

# ELDON R-I SCHOOL DISTRICT

Eldon, Missouri

## INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2021

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3702 West Truman Blvd, Suite 213  
Jefferson City, MO 65109

Phone: (573) 893-7700 Fax: (573) 893-6649

Web: gravescpas.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the  
Eldon R-I School District  
Eldon, Missouri:

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Eldon R-I School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.

### *Basis of Accounting*

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

### *Supplementary Information and Disclaimer of Opinion on Other 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 State Compliance information and the Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information, which consists of the Budgetary Comparison Schedules, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Graves and Associates,  
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

November 15, 2021

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements: Governmental Funds

In addition, the Notes to the Financial Statements are included to provide information essential to a user's understanding of the basic financial statements.

ELDON R-I SCHOOL DISTRICT

STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash, Cash Equivalents, and Investments	\$ 11,266,887
Restricted Cash and Investments	770,195
Restricted Cash and Investments with Fiscal Agent	<u>406,968</u>
TOTAL ASSETS	<u><u>\$ 12,444,050</u></u>
NET POSITION	
Restricted for:	
Retirement of Long-Term Debt	\$ 1,177,163
Unrestricted	<u>11,266,887</u>
TOTAL NET POSITION	<u><u>\$ 12,444,050</u></u>

The accompanying notes are an integral part of these financial statements.

ELDON R-I SCHOOL DISTRICT

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenditures	Program Cash Revenues			Net (Expenditures) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instructional Services	\$ (11,390,664)	\$ -	\$ 7,476,687	\$ 232,376	\$ (3,681,601)
Student Services	(1,040,240)	449,163	-	-	(591,077)
Instructional Staff Support	(485,861)	-	-	-	(485,861)
Building Administration	(1,135,264)	-	-	-	(1,135,264)
General Administration and Central Services	(1,350,710)	-	-	-	(1,350,710)
Operation of Plant	(2,040,140)	-	-	-	(2,040,140)
Transportation	(904,421)	-	136,530	-	(767,891)
Food Service	(258,840)	62,793	8,591	-	(187,456)
Community Service	(1,654,899)	-	-	-	(1,654,899)
Facility Acquisition and Construction	(2,641,765)	-	-	-	(2,641,765)
Debt Services	(666,296)	-	-	-	(666,296)
Interest	(280,570)	-	-	-	(280,570)
Total Governmental Activities	<u>\$ (23,849,670)</u>	<u>\$ 511,956</u>	<u>\$ 7,621,808</u>	<u>\$ 232,376</u>	<u>(15,483,530)</u>
General Revenues:					
Property Taxes					8,035,407
Sales Taxes					1,969,274
State Aid					6,156,868
Fines					112,667
Investment Income					60,110
Proceeds From Bond Issuance					2,500,000
Premium on Bonds					421,624
Proceeds From Sales					6,500
Other Revenue					452,117
Total General Revenues					<u>19,714,568</u>
Increase (Decrease) in Net Position					4,231,037
Net Position, Beginning of Year					<u>8,213,013</u>
Net Position, End of Year					\$ 12,444,050

The accompanying notes are an integral part of these financial statements.

ELDON R-I SCHOOL DISTRICT  
BALANCE SHEET – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash, Cash Equivalents and Investments	\$ 8,915,062	\$ -	\$ -	\$ 2,351,825	\$ 11,266,887
Restricted Cash and Investments	-	-	770,195	-	770,195
Restricted Cash and Investments with Fiscal Agent	-	-	406,968	-	406,968
<b>TOTAL ASSETS</b>	<u><u>\$ 8,915,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,177,163</u></u>	<u><u>\$ 2,351,825</u></u>	<u><u>\$ 12,444,050</u></u>
<b>FUND BALANCES</b>					
Fund Balances:					
Restricted for:					
Retirement of Long-Term Debt	\$ -	\$ -	\$ 1,177,163	\$ -	\$ 1,177,163
Committed to:					
Construction	-	-	-	786,032	786,032
Assigned to:					
Other Capital Expenditures	-	-	-	1,565,793	1,565,793
Unassigned	8,915,062	-	-	-	8,915,062
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 8,915,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,177,163</u></u>	<u><u>\$ 2,351,825</u></u>	<u><u>\$ 12,444,050</u></u>

The accompanying notes are an integral part of these financial statements.

ELDON R-I SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	\$ 6,894,153	\$ 1,969,274	\$ 1,004,210	\$ 48,895	\$ 9,916,532
County	612,960	112,667	83,061	-	808,688
State	1,254,379	6,156,868	-	232,376	7,643,623
Federal	4,138,646	1,876,169	-	352,613	6,367,428
Investment Income	49,104	929	7,422	2,656	60,111
Other	-	176,601	-	-	176,601
Total Revenues	12,949,242	10,292,508	1,094,693	636,540	24,972,983
Expenditures					
Instructional Services	2,952,805	8,241,835	-	196,024	11,390,664
Support Services	443,955	586,352	-	9,933	1,040,240
Instructional Staff Support	212,614	263,314	-	9,933	485,861
Building Administration	375,727	732,130	-	27,407	1,135,264
General Administration and Central Services	860,648	475,065	-	14,997	1,350,710
Operation of Plant	1,993,917	-	-	46,223	2,040,140
Transportation	730,413	-	-	174,008	904,421
Food Service	168,122	-	-	90,718	258,840
Community Service	1,313,598	341,301	-	-	1,654,899
Facility Acquisition and Construction	-	-	-	2,641,765	2,641,765
Debt Services	-	-	901,666	45,200	946,866
Total Expenditures	9,051,799	10,639,997	901,666	3,256,208	23,849,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,897,443	(347,489)	193,027	(2,619,668)	1,123,313
Other Financing Sources (Uses)					
Proceeds from Sales	-	-	-	186,100	186,100
Proceeds from Bond Issuance	-	-	-	2,500,000	2,500,000
Premium on Bonds	-	-	-	421,624	421,624
Transfers To (From) Fund	(1,187,407)	347,489	-	839,918	-
Total Other Financing Sources (Uses)	(1,187,407)	347,489	-	3,947,642	3,107,724
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	2,710,036	-	193,027	1,327,974	4,231,037
Fund Balance, Beginning of Year	6,205,026	-	984,136	1,023,851	8,213,013
Fund Balance, End of Year	<u>\$ 8,915,062</u>	<u>\$ -</u>	<u>\$ 1,177,163</u>	<u>\$ 2,351,825</u>	<u>\$ 12,444,050</u>

The accompanying notes are an integral part of these financial statements.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Eldon R-I School District (the “District”) is a political subdivision of the State of Missouri and is governed by an elected seven member Board of Education.

As discussed further in Note 1, these financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (“U.S. GAAP”) established by the Governmental Accounting Standards Board (“GASB”). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Financial Reporting Entity

The District’s financial reporting entity is comprised of the following:

Primary Government: Eldon School District

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The Statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District currently does not have business-type activities.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, net position or fund balance, revenues, and expenditures. The District's funds are organized into one major category: governmental. The District presently has no fiduciary or proprietary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- Total assets, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- Total assets, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described below:

The Missouri Department of Elementary and Secondary Education has directed the following governmental funds to be treated as major:

Governmental Funds

General Fund – The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund, including student activities, food service, and textbook funds which are not designated in a separate fund.

Special Revenue Fund – The Special Revenue Funds are used to account for the proceeds of the specific revenue source that are either legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue fund:

Teachers' Fund – The Teachers' Fund is used to account for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State of Missouri for the payment of teachers' salaries and the local tax levy.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and fiscal charges on general long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources restricted, committed, or assigned for capital outlays; including the acquisition or construction of specific capital facilities or other capital items. It also accounts for the proceeds of long-term debt, taxes, and other revenues designated for construction of major capital assets and all other capital outlay.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the Government-Wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below:

In the fund financial statements, the current financial resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets are generally included on their Balance Sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

The financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than U.S. GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances may include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

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

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Financial Position

Cash and Cash Equivalents

For the purpose of financial reporting, cash and cash equivalents include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less from date of purchase.

Investments

Investments are carried at cost which approximates market.

Capital Assets

As a result of the use of the modified cash basis of accounting, capital assets are recorded as expenditures at the time of purchase and, therefore, no balances for assets or accumulated depreciation are reported in the Balance Sheet.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Position (Continued)

Restricted Assets

Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are accounts restricted for debt service.

Long-Term Debt

Long-term debts arising from cash transactions for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The District's long-term debt consists primarily of bonds payable and certificates of participation.

Net Position/Fund Balance Classifications

*Government-Wide Financial Statements:*

Net position is classified and displayed in two components:

*Restricted* – Consists of restricted assets with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

*Unrestricted* – Net amount of assets that are not included in the determination of the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Position (Continued)

Net Position/Fund Balance Classifications (Continued)

*Fund Financial Statements:* (Continued)

The difference among assets of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

- **Nonspendable:** Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted:** Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority (i.e. the Board of Education).
- **Assigned:** Amounts constrained by the District's intent to be used for specific purposes but that are neither restricted nor committed. Intent can be expressed by the District's Board of Education or by an official body to which the Board of Education delegates authority.
- **Unassigned:** The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by passage of a motion or a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt services, or for other purposes).

In the General Fund, the District strives to maintain an unassigned fund balance not less than 10% of the actual expenditures for the prior fiscal year.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Financial Position (Continued)

Net Position/Fund Balance Classifications (Continued)

*Fund Financial Statements: (Continued)*

Order of Spending

It is the District's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted balances are available. It is also District policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

Revenues, Expenditures, and Expenses

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the District are reported as program revenues. The District has or may have the following program revenues:

*Program Revenues*

*Examples*

Charges for Services

Tuition, adult/continuing education, transportation fees, sales, rentals, community services, food services – non program, admissions, student organization membership dues and fees

Operating Grants and Contributions

Gifts, professional development committee portion of basic formula funds, state transportation funds, various state and federal grants

Capital Grants and Contributions

Gifts, various state and federal grants

All other governmental revenues are reported as general. All taxes are classified as general revenues even if restricted for a specific purpose.

Expenditures

In the government-wide financial statements, expenditures are reported on the modified cash basis of accounting and are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows: District.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Internal and Interfund Balances and Activities

Fund Financial Statements:

Interfund activity resulting from cash transactions or events, if any, within the governmental fund categories is reported as follows in the fund financial statements:

- Interfund loans – Amounts provided with requirement for repayment are reported as interfund receivables and payables.
- Interfund reimbursements – Repayments from funds responsible for certain expenditures to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures in the respective funds.
- Interfund transfers – Flow of assets from one fund to another when payment is not expected are reported as transfers in and out.
- Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures.

Government-Wide Financial Statements:

Interfund activity and balances resulting from cash transactions or events, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position.
- Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds are not eliminated in the Statement of Activities.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain amounts and disclosures; accordingly, actual results could differ from those estimates.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS:

Deposits

The District maintains a cash and temporary cash investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the Balance Sheet – Modified Cash Basis – Governmental Funds as “Cash and Investments” under each fund's caption.

*Custodial Credit Risk* – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of the year ended, the carrying amount of the District's deposits was \$519,827, and the bank balance was \$2,057,261. Of the bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation (“FDIC”) and \$1,807,261, was covered by collateral held at the District's safekeeping bank agent, in the District's name.

*Investment Interest Rate Risk* – The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Investment Credit Risk* – The District places no limit on the amount it may invest in any one issuer. As of the year ended, the District had no concentration of credit risk.

*Investment Credit Risk* – The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The District invests in Missouri Securities Investment Program (MOSIP) (the “Fund”). All funds in the MOSIP are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each District owns a pro-rata share of each investment or deposit which is held in the name of the Fund. The investment contracts are rated in either of the two highest rating categories. Balances in the portfolio are not insured or guaranteed by FDIC.

	Carrying Amount	Market Value
MOSIP Money Funds	\$ 11,638,775	\$ 11,638,775
MO. School District		
Direct Deposit Program – Bond Escrow	406,968	406,968
Total	<u>\$ 12,045,742</u>	<u>\$ 12,045,742</u>

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 – LONG-TERM DEBT:

Governmental Activities:

General Obligation Bonds

The following is a summary of bond transactions as of the year ended:

Bonds payable, Beginning	\$ 10,132,354
Bonds issued	2,500,000
Bonds retired	<u>(620,000)</u>
Bonds payable, Ending	<u>\$ 12,012,354</u>

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

Summary of Bonds Outstanding

\$2,500,000 General Obligation Bonds, Series  
2020 due in varying installments through March 1,  
2040; interest at 5.0%  
2020 Series Total \$ 2,500,000

\$3,970,000 General Obligation Refunding  
Bonds, Series 2019 due in varying installments  
through March 1, 2034; interest at 1.3%  
to 3.0%. The District will realize a net present value  
benefit of approximately \$389,706, from the  
refunding.  
2019 Series Total 3,945,000

\$7,140,000 General Obligation Refunding  
Bonds, Series 2016 due in varying installments  
through March 1, 2028; interest at 1.1%  
to 1.9%. The District will realize a net present value  
benefit of approximately \$197,723, from the  
refunding.  
2016 Series Total 4,890,000

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 – LONG-TERM DEBT: (Continued)

Summary of Bonds Outstanding (Continued)

\$677,354 General Obligation Bonds, Series 2014B due in a single payment March 1, 2029; interest at 0%	
2014B Series Total	<u>\$ 677,354</u>
Total Bonds Payable	<u>\$ 12,012,354</u>

The annual requirements for bonds payable outstanding as of the year ended were as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 640,000	\$ 320,923	\$ 960,923
2023	665,000	312,910	977,910
2024	695,000	303,945	998,945
2025	720,000	293,145	1,013,145
2026	750,000	281,275	1,031,275
2027-2031	4,322,354	1,166,610	5,488,964
2032-2036	2,475,000	701,300	3,176,300
2037-2040	1,745,000	223,500	1,968,500
Total	<u>\$12,012,354</u>	<u>\$ 3,603,608</u>	<u>\$ 15,615,962</u>

As of the year ended, the District paid bond interest expense of \$280,570.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 – INTERFUND TRANSFERS:

Interfund transfers as of the year ended consisted of the following:

Transfers from the General fund:

*Special Revenue Fund*

To zero out Teacher's Fund

Total transfers to Special Revenue Fund                      \$ 347,489

*Capital Projects Fund*

\$162,326 or 7%xSATxWADA

Total transfers to Capital Projects Fund                      \$ 839,918

Total Transfers from the General Fund                      \$1,187,407

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 – RETIREMENT PLAN:

The District reports on the modified cash basis of accounting. Therefore, the District's unfunded portion of the net pension liability is not reflected in the financial statements.

Public School Retirement System of Missouri (PSRS)

*Plan Description.* Public School Retirement System of Missouri ("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 PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987, and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-third's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The member's benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at <https://www.psr-peers.org>.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN: (Continued)

Public School Retirement System of Missouri (PSRS) (Continued)

*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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at <https://www.psrs-peers.org>.

*Contributions.* PSRS members are required to contribute a percentage of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ended were equal to the required contributions. The annual statutory increase in the total contribution rate may not exceed 1% of pay. The contributions for the last three fiscal years were as follows:

<u>Year Ended</u>	<u>Amount of Employer Contribution</u>	<u>Percentage of Contributions</u>
2021	\$ 1,249,029	14.5%
2020	\$ 1,221,624	14.5%
2019	\$ 1,164,475	14.5%

Public Education Employee Retirement System (PEERS)

*Plan Description.* The District also contributes to the Public Education Employee Retirement System ("PEERS"), a mandatory cost sharing multiple-employer retirement system for all public school district employees in Missouri (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 do not contribute to PSRS must contribute to PEERS. Certain part-time certified employees may be covered by this plan. Positions covered by PEERS are also covered by social security.

*Benefits Provided.* PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Benefit provisions are set forth in Section 169.600-169.715 and 169.560-169.595, of the Missouri Revised Statutes. The Statutes assign responsibility for the administration of the system to the Board of Trustees of the PSRS of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. A Summary Plan Description detailing the provisions of the plan can be found on PEERS' website at <https://www.psrs-peers.org>.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN: (Continued)

Public Education Employee Retirement System (PEERS) (Continued)

*Contributions.* PEERS members are required to contribute a percentage of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PEERS for the year ended were equal to the required contributions. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay. The contributions for the last three fiscal years were as follows:

<u>Year Ended</u>	<u>Amount of Employer Contribution</u>	<u>Percentage of Contributions</u>
2021	\$ 243,547	6.86%
2020	\$ 245,582	6.86%
2019	\$ 239,627	6.86%

NOTE 6 – RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; natural disasters; employee injuries and illnesses; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 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.

Litigation – Various claims and lawsuits are possible against the District. In the opinion of District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

NOTE 8 – TEACHERS' SALARIES:

Payroll checks written and dated in June, for July and August 2021 payroll from 2020-21 contracts, are included in the financial statements as expenditures paid in the month of June. This practice has been consistently followed in previous years.

ELDON R-I SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS:

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

NOTE 10 – 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 taxes and remits them to the District on a monthly basis. All unpaid taxes become delinquent January 1, of the following year.

The District also receives sales tax collected by the State of Missouri and remitted based on eligible pupil counts. 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 elected a full waiver of the rollback as of the year ended.

The assessed valuation of the tangible property for calendar year 2020, for the purposes of local taxation, was as follows:

Miller County	\$111,413,468
Morgan County	82,204,325
Moniteau County	<u>913,559</u>
Total	<u>\$194,531,352</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020, for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.2170	\$ 3.2170
Debt Service Fund	<u>0.5100</u>	<u>0.5100</u>
TOTAL	<u>\$ 3.7270</u>	<u>\$ 3.7270</u>

The revenues of current and delinquent property taxes during the fiscal year ended aggregated approximately 101% for Miller County; 99% for Morgan County; and 97% for Moniteau County, of the current assessment computed on the basis of the levy shown above.

NOTE 11 – CONSTRUCTION COMMITMENTS:

The District had a commitment for middle school classroom additions in the amount of \$786,032, as of the year ended.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 – TAX ABATEMENTS:

The Eldon School District is subject to three projects through which tax abatements are provided:

*Industrial Development Project.* This project authorizes cities, counties, towns, and villages to issue industrial development revenue bonds to finance the purchase, construction, extension, and improvement of warehouses, distribution facilities, research and development facilities, office industries, agriculture processing industries, service facilities that provide interstate commerce, industrial plants, and other commercial facilities.

The Board of Alderman of Eldon, Missouri, (the “City”) issued taxable development revenue bonds in aggregate principle amounts not to exceed \$7,500,000 (the “2014 Bonds”) to finance the costs of an industrial development project for Johnson Controls, Inc. The 2014 Bonds are authorized by the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27(b) of the Missouri Constitution, as amended.

The Board of Alderman of the City issued taxable development revenue bonds in a principal amount not to exceed \$80,000,000 (the “2018 Bonds”) to finance the cost of a proposed industrial development project for the benefit of Quaker Window Products Co. The 2018 Bonds are authorized by the provision of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, and Article VI, Section 27 (b) of the Missouri Constitution, as amended.

*Eldon Assisted Living Chapter 353 Development Plan* This plan provides for real property tax abatement for the Redevelopment Project pursuant to Section 353.110, RSMo. The Eldon Assisted Living Redevelopment Corporation (the “Corporation”), in an effort to remediate the blighting conditions currently burdening the Redevelopment Area, promote redevelopment of an aging vacant industrial building, maximize the use of and update existing public infrastructure, including create new construction and health care employment, the Development Plan proposes rehabilitation of a vacant industrial building to establish a 48-bed assisted living facility with 12 units of memory care and appurtenant private and public infrastructure improvements, including parking lots, street improvements, water system and sanitary sewer facilities (the Redevelopment Project).

The Board of Alderman of the City enacted into law Ordinance No. 2017-46 approving the Eldon Assisted Living Chapter 353 Redevelopment Area Plan. Property tax abatement is equal to 100% for the first ten (10) years and 50% for the next fifteen (15) years. After a period totaling twenty-five (25) years, the real property will be subject to payment of all *ad valorem* taxes.

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 – TAX ABATEMENTS: (Continued)

For the ended, the District abated taxes as follows:

<b>Tax Abatement Project</b>	<b>Amount Abated During the Year (in thousands)</b>
Industrial Development Project (2014 Bonds)	\$ 11,551
Industrial Development Project (2018 Bonds)	\$ 150,648
Eldon Assisted Living Chapter 353 Development Plan	\$ 20,153

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 15, 2021, the date which the financial statements were available to be issued.

On March 11, 2020, Coronavirus (“COVID-19”) was declared a pandemic by the World Health Organization. As of the date of this report, any potential effects of COVID-19, whether operational or financial, for the District are unknown. An estimate of the actual effects, whether operational or financial, cannot be reasonably determined as of the date of this report.

## OTHER INFORMATION

ELDON R-I SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local	\$ 6,798,977	\$ 6,894,153	\$ 6,894,153	\$ -
County	454,856	612,960	612,960	-
State	1,026,332	1,254,379	1,254,379	-
Federal	3,493,794	4,138,646	4,138,646	-
Investment Income	126,966	49,104	49,104	-
Other	800	-	-	-
Total Revenues	11,901,725	12,949,242	12,949,242	-
Expenditures				
Instructional Services	2,890,970	2,952,805	2,952,805	-
Support Services	462,134	443,955	443,955	-
Instructional Staff Support	263,880	212,614	212,614	-
Building Administration	393,066	375,727	375,727	-
General Administration and Central Services	974,117	860,648	860,648	-
Operation of Plant	2,094,062	1,993,917	1,993,917	-
Transportation	934,035	730,413	730,413	-
Food Service	1,014,805	168,122	168,122	-
Community Service	484,522	1,313,598	1,313,598	-
Total Expenditures	9,511,591	9,051,799	9,051,799	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,390,134	3,897,443	3,897,443	-
Other Financing Sources (Uses)				
Transfers To (From) Fund	(1,187,407)	(1,187,407)	(1,187,407)	-
Total Other Financing Sources (Uses)	(1,187,407)	(1,187,407)	(1,187,407)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	1,202,727	2,710,036	2,710,036	-
Fund Balance, Beginning of Year	6,205,026	6,205,026	6,205,026	-
Fund Balance, End of Year	\$ 7,407,753	\$ 8,915,062	\$ 8,915,062	\$ -

ELDON R-I SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local	\$ 1,816,555	\$ 1,969,274	\$ 1,969,274	\$ -
County	105,695	112,667	112,667	-
State	5,969,376	6,156,868	6,156,868	-
Federal	-	1,876,169	1,876,169	-
Investment Income	5	929	929	-
Other	223,045	176,601	176,601	-
Total Revenues	8,114,676	10,292,508	10,292,508	-
Expenditures				
Instructional Services	8,102,926	8,241,835	8,241,835	-
Support Services	579,654	586,352	586,352	-
Instructional Staff Support	293,415	263,314	263,314	-
Building Administration	739,592	732,130	732,130	-
General Administration and Central Services	527,352	475,065	475,065	-
Community Service	383,658	341,301	341,301	-
Total Expenditures	10,626,597	10,639,997	10,639,997	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,511,921)	(347,489)	(347,489)	-
Other Financing Sources (Uses)				
Transfers To (From) Fund	2,511,921	347,489	347,489	-
Total Other Financial Sources (Uses)	2,511,921	347,489	347,489	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

ELDON R-I SCHOOL DISTRICT  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2021

Budget Law

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

1. In accordance with Section 67, RSMo, the District adopts a budget for each fund of the political subdivision.
2. Prior to July, the Assistant 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, the budget is legally enacted by a vote of the Board of Education.
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 of Education. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgeted amounts are as originally adopted or as amended by the Board of Education.
7. Budgets for district funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid. Budgets lapse at year end.

# SUPPLEMENTARY INFORMATION

## Federal Compliance Section

Eldon R-I School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
<b>Child Nutrition Cluster</b>			
United States Department of Agriculture Pass-Through Programs			
Passed-through MO DESE			
CARES National School Lunch Program	10.555	066-102	\$ 44,078
CARES Snack Payment	10.555	066-102	2,262
CARES School Breakfast Program	10.555	066-102	22,834
Noncash	10.555	066-102	79,945
<i>Total Passed-through MO DESE</i>			149,119
Passed-through MO Health and Senior Services			
Summer Food Service Program for Children	10.559	ERS0461908S	1,384,842
<b>Total Child Nutrition Cluster</b>			1,533,961
<b>Other Programs</b>			
Corporation for National and Community Service Pass-Through Programs			
Passed-through MO DED			
AmeriCorps	94.006	12ESHMO0010002	319,505
<i>Total Corporation for National and Community Service</i>			319,505
Department of Education Pass-Through Programs			
Passed-through MO DESE			
<b>IDEA Cluster</b>			
IDEA Special Education Grants to States	84.027	066-102	401,114
ECSE - Federal (611)	84.027	066-102	46,569
ECSE - Federal (619)	84.173	066-102	6,771
<b>Total IDEA Cluster</b>			454,454
<b>ESF - Section 1</b>			
CRRSA ESSER II	84.425D	066-102	1,983,748
CARES Elementary & Secondary Emergency Relief (ESSER I)	84.425D	066-102	1,424
CARES Student Connectivity	84.425C	066-102	49,083
CARES K-12 Support CRF	84.425	066-102	128,185
CARES Student Access	84.425	066-102	6,650
<i>Total ESF - Section 1</i>			2,169,090
Perkins - Career and Technical Education -- Basic Grants to States	84.048	066-102	121,021
Title I Grants to Local Educational Agencies	84.010	066-102	641,238
Title II.A Improving Teacher Quality State Grants	84.367	066-102	90,658
Title IV.A Student Support and Academic Enrichment	84.242	066-102	44,696
Title V.B Rural Education	84.358	066-102	56,949
Twenty-First Century Community Learning Centers	84.287	066-102	251,997
<i>Total Passed-through MO DESE</i>			4,149,608
<i>Total Department of Education</i>			4,149,608

Eldon R-I School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

(Continued)

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
<i>Department of the Treasury</i>			
<i>Passed-through the South Central Missouri Community</i>			
<i>Action Agency</i>			
Coronavirus Relief Fund			
Coronavirus Relief Fund	21.019	253	787,437
Coronavirus Relief Fund	21.019	253	26,355
Total Coronavirus Relief Fund			813,792
Total Department of the Treasury			813,792
<i>United States Department of Agriculture Pass-Through Programs</i>			
<i>Passed-through MO Dept. Health and Senior Services</i>			
Child and Adult Care Food Program	10.558	ERS46121908	106,278
CARES Child and Adult Care Food Program	10.558	ERS46121908	702
Total Child and Adult Care Food Program			106,980
Total United States Department of Agriculture			106,980
<b>Total Expenditures of Federal Awards</b>			<b>\$ 6,604,341</b>

**BASIS OF PRESENTATION:**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the *Uniform Guidance*.

**FOOD DISTRIBUTION:**

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. As of the year ended, the District had food commodities of \$15,456, in inventory.



3702 West Truman Blvd, Suite 213  
Jefferson City, MO 65109

Phone: (573) 893-7700 Fax: (573) 893-6649

Web: gravescpas.com

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

To the Board of Education of the  
Eldon R-I School District  
Eldon, Missouri:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Eldon R-I School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2021.

*Internal Control over Financial Reporting*

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001, that we consider to be a significant deficiency.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### *The District's Response to Findings*

The District's responses to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### *Purpose of this Report*

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

Graves and Associates,  
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

November 15, 2021

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

To the Board of Education of the  
Eldon R-I School District  
Eldon, Missouri:

*Report on Compliance for Each Major Federal Program*

We have audited the Eldon R-I School District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Responses.

*Management’s Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Auditor’s Responsibility*

Our responsibility is to express an opinion on compliance for each of District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“*The Uniform Guidance*”). Those standards and *The Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the 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, 2021.

### *Report on Internal Control Over Compliance*

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 with governance.

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

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.

Graves and Associates,  
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

November 15, 2021

ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES 2 CFR SECTION 200.515  
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS:

Financial Statements

Type of Financial Statement Opinion: Unmodified

Internal Control Over Financial Reporting (GAGAS):

- Material weakness(es) identified? No
- Significant deficiency(ies) reported? Yes
- Noncompliance material to financial statements noted (GAGAS)? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) reported? No
- Significant deficiency(ies) reported? No

Type of Opinion on Compliance for Major Programs: Unmodified

Are there any reportable findings under 2 CFR Section 200.516(a)? No

Identification of Major Programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

U.S. Department of Education and the U.S. Department of Agriculture

Passed Through the Missouri Department of Elementary and Secondary Education

21.019

Coronavirus Relief Fund

84.425

Education Stabilization Fund

10.553/10.555/10.559

Child Nutrition Cluster

Dollar Threshold: Type A/B Programs

Type A: >\$750,000

Type B: All Others

Low Risk Auditee under 2 CFR Section 200.520?

No

ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES 2 CFR SECTION 200.515  
FOR THE YEAR ENDED JUNE 30, 2021

SECTION II – FINANCIAL STATEMENTS FINDINGS:

SIGNIFICANT DEFICIENCY

2021-001: Segregation of Duties (Resubmitted)

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The District has mitigating controls in place, but it is not possible to have segregation in all areas.

Condition: As in many smaller to medium-sized organizations, it is difficult to obtain proper segregation of duties due to the limited number of employees.

Effect: Due to the limited number of employees, the District might not prevent, or detect and correct, misstatements on a timely basis in the normal performance of duties.

Recommendation: We recognize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, professional standards require that we bring this lack of segregation of duties to your attention. We recommend management continue to review these processes accordingly to optimize the functionality of internal controls.

Response: The District recognizes that the limited number of employees prohibits proper segregation of duties in all areas. The District will continue to review these processes accordingly to optimize the functionality of internal controls.

SECTION III – FEDERAL AWARD FINDINGS:

No matters were reported.



## CORRECTIVE ACTION PLAN

November 15, 2021

### U.S. DEPARTMENT OF EDUCATION AND U.S. DEPARTMENT OF AGRICULTURE

The Eldon R-I School District respectfully submits the following corrective action plan for the year ended June 30, 2021.

Contact Information for the individual responsible for the corrective action:

Mr. Matt Davis, Superintendent  
112 S. Pine Street  
Eldon, MO 65026

Independent Public Accounting Firm:  
Graves and Associates, CPAs, LLC  
3702 West Truman Blvd, Suite 213  
Jefferson City, MO 65109

Audit Period: Year ended June 30, 2021

The findings from the Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

CORRECTIVE ACTION PLAN (Continued)  
November 15, 2021

FINDINGS – FINANCIAL STATEMENT

SIGNIFICANT DEFICIENCY

2021-001: Segregation of Duties (Resubmitted)

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The District has mitigating controls in place, but it is not possible to have segregation in all areas.

Condition: As in many smaller to medium-sized organizations, it is difficult to obtain proper segregation of duties due to the limited number of employees.

Effect: Due to the limited number of employees, the District might not prevent, or detect and correct, misstatements on a timely basis in the normal performance of duties.

Recommendation: We recognize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, professional standards require that we bring this lack of segregation of duties to your attention. We recommend management continue to review these processes accordingly to optimize the functionality of internal controls.

Response: The District recognizes that the limited number of employees prohibits proper segregation of duties in all areas. The District will continue to review these processes accordingly to optimize the functionality of internal controls.

Completion Date: Not Applicable

Sincerely,

A handwritten signature in blue ink that reads "Matt Davis".

Mr. Matt Davis, Superintendent  
Eldon R-I School District

# SUPPLEMENTARY STATE INFORMATION

## State Compliance Section



3702 West Truman Blvd, Suite 213  
Jefferson City, MO 65109

Phone: (573) 893-7700 Fax: (573) 893-6649

Web: gravescpas.com

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

To the Board of Education of the  
Eldon R-I School District  
Eldon, Missouri:

We have examined management's assertion that the Eldon R-I School District (the "District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free and reduced price lunches on the last Wednesday of January; and accurate disclosure by 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, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects with the aforementioned requirements during the year ended June 30, 2021.

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

*Graves and Associates,  
CPAs, LLC*

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

November 15, 2021

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ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021

1. Calendar (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
4020	PK	PK	Y	–	137	456.05
4020	K	3	–	6.3500	173	1,057.8700
4040	4	6	–	6.3500	173	1,057.8700
3000	7	8	–	6.3000	173	1,048.9200
1050	9	12	–	6.2800	173	1,046.3800

2. Average Daily Attendance (ADA)

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4020	PK–3	543.2071	–	–	–	40.6195	583.8266
4040	4–6	370.6714	–	–	–	23.7092	394.3806
3000	7–8	266.3596	–	–	–	12.1609	278.5205
1050	9–12	495.2184	–	3.3575	–	9.9655	508.5414
<b>Grand Total</b>		1,675.4565	–	3.3575	–	86.4551	1,765.2691

3. September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	PK–3	570.00	–	–	570.00
4040	4–6	396.00	–	–	396.00
3000	7–8	299.00	–	–	299.00
1050	9–12	554.00	–	–	554.00
<b>Grand Total</b>		1,819.00	–	–	1,819.00

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	259	27	–	–	286
4040	170	18	–	–	188
3000	118	27	–	–	145
1050	188	39	–	–	227
<b>Grand Total</b>	735	111	–	–	846

ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021

5. Finance

5.1	The District maintained a calendar in accordance with Sections 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The District maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all the applicable state rules and regulations. Sampling of records included those receiving instruction on the following categories:	True
	Academic Programs – Off-Campus	True
	Career Exploration Program – Off-Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual Enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	True
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The District maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The District maintained complete and accurate attendance and other applicable record allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of:	\$50,000
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The District maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True

ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021

5. Finance (Continued)

5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	<u>True</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken.	<u>True</u>
5.10	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	<u>True</u>
5.11	The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one-half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools)	<u>True</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$35,217</u>
5.13	The District has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income expenditures, and disbursement for the current calendar or fiscal year on the District website or other form of social media as required by Section 160.066, RSMo.	<u>True</u>

ELDON R-I SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2021

6. Transportation

6.1	The District's transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<u>True</u>
6.2	The District's 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.	<u>True</u>
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	• Eligible ADT	<u># 969.5</u>
	• Ineligible ADT	<u># 33.0</u>
6.4	The District's school transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<u>True</u>
6.5	Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was:	<u># 197,145</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was:	
	• Eligible Miles	<u># 210,275</u>
	• Ineligible Miles (Non-Route/Disapproved)	<u># 45,329</u>
6.7	Number of days the District operated the school transportation system during the regular school year.	<u>169</u>