Adult/community programs	111,807	91,012	91,012	20,795
Total Expenditures Paid	8,316,033	8,825,373	8,825,373	(509,340)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	$ (517,648)	$ (1,298,188)	(1,298,188)	$ (780,540)
OTHER FINANCING SOURCES (USES):				
Transfers			326,731	
Total other financing sources (uses)			326,731	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES			(971,457)	
FUND BALANCE, JULY 1, 2022			971,457	
FUND BALANCE, JUNE 30, 2023			$ -	

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

Macon County R-I School District
Capital Projects (Building) Fund
Statements of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	$ 837,361	$ 709,383	$ 709,383	$ (127,978)
County	147,927	209,773	209,773	61,846
State	156,969	47,345	47,345	(109,624)
Federal	1,350,000	1,408,617	1,408,617	58,617
Other revenue	-	1,220	1,220	1,220
Total Revenues Collected	2,492,257	2,376,338	2,376,338	(115,919)
EXPENDITURES PAID:				
Instruction	99,500	82,298	82,298	17,202
Media services	3,000	-	-	3,000
Executive administration	70,000	23,524	23,524	46,476
Building level administration	6,000	2,500	2,500	3,500
Operation of plant	-	20,130	20,130	(20,130)
Pupil transportation	10,000	5,799	5,799	4,201
Food services	5,000	-	-	5,000
Facilities acquisition and construction	2,015,000	1,791,547	1,791,547	223,453
Adult/community programs	-	-	-	-
Debt service:				
Principal	347,093	464,979	464,979	(117,886)
Interest and other charges	262,178	230,501	230,501	31,677
Total Expenditures Paid	2,817,771	2,621,278	2,621,278	196,493
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	$ (325,514)	$ (244,940)	(244,940)	$ 80,574
OTHER FINANCING SOURCES (USES):				
Transfers			514,245	
Total other financing sources (uses)			514,245	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES			269,305	
FUND BALANCE, JULY 1, 2022			680,529	
FUND BALANCE, JUNE 30, 2023			$ 949,834	

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

Macon County R-I School District
Combined Funds
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	$ 7,220,866	$ 7,696,399	$ 7,696,399	$ 475,533
County	1,185,485	1,316,376	1,316,376	130,891
State	5,434,660	5,529,555	5,529,555	94,895
Federal	3,340,815	2,220,562	3,629,179	288,364
Other revenue	-	1,220	1,220	1,220
From other districts	241,020	217,391	217,391	(23,629)
Total Revenues Collected	17,422,846	16,981,503	18,390,120	967,274
EXPENDITURES PAID:				
Instruction	8,002,450	8,607,590	8,607,590	(605,140)
Attendance	34,526	10,183	10,183	24,343
Guidance	314,063	307,798	307,798	6,265
Health services	284,706	297,376	297,376	(12,670)
Improvement of instruction	37,434	114,477	114,477	(77,043)
Professional development	44,700	33,417	33,417	11,283
Media services	187,275	189,598	189,598	(2,323)
Executive administration	1,297,650	1,562,436	1,562,436	(264,786)
Building level administration	752,925	803,993	803,993	(51,068)
Operation of plant	1,308,159	1,284,148	1,284,148	24,011
Pupil transportation	715,152	716,670	716,670	(1,518)
Food services	510,958	597,849	597,849	(86,891)
Adult/community programs	281,301	312,502	312,502	(31,201)
Facilities acquisition and construction	2,015,000	1,791,547	1,791,547	223,453
Debt service:				
Principal	347,093	464,979	464,979	(117,886)
Interest and other charges	262,178	230,501	230,501	31,677
Total Expenditures Paid	16,395,570	17,325,064	17,325,064	(929,494)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	$ 1,027,276	$ (343,561)	1,065,056	$ 37,780
FUND BALANCE, JULY 1, 2022			4,787,492	
FUND BALANCE, JUNE 30, 2023			$ 5,852,548	

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

1 SUMMARY OF SIGNIFICANT BUDGETARY ACCOUNTING POLICIES

Budgets and Budgetary Accounting

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

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

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

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

4) Prior to July 1, a tentative budget is legally enacted by a vote of the Board of Education. Prior to September 1, a final budget is approved.

5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. Unused appropriations lapse at the end of each fiscal year.

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

Macon County R-I School District
Schedule of Revenues Collected by Source
Year Ended June 30, 2023

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
Local				
Current property taxes	$ 3,861,979	$ -	$ 591,923	$ 4,453,902
Delinquent property taxes	204,780	2,479	28,262	235,521
Sales tax	226,623	1,386,943	-	1,613,566
Financial institution tax	1,879	-	-	1,879
M & M in lieu and city sales taxes	162,810	-	77,798	240,608
Earnings on investments	44,537	21,280	11,400	77,217
Food service - program	200,133	-	-	200,133
Food service - non-program	5,449	-	-	5,449
Student activities	639,210	-	-	639,210
Community services	59,311	-	-	59,311
Gifts	-	-	-	-
Other	169,153	450	-	169,603
Total Local	5,575,864	1,411,152	709,383	7,696,399
County				
Fines and escheats	-	64,949	-	64,949
State assessed utility taxes	1,041,654	-	209,773	1,251,427
Other	-	-	-	-
Total County	1,041,654	64,949	209,773	1,316,376
State				
Basic formula	-	3,921,183	-	3,921,183
Transportation	372,463	-	-	372,463
Early childhood special education	-	79,567	-	79,567
Basic formula - classroom trust fund	82,751	391,933	42,505	517,189
Career education	33,479	263,127	4,840	301,446
Food service	2,927	-	-	2,927
Adult education & literacy	48,440	-	-	48,440
High need fund	115,687	-	-	115,687
Educational screening program	12,346	-	-	12,346
School safety grant	150,000	-	-	150,000
Other	8,307	-	-	8,307
Total State	826,400	4,655,810	47,345	5,529,555
Federal				
Vocational	19,145	87,214	-	106,359
Individuals with disabilities	99,220	322,096	-	421,316
ARP - ERRER III	-	479,521	1,364,791	1,844,312
CRRSA - ESSER II	-	4,118	-	4,118
CARES-Governor's emergency ed relief fund	18,854	-	-	18,854
Food service	547,459	-	-	547,459
CRRSA - GEER II	855	-	-	855
Title I, ESEA	81,853	213,422	43,826	339,101
Title II, ESEA	3,541	59,412	-	62,953
Title III, ESEA	-	-	-	-
Title IV.A Student support & academic enrichment	14,242	12,100	-	26,342
Titile VI, Part B rural education initiative	-	-	-	-
Adult basic education	148,881	-	-	148,881
Other restricted federal revenue	108,629	-	-	108,629
Total Federal	1,042,679	1,177,883	1,408,617	3,629,179
Other non-current	-	-	1,220	1,220
From other districts	-	217,391	-	217,391
Total Revenues	$ 8,486,597	$ 7,527,185	$ 2,376,338	$ 18,390,120

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

Macon County R-I School District
Schedule of Expenditures Paid by Object
Year Ended June 30, 2023

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
Salaries	$ 1,503,357	$ 6,405,420	$ -	$ 7,908,777
Employee benefits	811,781	1,957,524	-	2,769,305
Purchased services	1,580,352	462,429	-	2,042,781
Supplies	1,982,923	-	-	1,982,923
Capital outlay	-	-	1,925,798	1,925,798
Other objects	-	-	695,480	695,480
Total	$ 5,878,413	$ 8,825,373	$ 2,621,278	$ 17,325,064

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

Macon County R-I School District
Summary Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance
Year Ended June 30, 2023

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Totals (Governmental Fund)
REVENUES COLLECTED	$ 8,486,597	$ 7,527,185	$ 2,376,338	$ 18,390,120
EXPENDITURES PAID	5,878,413	8,825,373	2,621,278	17,325,064
EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	2,608,184	(1,298,188)	(244,940)	1,065,056
OTHER FINANCING SOURCES (USES)				
Transfers	(840,976)	326,731	514,245	-
Total other financing sources (uses)	(840,976)	326,731	514,245	-
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	1,767,208	(971,457)	269,305	1,065,056
FUND BALANCE, JULY 1, 2022	3,135,506	971,457	680,529	4,787,492
FUND BALANCE, JUNE 30, 2023	$ 4,902,714	$ -	$ 949,834	$ 5,852,548

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

Macon County R-I School District
Schedule of Transportation Costs Eligible for State Aid
Year Ended June 30, 2023

	District Owned	Handicapped District Owned	Total
Noncertified salaries	$ 316,384	$ 45,192	$ 361,576
Fringe benefits	111,381	13,652	125,033
Purchased services	29,929	-	29,929
Supplies	177,723	14,480	192,203
Capital	5,799		5,799
Total	$ 641,216	$ 73,324	$ 714,540

Nonroute contracted transportation	$ 2,130
School buses purchased	$ -
School buses leased/purchased:	
Principal	$ -
Interest	$ -
Transportation revenues from other districts	$ -

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

Macon County R-I School District
Schedule of State Financial Assistance
Year Ended June 30, 2023

State Grantor/Program Title	Balance June 30, 2022	Receipts	Disbursements	Balance June 30, 2023
Department of Elementary and Secondary Education:				
Basic Formula	$ -	$ 3,921,183	$ 3,921,183	$ -
Transportation	-	372,463	372,463	-
Early Childhood Special Education	-	79,567	79,567	-
Basic Formula - Classroom Trust Fund	-	517,189	517,189	-
Career Education/ At Risk	-	301,446	301,446	-
Food Service	-	2,927	2,927	-
Educational Screening	-	12,346	12,346	-
Adult Education & Literacy	-	48,440	48,440	-
High Need Fund	-	115,687	115,687	-
School Safety Grant	-	150,000	150,000	-
Other	-	8,307	8,307	-
Total State Financial Assistance	$ -	$ 5,529,555	$ 5,529,555	$ -

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

Macon County R-I School District
Public School Retirement System of Missouri
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Year Ended June 30, 2023

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.1364%	$ 5,595,913	$ 6,080,524	92.03%	89.34%
6/30/2015	0.1411%	$ 8,145,506	$ 6,407,681	127.12%	85.78%
6/30/2016	0.1359%	$ 10,111,842	$ 6,296,812	160.59%	82.18%
6/30/2017	0.1387%	$ 10,016,255	$ 6,575,825	152.32%	83.77%
6/30/2018	0.1368%	$ 10,181,280	$ 6,616,391	153.88%	84.06%
6/30/2019	0.1384%	$ 10,214,017	$ 6,811,939	149.94%	84.62%
6/30/2020	0.1283%	$ 11,458,109	$ 6,423,156	178.39%	82.01%
6/30/2021	0.1268%	$ 2,807,070	$ 6,533,260	42.96%	95.81%
6/30/2022	0.1286%	$ 9,946,188	$ 6,781,953	146.66%	86.04%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.*

Macon County R-I School District
Public School Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2023

Year Ended*	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$ 876,556	$ 876,556	$ -	$ 6,075,724	14.43%
6/30/2014	$ 878,173	$ 878,173	$ -	$ 6,080,524	14.44%
6/30/2015	$ 926,503	$ 926,503	$ -	$ 6,407,681	14.46%
6/30/2016	$ 910,486	$ 910,486	$ -	$ 6,296,812	14.46%
6/30/2017	$ 948,722	$ 948,722	$ -	$ 6,575,825	14.43%
6/30/2018	$ 954,026	$ 954,026	$ -	$ 6,616,391	14.42%
6/30/2019	$ 984,989	$ 984,989	$ -	$ 6,811,939	14.46%
6/30/2020	$ 928,549	$ 928,549	$ -	$ 6,423,156	14.46%
6/30/2021	$ 944,121	$ 944,121	$ -	$ 6,533,660	14.45%
6/30/2022	$ 982,028	$ 982,028	$ -	$ 6,781,953	14.48%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Macon County R-I School District
Public Education Employee Retirement System of Missouri
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Year Ended June 30, 2023

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.1199%	$ 437,834	$ 1,748,772	25.04%	91.33%
6/30/2015	0.1193%	$ 630,985	$ 1,788,598	35.28%	88.28%
6/30/2016	0.1238%	$ 993,291	$ 1,911,112	51.97%	83.32%
6/30/2017	0.1260%	$ 961,318	$ 2,024,624	47.48%	85.35%
6/30/2018	0.1172%	$ 905,619	$ 1,949,744	46.45%	86.06%
6/30/2019	0.1172%	$ 927,006	$ 2,031,746	45.63%	86.38%
6/30/2020	0.1072%	$ 1,040,437	$ 1,926,166	54.02%	84.06%
6/30/2021	0.1058%	$ 113,939	$ 1,938,756	5.88%	98.36%
6/30/2022	0.1040%	$ 878,923	$ 2,024,384	43.42%	87.92%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.*

Macon County R-I School District
Public Education Employee Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2023

Year Ended*	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$ 112,202	$ 112,202	$ -	$ 1,635,588	6.86%
6/30/2014	$ 119,966	$ 119,966	$ -	$ 1,748,772	6.86%
6/30/2015	$ 122,698	$ 122,698	$ -	$ 1,788,598	6.86%
6/30/2016	$ 131,103	$ 131,103	$ -	$ 1,911,112	6.86%
6/30/2017	$ 138,889	$ 138,889	$ -	$ 2,024,624	6.86%
6/30/2018	$ 133,752	$ 133,752	$ -	$ 1,949,744	6.86%
6/30/2019	$ 139,552	$ 139,552	$ -	$ 2,031,746	6.87%
6/30/2020	$ 132,346	$ 132,346	$ -	$ 1,926,166	6.87%
6/30/2021	$ 133,018	$ 133,018	$ -	$ 1,938,256	6.86%
6/30/2022	$ 139,262	$ 139,262	$ -	$ 2,024,384	6.88%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

STATE COMPLIANCE SECTION

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

Board of Education
Macon County R-I School District
702 North Missouri
Macon, Missouri 63552

We have examined management of Macon County R-I School District's assertions that Macon County R-I School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of attendance, resident membership on the last Wednesday of September and the free and reduced lunch count on the last Wednesday of January; and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2023. Macon County R-I School District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

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

In our opinion, management's assertion that Macon County R-I School District complied with the aforementioned requirements for the year ended June 30, 2023 is fairly stated, in all material respects.

Conrad & Higgins, LLC

Conrad & Higgins, LLC
Princeton, Missouri
December 19, 2023

Macon County R-I School District
Schedule of Selected Statistics
Year Ended June 30, 2023

Type of Audit Performed: Yellow Book: _____ Single Audit: __X___

1 **Calendar** (Sections 160.041, 171.029, 171.031 and 171.033 RSMo)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033 RSMo

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	12		6.9330	160	1,102.6800

Notes:

2 **Attendance Hours**

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

School Code	Grade Level	Full Time Hours	Part Time Hours	Remedial Hours	Other	Summer School	Total
4020	K	97,273.1837	403.0000	-	-	10,836.0900	108,512.2737
4020	1	79,338.1170	747.6167	-	-	7,301.1000	87,386.8337
4020	2	76,312.9002	1,322.8500	-	-	6,922.6800	84,558.4302
4020	3	74,205.0834	-	-	-	6,295.1900	80,500.2734
4020	4	84,314.5835	321.4663	-	-	5,487.5500	90,123.5998
4020	5	80,530.9503	-	-	-	4,139.6000	84,670.5503
3000	6	112,957.8669	-	-	-	4,027.7900	116,985.6569
3000	7	88,466.8170	-	-	-	1,421.2300	89,888.0470
3000	8	97,726.2508	-	-	-	1,485.3300	99,211.5808
1050	9	99,398.0170	-	-	-	540.0000	99,938.0170
1050	10	124,599.8017	-	-	-	1,322.2000	125,922.0017
1050	11	95,740.0007	602.6500	-	-	716.1000	97,058.7507
1050	12	94,261.1187	3,099.2000	-	-	195.0000	97,555.3187
Grand Total		1,205,124.6909	6,496.7830	-	-	50,689.8600	1,262,311.3339

Notes:

Macon County R-I School District
Schedule of Selected Statistics
Year Ended June 30, 2023

3 September Membership

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

School Code	Grade Level	Full Time	Part Time	Other	Total
4020	K	93.00	0.50	-	93.50
4020	1	78.00	-	-	78.00
4020	2	75.00	-	-	75.00
4020	3	69.00	-	-	69.00
4020	4	83.00	-	-	83.00
4020	5	76.00	0.01	-	76.01
3000	6	107.00	-	-	107.00
3000	7	85.00	0.29	-	85.29
3000	8	93.00	-	-	93.00
1050	9	99.00	-	-	99.00
1050	10	123.00	-	-	123.00
1050	11	93.00	4.35	-	97.35
1050	12	105.00	1.74	-	106.74
Grand Total		1,179.00	6.89	-	1,185.89

Notes:

4 Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	90.45	36.72	-	-	127.17
3000	75.72	36.00	-	-	111.72
4020	166.44	70.00	-	-	236.44
Grand Total	332.61	142.72	-	-	475.33

Notes:

5 Finance

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

1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program - Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience	N/A
	Dual Enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	N/A
3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	$50,000
6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting	TRUE
7	The district maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo.	N/A

5 Finance (continued)

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

8	Salaries reported for educators in the October MOSIS Educator Core and Educator School Files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	TRUE
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).	N/A
10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools).	TRUE
12	The amount spent for approved professional development committee plan activities was:	$33,417
13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	TRUE

Notes:

Findings #:

Management Letter Comment #:

6 Transportation (Section 163.161, RSMo)

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

1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	TRUE
2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	TRUE

6 **Transportation** (Section 163.161, RSMo) (continued)

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

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)

• **ADT**	538.50
• **Ineligible ADT**	213.50

4 The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. TRUE

5 Actual odometer records show the total district/charter-operated and contracted mileage for the year was: 194,513

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**	143,742
* **Ineligible Miles** (Non-Route/Disapproved)	50,771

7 Number of days the district/charter school operated the school transportation system during the regular school year: 160

Notes:

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

Findings #:

Management Letter Comment #:

Macon County R-I School District
Schedule of State Findings
Year Ended June 20, 2023

Reference	Finding
	Findings- Financial Statement Audit
2023-1	There were no prior year audit findings.

FEDERAL COMPLIANCE SECTION

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

Board of Education
Macon County R-I School District
Macon, Missouri 63552

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macon County R-I School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Macon County R-I School District's basic financial statements and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Macon County R-I School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Macon County R-I School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Macon County R-I School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon County R-I School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Macon County R- I School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Macon County R-I School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Macon County R-I School District's response was not subject 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 on 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.



Conrad & Higgins, LLC
Princeton, Missouri
December 19, 2023

CONRAD & HIGGINS, LLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Education
Macon County R-I School District
Macon, Missouri 63552

Report on Compliance for Each Major Federal Program

Opinion On Each Major Federal Program

We have audited Macon County R-I School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Macon County R-I School District's major federal programs for the year ended June 30, 2023. Macon County R-I School 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, Macon County R-I School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30,2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 US Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, 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 Macon County R-I School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Macon R-I School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Macon County R-I School 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 Macon County R-I School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from

fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is 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 Macon County R-I School District's compliance with the requirements of each major federal program as a whole.

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

* Exercise professional judgement 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 Macon County R-I School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

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

Report on Internal Control Over Compliance

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

Conrad & Higgins, LLC

Conrad & Higgins, LLC
Chillicothe, Missouri
December 19, 2023

Macon County R-I School District
Schedule of Expenditures of Federal Awards
June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantors Number	Disbursements
Child Nutrition Cluster			
U.S. Department of Agriculture			
Pass-through State Department of Elementary and Secondary Education:			
National School Lunch Program	10.555	061-156	$ 425,331
National School Breakfast Program	10.553	061-156	122,128
Food Distribution Program (Note 4)	10.555	061-156	53,117
Total Pass-through State Department of Elementary and Secondary Education			600,576
Total U.S. Department of Agriculture			600,576
Total Child Nutrition Cluster			600,576
U.S. Department of Education			
Pass-through State Department of Elementary and Secondary Education:			
Special Education Cluster			
Special Education Grants to States	84.027	061-156	433,495
Special Education Grants to States - ECSE	84.027	061-156	46,052
Special Education - Preschool Grants	84.173	061-156	27,626
Total Special Education Cluster			507,173
Other Programs			
ESEA, Title 1	84.010	061-156	296,934
Education Stabilization Funds - ESSER III	84.425U	061-156	1,535,175
Education Stabilization Funds - Teacher Retention	84.425D	061-156	4,118
Education Stabilization Funds - Parent Reimbursement	84.425C	061-156	855
Education Stabilization Funds - Grow Your Own	84.425D	061-156	10,000
Adult Education Grants to States	84.002	061-156	148,881
Career Education	84.048	061-156	78,086
Improving Teacher Quality State Grants	84.367	061-156	40,285
Total U.S. Department of Education			2,621,507
U.S. Department of Health and Human Services			
Pass-through State Department of Elementary and Secondary Education:			
Cooperative Agreements to Promote Adolescent Health	93.079	061-156	200
Total U.S. Department of Health and Human Services			200
Total Federal Financial Assistance			$ 3,222,283

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Macon County R-I School District, Macon, Missouri. The reporting entity is defined in Note 1 to the district's financial statements.

Note 2 - Basis of Accounting

The accompanying schedule is presented using the modified cash basis of accounting, which is described in Note 1 to the district's financial statements.

Note 3 - Relationship to Federal Financial Statements

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports and indicate amounts due to the district as of June 30, 2023 from each related federal program.

Note 4 - Noncash Programs

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. At June 30, 2023, the district had food commodities totaling $ 0 in inventory.

Note 5 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate.

Note 6 - Subrecipients

The District did not provide funds to subrecipients during the year.

Questioned Program	Finding/Noncompliance

Summary of audit results:

1) We have issued a unmodified opinion on the financial statements of the Macon County R-I School District. The government-wide financial statements and the fund financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

2) One significant deficiency was disclosed during the audit of the financial statements and is reported in the 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. No material weaknesses are reported.

3) The audit did not disclose any instances of noncompliance which is material to financial statements of the Macon County R-I School District, which would be required to be reported in accordance with Government Auditing Standards.

4) No significant deficiencies or material weaknesses in internal control over major federal programs were reported.

5) The auditor's report on compliance for the major federal award programs for Macon County R-I School District expresses an unmodified opinion on all major federal programs.

6) There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) in this Schedule.

7) The district's programs tested as major programs were as follows:

a) Education Stabilization Fund (AL # 84.425U, 84.425C, 84.425D)

8) The district did have one Type A program at June 30, 2023. All other programs were Type B programs. The threshold used to distinguish Type A programs from Type B programs was $750,000.

9) The district was not qualified as a low-risk auditee at June 30, 2023.

Findings - Financial Statement Audit

2023-001 — Significant Deficiency : Lack of Segregation of Duties

Condition: Due to the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

Criteria: Internal controls should be designed so that no one person has access to both physical assets and related accounting records or all phases of a transaction.

Questioned Program	Finding/Noncompliance
2023-001 (Cont)	Cause: The district does not have enough available personnel to adequately segregate certain incompatible duties Effect: Due to the limited number of personnel, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Recommendation: The district should consider adding additional personnel as soon as district finances allow, to provide additional segregation of duties. Views of Responsible officials: The size and budget of the Macon County R-I School District limit the application of adequate segregation of duties.

Macon County R-I School District
Schedule of Resolutions of Prior Year Audit Findings
Year Ended June 30, 2023

Program	Finding/Noncompliance
	Findings - Financial Statement Audit
2022-001	Significant Deficiency : Lack of Segregation of Duties Condition: Due to the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties. Criteria: Internal controls should be designed so that no one person has access to both physical assets and related accounting records or all phases of a transaction. Cause: The district does not have enough available personnel to adequately segregate certain incompatible duties Effect: Due to the limited number of personnel, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Recommendation: The district should consider adding additional personnel as soon as district finances allow, to provide additional segregation of duties. Views of Responsible officials: The size and budget of the Macon County R-I School District limit the application of adequate segregation of duties.

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Communication with Those Charged with Governance

at Conclusion of the Audit

December 19, 2023

To the Board of Education and Superintendent
Macon R-I School District
Macon, Missouri 63552

We have audited the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Macon R-I School District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Macon R-I School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Macon R-I School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Macon R-I School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Macon R-I School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on budgetary comparison information, schedules of revenues and expenditures, and retirement reports, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the school board and management of Macon R-I School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Conrad & Higgins, LLC

CONRAD & HIGGINS, LLC

Princeton, MO