

DADE COUNTY R-3 SCHOOL DISTRICT
EVERTON, MISSOURI

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2022

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's discussion and analysis	5
Financial statements:	
Statement of net position – cash basis	15
Statement of activities – cash basis	16
Statement of cash basis assets and fund balances and cash receipts, disbursements and changes in cash basis fund balances – governmental funds	17
Notes to financial statements	19
Budgetary comparison schedules:	
Budgetary comparison schedule – general fund	38
Budgetary comparison schedule – special revenue fund	39
Budgetary comparison schedule – debt service fund	40
Budgetary comparison schedule – capital projects fund	41
Notes to budgetary comparison schedules	42
Retirement plan schedules:	
Schedules of employer contributions	44
Schedules of proportionate share of the net pension liability and related ratios	45
State compliance:	
Report on Compliance with State Requirements	47
Schedule of selected statistics	48
Schedule of transportation costs eligible for state aid	52
Schedule of revenues collected by source	53
Schedule of expenditures paid by object	54
Government auditing standards:	
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 <i>Government Auditing Standards</i>	56
Schedule of findings and responses	58

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INDEPENDENT AUDITORS' REPORT

Board of Education
Dade County R-3 School District
Everton, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, and each major fund of the Dade County R-3 School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Dade County R-3 School District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respect, the respective cash basis financial position of the governmental activities and each major fund of the Dade County R-3 School District, as of June 30, 2022, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting.

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 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 Dade County R-3 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.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the

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.

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 Dade County R-3 School 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Dade County R-3 School 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 Dade County R-3 School 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.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison schedules, and the retirement plan schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dade County R-3 School District's financial statements. The schedule of transportation costs eligible for state aid, schedule of revenues collected by source, and schedule of expenditures paid by object are presented for purposes of additional analysis as required by the Missouri Department of Elementary and Secondary Education and are also not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022 on our consideration of the Dade County R-3 School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Dade County R-3 School District's internal control over financial reporting and compliance.

R/M/MC, CPA's

MANAGEMENT'S DISCUSSION AND ANALYSIS

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

(Unaudited)

This Management's Discussion and Analysis (MD&A) of the Dade County R-3 School District's financial performance provides an overall review of financial activities for the fiscal year. The reader is encouraged to consider the information presented here in conjunction with additional information presented in the financial statements, notes to the financial statements, and other information to enhance their understanding of the district's financial performance.

The MD&A is an element of other information as specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between fiscal years 2022 and 2021 is required to be presented in the MD&A and is included herein.

FINANCIAL OVERVIEW

Key financial aspects for the fiscal year ended June 30, 2022 includes the following:

- The total net position/fund balance of the Dade County R-3 School District at the end of the 2022 fiscal year was \$900,185. This is an increase of \$179,880 from the prior fiscal year.
- The combined fund balance for the General Fund and Teachers Fund is \$823,914 or 42.57% of the FY22 expenditures of these funds. The prior year fund balance as a percentage of the FY21 expenditures was 37.11%.
- Total revenues of the district were \$2,460,537 and total expenditures were \$2,280,657 for FY22. Total revenues for FY21 were \$2,216,686 and total expenditures were \$1,895,526.
- During FY22, the district approved an advanced redemption of \$20,000 principal on the Series 2015 bonds in order to lower interest cost associated with the bonds.

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts:

- Management's discussion and analysis (this section),
- Basic financial statements (district-wide and fund financial statements), including notes to the financial statements, and
- Supplementary / other information.

The basic financial statements consist of two different kinds of statements that present different views of the district's financial activities.

- District-wide financial statements – these financial statements provide information about the district's overall financial status both short-term (the recently completed fiscal year) and long-term. The district-wide statements include the Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis.
- Fund financial statements – these financial statements focus on individual funds of the district and report the district's operations in more detail than the district-wide statements.

The notes to the financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the district's financial activities and position.

The supplementary / other information includes budgetary comparison schedules. Such information provides users of this report with additional data that supplements the district-wide statements, fund financial statements and notes.

The supplementary / other information also includes information required to be reported to the Missouri Department of Elementary and Secondary Education, pass-through entities and federal awarding agencies.

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

The major features of the district’s financial statements, including the portion of the district’s activities reported and the type of information contained is shown in Table 1.

Table 1 Major Features of the District-Wide and Fund Financial Statements		
	District-wide Statements	Fund Financial Statements Governmental Funds
Scope	Entire district	The activities of the district classified by major governmental fund
Required financial statements	<ul style="list-style-type: none"> ● Statement of net position – cash basis ● Statement of activities – cash basis 	<ul style="list-style-type: none"> ● Statement of cash basis assets and fund balances and cash receipts, disbursements and changes in cash basis fund balances – governmental funds
Accounting basis and measurement focus	Cash basis of accounting and current financial resources measurement focus	Cash basis of accounting and current financial resources measurement focus
Type of asset / liability information	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow / outflow information	Revenues for which cash is received during the year; expenditures when goods or services have been received and paid	Revenues for which cash is received during the year; expenditures when goods or services have been received and paid

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the district's net position and how they have changed. Net position, the difference between the district's assets and liabilities, are one way to measure the district's overall financial position.

- Increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall financial position, additional non-financial factors, such as changes in the district's property tax base and the condition of its school buildings and other facilities, should be considered.

In the district-wide financial statements, the district's activities are:

- Governmental activities – The district's basic services are included here, such as regular, vocational and special education, support services including operation of plant, transportation, food services, community services and administration. Property taxes and state formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds, not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as grants and bond issue proceeds).

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

The district has the following funds:

- Governmental funds – All of the district’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the future to finance the district’s programs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 2 provides a summary of the district’s net position for the year ended June 30, 2022.

Table 2 Condensed Statement of Net Position – Cash Basis June 30, 2022 With Comparative Totals for June 30, 2021		
	<u>Governmental Activities</u>	
	2022	2021
Assets:		
Cash and cash equivalents	<u>\$ 900,185</u>	<u>\$ 720,305</u>
Net Position:		
Restricted	\$ 77,150	\$ 80,706
Unrestricted	<u>823,035</u>	<u>639,599</u>
	<u>\$ 900,185</u>	<u>\$ 720,305</u>

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

Table 3 provides a summary of the changes in net position for the year ended June 30, 2022.

Table 3 Changes in Net Position from Operating Results Year ended June 30, 2022 With Comparative Totals for Year Ended June 30, 2021		
	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 102,111	\$ 65,970
Operating grants and contributions	518,254	280,660
Capital grants and contributions	47,312	27,903
General revenues:		
Local receipts	817,269	864,826
County receipts	145,150	151,114
State receipts	810,362	811,672
Federal receipts	19,063	13,769
Investment income	<u>1,016</u>	<u>772</u>
	<u>2,460,537</u>	<u>2,216,686</u>
Expenses:		
Instruction	984,544	901,876
Support services:		
Pupil / instructional support	269,798	218,188
Administration	274,536	255,476
Operation of plant	201,606	159,425
Pupil transportation	76,964	68,763
Facilities acquisition and construction	157,068	25,000
Community services	82,335	79,474
Debt services	117,574	99,438
Food services	<u>116,232</u>	<u>87,886</u>
	<u>2,280,657</u>	<u>1,895,526</u>
Increase in net position	<u>\$ 179,880</u>	<u>\$ 321,160</u>

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

GOVERNMENTAL ACTIVITIES

As shown in Table 3, general revenues provide 73% of the total funding for governmental activities. The Dade County R-3 School District relies on property taxes for funding its governmental activities with 34% of general revenues coming from local property taxes.

Table 4 presents the cost of each of the major district governmental activities: instruction, pupil support services, administration, other support services, debt service, depreciation, food services program and other expenses. The table also shows each activity’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the district’s taxpayers by each of these functions.

Table 4 Net Cost of Governmental Activities Year ended June 30, 2022 With Comparative Totals for Year Ended June 30, 2021				
	Total Cost of Services		Net Cost of Services	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental activities:				
Instruction	984,544	\$ 901,876	595,955	\$ 700,565
Pupil / instructional support	269,798	218,188	198,983	179,427
Administration	274,536	255,476	236,570	243,743
Operation of plant	201,606	159,425	201,606	159,425
Pupil transportation	76,964	68,763	56,170	50,723
Facilities acquisition and construction	157,068	25,000	157,068	25,000
Community services	82,335	79,474	54,167	54,503
Debt services	117,574	99,438	117,574	99,438
Food services	<u>116,232</u>	<u>87,886</u>	<u>(5,113)</u>	<u>8,169</u>
Total governmental activities	<u>\$ 2,280,657</u>	<u>\$ 1,895,526</u>	<u>\$ 1,612,980</u>	<u>\$ 1,520,993</u>

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

Table 4 provides the following highlights:

- The total cost of all governmental activities for fiscal year 2022 was \$2,280,657.
- Instruction represents 43% of the total cost of all governmental activities of the district.
- Pupil / instructional support services (this area includes student activities, student services and instructional staff support) represents 12% of the total cost of all governmental activities of the district.
- Administration (includes Board of Education, District, Building and Business Services) represents 12% of the total cost of all governmental activities.
- The net cost of all governmental activities was \$1,612,980 with \$667,677 of the total cost being financed by program cash receipts (charges for services, operating grants and contributions, and capital grants and contributions).
- For food services program, revenue exceeded expenses by \$5,113.
- Charges for services in the food services program were \$3,128 or 3% of the total expenses of the program.
- Operating grants and contributions for the food services program, which includes federal and state aid, including payment for free and reduced meals and commodities totaled \$112,717 or 97% of the total expenses of the program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The district completed the year with a total governmental fund balance of \$900,185, an increase of \$179,880 from the prior year. The district had originally budgeted an increase of \$39,380 in fund balances for FY22.

The district adopts a budget in June for the following fiscal year. However, it is expected that budget amendments will be made periodically throughout the year as additional information becomes available. At the June board meeting, the budgeted revenues and expenditures are amended to equal actual expenditures for the year.

DADE COUNTY R-3 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

(Unaudited)

CAPITAL ASSETS

In the district-wide financial statements and the fund financial statements, governmental activities are presented using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, capital assets are recognized as expenditures in the Capital Projects Fund at the time the cash is disbursed. During the year ended June 30, 2022, the district expended \$229,575 in capital assets and \$28,588 on principal, interest and fees related to the purchase of capital assets. In addition, the district spent \$88,986 on principal, interest and fees in the Debt Service Fund for the purpose of financing capital asset purchases. Under accounting principles generally accepted in the United States of America, capital assets should be capitalized in the statement of net position and depreciated over their estimated useful lives.

DEBT ADMINISTRATION

At June 30, 2022, the district had \$600,000 of general obligation bonds outstanding and \$90,715 of energy loans payable. Details can be found in Notes 4 and 5 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the district was aware of the following circumstances that could affect its future financial health:

- Current economic conditions will be a factor in the next year as budgets are stretched by increasing healthcare costs for employees, ever increasing utility and fuel costs, and continuing uncertainty resulting from the COVID-19 pandemic.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Dade County R-3 School District's finances for all those with an interest in the district's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of Superintendent, Dade County R-3 School District, P.O. Box 107, Everton, Missouri 65646.

FINANCIAL STATEMENTS

DADE COUNTY R-3 SCHOOL DISTRICT
STATEMENT OF NET POSITION – CASH BASIS
JUNE 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	<u>\$ 900,185</u>
NET POSITION	
Restricted for:	
Debt Service	\$ 76,271
Professional Development	879
Unrestricted	<u>823,035</u>
TOTAL NET POSITION	<u>\$ 900,185</u>

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

DADE COUNTY R-3 SCHOOL DISTRICT

STATEMENT OF ACTIVITIES – CASH BASIS

YEAR ENDED JUNE 30, 2022

	Cash Disbursements	Program cash receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Regular instruction	\$ (657,176)	\$ -	\$ 223,359	\$ 40,157	\$ (393,660)
Special education instruction	(124,931)	-	124,739	-	(192)
Career education	(92,583)	-	334	-	(92,249)
Student activities	(104,999)	70,815	-	-	(34,184)
Other instruction	(109,854)	-	-	-	(109,854)
Student services	(71,636)	-	-	-	(71,636)
Instruction staff support	(93,163)	-	-	-	(93,163)
Building administration	(92,044)	-	-	-	(92,044)
General administrative and central services	(182,492)	-	37,966	-	(144,526)
Operation of plant	(201,606)	-	-	-	(201,606)
Transportation	(76,964)	-	19,139	1,655	(56,170)
Food services	(116,232)	3,128	112,717	5,500	5,113
Community services	(82,335)	28,168	-	-	(54,167)
Facility acquisition and construction	(157,068)	-	-	-	(157,068)
Debt services	(117,574)	-	-	-	(117,574)
Net program (disbursements) receipts	<u>\$ (2,280,657)</u>	<u>\$ 102,111</u>	<u>\$ 518,254</u>	<u>\$ 47,312</u>	<u>\$ (1,612,980)</u>
General receipts:					
Local receipts:					
Property tax					601,883
Sales tax					209,814
Other					5,572
County receipts					145,150
State receipts					810,362
Federal receipts					19,063
Investment income					<u>1,016</u>
Total general receipts					<u>1,792,860</u>
Increase in net position					179,880
Net assets – beginning of year					<u>720,305</u>
Net assets – end of year					<u>\$ 900,185</u>

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

DADE COUNTY R-3 SCHOOL DISTRICT

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES –
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Receipts:					
Local	\$ 679,248	\$ 169,449	\$ 71,698	\$ -	\$ 920,395
County	132,297	-	12,853	-	145,150
State	228,630	552,398	-	56,857	837,885
Federal	249,379	246,523	-	61,205	557,107
	<u>1,289,554</u>	<u>968,370</u>	<u>84,551</u>	<u>118,062</u>	<u>2,460,537</u>
Disbursements:					
Instruction	250,092	811,124	-	28,326	1,089,542
Attendance and guidance	282	47,583	-	-	47,865
Health services	23,771	-	-	-	23,771
Improvement of instruction	6,224	3,788	-	-	10,012
Professional development	5,058	860	-	-	5,918
Media services	37,359	39,875	-	-	77,234
General administration	88,358	94,134	-	-	182,492
Building level administration	15,762	76,282	-	-	92,044
Operation of plant	187,974	-	-	13,632	201,606
Pupil transportation	55,169	-	-	21,795	76,964
Food services	107,478	-	-	8,754	116,232
Community services	31,302	51,033	-	-	82,335
Facilities acquisition and construction	-	-	-	157,068	157,068
Principal (excluding debt service)	-	-	-	25,525	25,525
Interest (excluding debt service)	-	-	-	2,816	2,816
Other (excluding debt service)	-	-	-	247	247
Debt service:					
Principal	-	-	70,000	-	70,000
Interest	-	-	17,850	-	17,850
Other	-	-	1,136	-	1,136
	<u>808,829</u>	<u>1,124,679</u>	<u>88,986</u>	<u>258,163</u>	<u>2,280,657</u>
Excess (deficiency) of receipts over disbursements	480,725	(156,309)	(4,435)	(140,101)	179,880
Other financing sources (uses):					
Operating transfers in (out)	(296,410)	156,309	-	140,101	-
Cash basis fund balance, beginning of year	<u>639,599</u>	<u>-</u>	<u>80,706</u>	<u>-</u>	<u>720,305</u>
Cash basis fund balance, end of year	<u>\$ 823,914</u>	<u>\$ -</u>	<u>\$ 76,271</u>	<u>\$ -</u>	<u>\$ 900,185</u>

DADE COUNTY R-3 SCHOOL DISTRICT

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
 CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES –
 GOVERNMENTAL FUNDS
 (CONTINUED)

YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Cash basis assets – end of year:					
Cash and cash equivalents	\$ 823,914	\$ -	\$ 76,271	\$ -	\$ 900,185
Cash basis fund balances – end of year:					
Restricted	\$ 879	\$ -	\$ 76,271	\$ -	\$ 77,150
Unassigned	<u>823,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>823,035</u>
	<u>\$ 823,914</u>	<u>\$ -</u>	<u>\$ 76,271</u>	<u>\$ -</u>	<u>\$ 900,185</u>

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

DADE COUNTY R-3 SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

1. Summary of significant accounting policies

A. Reporting entity

The district's reporting entity includes the district's governing board and all related organizations which exercise oversight responsibility.

The district has developed criteria to determine whether outside agencies with activities which benefit the citizens of the district, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the district exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The district has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the district's financial statements. In addition, the district is not aware of any entity which would exercise such oversight which would result in the district being considered a component unit of the entity.

B. Basis of presentation

District-Wide Financial Statements:

The Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis present financial information about the financial activities of the overall school district in its entirety. They include all funds of the reporting entity.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The district segregates transactions related to certain functions or activities into the separate funds in order to aid financial management and to demonstrate legal compliance. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column in the fund financial statements. Nonmajor funds, if any, are aggregated and presented in a single column in the statements.

1. Summary of significant accounting policies (continued)

C. Fund accounting

The district uses funds to maintain its financial resources during the year. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the district's major governmental funds:

General (Incidental) Fund: Accounts for general activities of the district, including student activities, food services, 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.

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

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues designated for construction of major capital assets and all other capital outlay.

D. Basis of accounting / measurement focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

In the district-wide financial statements and the fund financial statements, governmental activities are presented using the current financial resources measurement focus and the cash basis of accounting. This measurement focus and basis recognizes revenues 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. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first, then unrestricted resources as they are needed.

1. Summary of significant accounting policies (continued)

E. 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.

F. Pooled cash and temporary investments

As discussed in Note 2, cash balances from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments which is managed by the District Treasurer. State law requires that all deposits of the Debt Service Fund be kept separate. Investments of the district's funds may consist primarily of certificates of deposit and U.S. government securities, carried at cost, which approximates fair value. Interest income earned is allocated to contributing funds based on the individual fund's cash and temporary investment balances.

G. Capital assets

Capital assets are recorded as expenditures in the Capital Projects Fund at the time the expenditures are paid. No depreciation is provided on capital assets.

H. Compensated absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

I. Teachers' salaries

The salary payment schedule of the district for the 2021-22 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August payroll checks, written and dated in June 2022 for July and August 2022 payrolls were included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

J. Program receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

2. Cash and deposits

The district is governed by the deposit and investment limitations of state law. The deposits held at June 30, 2022, and reported at fair value, are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 873,650
Missouri School District Deposit Program	<u>26,535</u>
	<u>\$ 900,185</u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	<u>\$ 900,185</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, had a bank balance of \$1,038,160 at June 30, 2022 that was fully insured by depository insurance or secured with collateral held by the district’s agent in its 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.

Investment Credit Risk – The district has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Obligations of the United States government or any agency or instrumentality, including repurchase agreements.
2. Bonds of the state of Missouri, of the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States.
3. Under limited circumstances, commercial paper and bankers’ acceptances.
4. Deposit accounts with insured financial institutions, provided those accounts are entirely insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount.

Concentration of Investment Credit Risk – The district places no limit on the amount it may invest in any one issuer. At June 30, 2022, the district had no concentration of credit risk.

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 assessed valuation of the tangible taxable property for the calendar year 2021 for purposes of local taxation was \$12,759,412.

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

	<u>Unadjusted</u>	<u>Adjusted</u>
Incidental Fund	\$ 4.0681	\$ 4.0681
Teachers' Fund	-	-
Debt Service Fund	.5500	.5500
Capital Projects Fund	<u>-</u>	<u>-</u>
	<u>\$ 4.6181</u>	<u>\$ 4.6181</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022 aggregated approximately 102 percent of the current assessment computed on the basis of the levy as shown above.

4. Bond commitments

The following is a summary of bond transactions for the year ended June 30, 2022:

Bonds payable, July 1, 2021	\$ 670,000
Bonds issued	-
Bonds retired	<u>(70,000)</u>
Bonds payable, June 30, 2022	<u>\$ 600,000</u>

Bonds payable at June 30, 2022, consists of:

Various interest rates from 1.25% to 5.0% due March 1, 2035, with serial retirements of the principal starting in 2016 and running through 2035.	\$ 120,000
Various interest rates from 2.50% to 3.0% due March 1, 2032, with serial retirements of the principal starting in 2021 and running through 2032.	<u>480,000</u>
	<u>\$ 600,000</u>

4. Bond commitment (continued)

Debt service requirements to maturity are:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 50,000	\$ 16,300	\$ 66,300
2024	60,000	15,250	75,250
2025	40,000	13,750	53,750
2026	50,000	12,750	62,750
2027	65,000	11,500	76,500
2028-2032	<u>335,000</u>	<u>29,338</u>	<u>364,338</u>
	<u>\$ 600,000</u>	<u>\$ 98,888</u>	<u>\$ 698,888</u>

The total interest incurred for the year ended June 30, 2022 was \$17,850.

5. Energy loan commitments

The following is a summary of loan transactions for the year ended June 30, 2022:

Energy loan payable, July 1, 2021	\$ 116,240
Energy loan obtained	-
Energy loan payments	<u>(25,525)</u>
Energy loan payable, June 30, 2022	<u>\$ 90,715</u>

Energy loan payable at June 30, 2022 consists of:

Payable to Missouri Department of Economic Development Division of Energy, in the amount of \$246,600 with interest at the rate of 2.5%. Matures September 1, 2025.	<u>\$ 90,715</u>
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Principal payments on the energy loan to maturity are as follows:

Year ending <u>June 30,</u>	
2023	\$ 26,167
2024	26,825
2025	27,500
2026	<u>10,223</u>
	<u>\$ 90,715</u>

Total interest paid during the year ended June 30, 2022 was \$2,816.

6. Public School and Education Employee Retirement Systems of Missouri

Summary of significant accounting policies

Financial reporting information pertaining to the district's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Boards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended.

General information about the pension plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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

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. 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

6. Public School and Education Employee Retirement Systems of Missouri (continued)

years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Summary Plan Description detailing the provisions of the plans can be found on the Systems’ website at www.psr-peers.org.

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

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% is 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% is 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.

6. Public School and Education Employee Retirement Systems of Missouri (continued)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2020, 2021 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2020, 2021 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The district's contributions to PSRS and PEERS were \$129,378 and \$13,760, respectively, for the year ended June 30, 2022.

Pension liabilities

At June 30, 2021, the district had a liability of \$369,701 for its proportionate share of PSRS net pension liability and \$10,231 for its proportionate share of PEERS net pension liability. In total the district has net pension liabilities of \$379,932. The net pension liability for the plans in total was measured as of June 30, 2021, and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$124,298 and \$11,916, respectively, for the year ended June 30, 2021, relative to the total contributions of \$744,694,744 for PSRS and \$125,712,392 for PEERS from all participating employers. At June 30, 2021, the district's proportionate share was 0.0167% for PSRS and 0.0095% for PEERS.

Actuarial assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

6. Public School and Education Employee Retirement Systems of Missouri (continued)

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement date June 30, 2021
- Valuation date June 30, 2021
- Expected return on investments 7.30%, net of investment expenses and including 2.00% inflation
- Inflation 2.00% per annum
- Total payroll growth

PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Future salary increases

PSRS	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.
PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit.
- Cost-of-living increases PSRS & PEERS

PSRS & PEERS	Given the actual interest in the CPI-U index from June 2020 to June 2021 was 5.39%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2022 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2023 and January 1,
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6. Public School and Education Employee Retirement Systems of Missouri (continued)

2024, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.
- The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

6. Public School and Education Employee Retirement Systems of Missouri (continued)

• Mortality Assumption

Actives:

PSRS

Experience-adjusted Pub-2010 Teachers Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

PEERS

Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

• Non-Disabled Retirees:

PSRS

Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Health Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

	<u>Males</u>	<u>Female</u>
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS

Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected from 2010 to 2018 using the MP-2020

6. Public School and Education Employee Retirement Systems of Missouri (continued)

improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

	<u>Males</u>	<u>Female</u>
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

- Disabled Retirees: PSRS Experience-adjusted Pub 2010 Teacher Disability Mortality Table, projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

PEERS Experience-adjusted Pub-2010 General Disability Mortality Table projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

- Changes in Actuarial Assumptions and Methods:

PSRS & PEERS An experience study was completed in May 2021 resulting in an update to the following assumptions:

- The long-term inflation assumption was decreased from 2.25% to 2.00%.
- The expected return on assets assumption was decreased from 7.50% to 7.30%.
- The cost-of-living increase assumption was changed to be 2.00% on January 1, 2022, 2023, and 2024, and 1.35% on each January 1 thereafter.

6. Public School and Education Employee Retirement Systems of Missouri (continued)

- PSRS
- The total payroll growth assumption was decreased from 2.75% to 2.25%.
 - The future salary growth assumption was decreased from 3.00%-9.50%, depending on service, to 2.625%-8.875%, depending on service.
 - The mortality assumptions were changed to reflect the Pub T-2010 (Teacher) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale.
 - Other demographic assumptions were also changed based on actual member demographic experience from 2015-2020.

- PEERS
- The total payroll growth assumption was decreased from 3.25% to 2.50%.
 - The future salary growth assumption was decreased from 4.00%-11.00%, depending on service, to 3.25%-9.75%, depending on service.
 - The mortality assumptions were changed to reflect the PubG-2010(B) (General Employee, Below Median Income) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale.
 - Other demographic assumptions were also changed based on actual member demographic experience from 2015-2020.

Fiduciary net position

The Systems issue a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org.

6. Public School and Education Employee Retirement Systems of Missouri (continued)

- **Expected rate of return** The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2021.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Non-U.S. Public Equity	16.0%	6.88%
U.S. Treasuries	20.0%	(0.02%)
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	16.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	100.0%	

- **Discount rate** The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2021, and is consistent with the long-term expected geometric return on plan investments. The Board of Trustees adopted a new actuarial assumption assumed rate of return of 7.3% effective with the June 30, 2021 valuations based on the actuarial experience studies conducted during the current fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which

6. Public School and Education Employee Retirement Systems of Missouri (continued)

requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- **Discount rate sensitivity** The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

		1% decrease <u>(6.3%)</u>	Current rate <u>(7.3%)</u>	1% Increase <u>(8.3%)</u>
PSRS	Proportionate share of the net pension liability / (asset)	\$ 1,488,388	\$ 369,701	\$ (556,515)
PEERS	Proportionate share of the net pension liability / (asset)	\$ 86,634	\$ 10,231	\$ (53,530)

7. Risk management

The district is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district has purchased commercial insurance in an amount adequate to cover all such risks of loss that may arise.

8. Equity classification

District-Wide Statements:

Equity is classified as net position and displayed in two components:

- Restricted – Consists of components of net position with constraints placed on use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted – All other components of net position that do not meet the definition of “restricted.”

Fund Financial Statements:

The district adopted GASB Statement No. 54 which established fund balance classifications that comprised a hierarchy based primarily on the extent to which the district is bound to observe constraints imposed upon the use of its resources reported in governmental funds.

8. Equity classification (continued)

Fund Financial Statements (continued):

Governmental fund equity is classified as fund balance and displayed in three components:

- a. Committed – Portion of fund balance that has been set aside for a specific purpose by a district’s highest level of decision-making authority.
- b. Assigned – Assignment of fund balances to identify the portion of the fund balance that is intended to be used for a specific purpose.
- c. Unassigned – Portion of general fund that is available to be used for any purpose.

Fund Balance at June 30, 2022 consists of the following:

Restricted

Debt Service fund balance in the amount of \$76,271 consisting of taxes levied specifically to retire general obligation bonds and the debt service escrow account for bond payments. In addition, General fund balance in the amount of \$879 restricted for professional development.

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

9. Transfers

Transfers within the district are substantially for the purposes of subsidizing operating functions and funding capital projects and asset acquisitions. Resources are accumulated in a fund to support and simplify the administration of various projects and programs.

The district-wide Statement of Activities – Cash Basis eliminates transfers as reported within the Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds.

During the fiscal year, the district transferred \$156,309 to the Special Revenue Fund to subsidize operations of the fund. The Special Revenue Fund carries no fund balance, therefore most of the district’s revenues are recorded in the General Fund and routine transfers are made to the Special Revenue Fund to finance operations. The district also transferred \$140,101 to the Capital Projects Fund to finance building construction, acquisitions of equipment, and facility improvements. The following schedule reports transfers within the district for fiscal year ended June 30, 2022:

9. Transfers (continued)

<u>Transfer from</u>	<u>Transfers To</u>		
	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
General Fund	<u>\$ 156,309</u>	<u>\$ 140,101</u>	<u>\$ 296,410</u>

10. Post employment benefits

In addition to the pension benefits described in Note 6, the district makes available post-retirement healthcare benefits to all employees who retire from the district. Participation by retirees in the district health plan is subject to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The district has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

11. COVID-19

On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the district and financial results will depend on future developments, including the duration and spread of the outbreak within the state and the related impact on consumer confidence and spending, all of which are highly uncertain.

On March 27, 2020, the federal CARES Act (established the Coronavirus Relief Fund (“the Fund”) was signed by President Trump and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified Coronavirus public health-related uses to States and certain local governments; the District of Columbia and U.S. Territories and Tribal governments.

We considered the impact of the COVID-19 pandemic on the district and determined that there were no material adverse impacts on the financial statements for the year ended June 30, 2022.

BUDGETARY COMPARISON SCHEDULES

DADE COUNTY R-3 SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

YEAR ENDED JUNE 30, 2022

	General Fund			
	Budget		Actual	Variance
	Original	Final		
Receipts:				
Local	\$ 623,865	\$ 679,248	\$ 679,248	\$ -
County	111,510	132,297	132,297	-
State	154,355	228,630	228,630	-
Federal	<u>129,111</u>	<u>249,379</u>	<u>249,379</u>	<u>-</u>
	<u>1,018,841</u>	<u>1,289,554</u>	<u>1,289,554</u>	<u>-</u>
Disbursements:				
Instruction	191,766	250,092	250,092	-
Attendance and guidance	849	282	282	-
Health services	24,007	23,771	23,771	-
Improvement of instruction	-	6,224	6,224	-
Professional development	6,957	5,058	5,058	-
Media services	1,660	37,359	37,359	-
General administration	45,755	88,358	88,358	-
Building level administration	34,730	15,762	15,762	-
Operation of plant	198,902	187,974	187,974	-
Pupil transportation	56,887	55,169	55,169	-
Food services	91,124	107,478	107,478	-
Community services	30,529	31,302	31,302	-
Facilities acquisition and construction	-	-	-	-
Principal (excluding debt service)	-	-	-	-
Interest (excluding debt service)	-	-	-	-
Other	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
	<u>683,166</u>	<u>808,829</u>	<u>808,829</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	335,675	480,725	480,725	-
Other financing sources (uses):				
Operating transfers in (out)	(307,872)	(296,410)	(296,410)	-
Cash basis fund balance, beginning of year	<u>639,599</u>	<u>639,599</u>	<u>639,599</u>	<u>-</u>
Cash basis fund balance, end of year	<u>\$ 667,402</u>	<u>\$ 823,914</u>	<u>\$ 823,914</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

DADE COUNTY R-3 SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND

YEAR ENDED JUNE 30, 2022

	Special Revenue Fund			
	Budget		Actual	Variance
	Original	Final		
Receipts:				
Local	\$ 150,000	\$ 169,449	\$ 169,449	\$ -
County	1,949	-	-	-
State	683,285	552,398	552,398	-
Federal	66,000	246,523	246,523	-
	<u>901,234</u>	<u>968,370</u>	<u>968,370</u>	<u>-</u>
Disbursements:				
Instruction	843,668	811,124	811,124	-
Attendance and guidance	47,607	47,583	47,583	-
Health services	-	-	-	-
Improvement of instruction	3,992	3,788	3,788	-
Professional development	579	860	860	-
Media services	39,612	39,875	39,875	-
General administration	93,895	94,134	94,134	-
Building level administration	75,041	76,282	76,282	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Community services	50,761	51,033	51,033	-
Facilities acquisition and construction	-	-	-	-
Principal (excluding debt service)	-	-	-	-
Interest (excluding debt service)	-	-	-	-
Other	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
	<u>1,155,155</u>	<u>1,124,679</u>	<u>1,124,679</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	(253,921)	(156,309)	(156,309)	-
Other financing sources (uses):				
Operating transfers in (out)	253,921	156,309	156,309	-
Cash basis fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash basis fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

DADE COUNTY R-3 SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2022

	Debt Service Fund			
	Budget		Actual	Variance
	Original	Final		
Receipts:				
Local	\$ 67,337	\$ 71,698	\$ 71,698	\$ -
County	12,390	12,853	12,853	-
State	-	-	-	-
Federal	-	-	-	-
	<u>79,727</u>	<u>84,551</u>	<u>84,551</u>	<u>-</u>
Disbursements:				
Instruction	-	-	-	-
Attendance and guidance	-	-	-	-
Health services	-	-	-	-
Improvement of instruction	-	-	-	-
Professional development	-	-	-	-
Media services	-	-	-	-
General administration	-	-	-	-
Building level administration	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Principal (excluding debt service)	-	-	-	-
Interest (excluding debt service)	-	-	-	-
Other	-	-	-	-
Debt service:				
Principal	50,000	70,000	70,000	-
Interest	17,850	17,850	17,850	-
Fees	300	1,136	1,136	-
	<u>68,150</u>	<u>88,986</u>	<u>88,986</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	11,577	(4,435)	(4,435)	-
Other financing sources (uses):				
Operating transfers in (out)	-	-	-	-
Cash basis fund balance, beginning of year	<u>80,706</u>	<u>80,706</u>	<u>80,706</u>	<u>-</u>
Cash basis fund balance, end of year	<u>\$ 92,283</u>	<u>\$ 76,271</u>	<u>\$ 76,271</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

DADE COUNTY R-3 SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2022

	Capital Projects Fund			
	Budget		Actual	Variance
	Original	Final		
Receipts:				
Local	\$ -	\$ -	\$ -	\$ -
County	-	56,857	56,857	-
State	2,145	61,205	61,205	-
Federal	-	-	-	-
	<u>2,145</u>	<u>118,062</u>	<u>118,062</u>	<u>-</u>
Disbursements:				
Instruction	-	28,326	28,326	-
Attendance and guidance	-	-	-	-
Health services	-	-	-	-
Improvement of instruction	-	-	-	-
Professional development	-	-	-	-
Media services	-	-	-	-
General administration	-	-	-	-
Building level administration	-	-	-	-
Operation of plant	-	13,632	13,632	-
Pupil transportation	20,604	21,795	21,795	-
Food services	2,832	8,754	8,754	-
Community services	-	-	-	-
Facilities acquisition and construction	-	157,068	157,068	-
Principal (excluding debt service)	25,525	25,525	25,525	-
Interest (excluding debt service)	7,135	2,816	2,816	-
Other (excluding debt service)	-	247	247	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
	<u>56,096</u>	<u>258,163</u>	<u>258,163</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	(53,951)	(140,101)	(140,101)	-
Other financing sources (uses):				
Operating transfers in (out)	53,951	140,191	140,101	-
Cash basis fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash basis fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.

DADE COUNTY R-3 SCHOOL DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULES

JUNE 30, 2022

Budgets and budgetary accounting

The district follows these procedures in establishing the budgetary data reflected in the financial statements.

- I. In accordance with Chapter 67, RSMo, the district adopts a budget for each fund.
- II. 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.
- III. Prior to its approval by the Board of Education, the budget document is available for public inspection. A public hearing is conducted to obtain taxpayer comments.
- IV. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- V. 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.
- VI. Budgets for district funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

RETIREMENT PLAN SCHEDULES

DADE COUNTY R-3 SCHOOL DISTRICT
SCHEDULES OF EMPLOYER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022

Public School Retirement System of Missouri

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6-30-2013	\$ 109,000	\$ 109,000	\$ -	\$ 751,726	14.50%
6-30-2014	119,919	119,919	-	827,026	14.50%
6-30-2015	129,859	129,859	-	895,579	14.50%
6-30-2016	129,834	129,834	-	895,406	14.50%
6-30-2017	134,363	134,363	-	926,639	14.50%
6-30-2018	135,984	135,984	-	937,819	14.50%
6-30-2019	133,157	133,157	-	918,321	14.50%
6-30-2020	126,201	126,201	-	870,347	14.50%
6-30-2021	124,298	124,298	-	857,226	14.50%

Public Education Employee Retirement System of Missouri

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6-30-2013	\$ 12,782	\$ 12,782	\$ -	\$ 186,321	6.86%
6-30-2014	13,056	13,056	-	190,319	6.86%
6-30-2015	15,710	15,710	-	229,001	6.86%
6-30-2016	15,040	15,040	-	219,241	6.86%
6-30-2017	15,342	15,342	-	223,638	6.86%
6-30-2018	17,637	17,637	-	257,095	6.86%
6-30-2019	15,901	15,901	-	229,233	6.94%
6-30-2020	14,150	14,150	-	206,263	6.86%
6-30-2021	11,916	11,916	-	173,703	6.86%

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS

YEAR ENDED JUNE 30, 2022

Public School Retirement System of Missouri

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6-30-2014	0.0186%	\$ 763,079	\$ 827,026	92.27%	89.34%
6-30-2015	0.0198%	1,143,026	895,579	127.63%	85.78%
6-30-2016	0.0194%	1,443,486	895,406	161.21%	82.18%
6-30-2017	0.0196%	1,415,419	926,639	152.75%	83.77%
6-30-2018	0.0195%	1,451,279	937,819	154.75%	84.06%
6-30-2019	0.0187%	1,380,073	918,321	150.28%	84.62%
6-30-2020	0.0174%	1,553,945	870,347	178.54%	82.01%
6-30-2021	0.0167%	369,701	857,226	43.13%	95.81%

Public Education Employee Retirement System of Missouri

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6-30-2014	0.0131%	\$ 47,837	\$ 190,319	25.14%	91.33%
6-30-2015	0.0153%	80,923	229,001	35.34%	88.28%
6-30-2016	0.0142%	113,932	219,241	51.97%	83.32%
6-30-2017	0.0139%	106,050	223,638	47.42%	85.35%
6-30-2018	0.0155%	119,770	257,095	46.59%	86.06%
6-30-2019	0.0134%	105,989	229,233	46.24%	86.38%
6-30-2020	0.0115%	111,614	206,263	54.11%	84.06%
6-30-2021	0.0059%	10,231	173,703	5.89%	98.36%

STATE COMPLIANCE

ROBERTS, MCKENZIE, MANGAN & CUMMINGS

A Professional Corporation
4035 S. Fremont
Springfield, Missouri 65804
(417) 883-5348 – (417) 883-8961 fax

REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education
Dade County R-3 School District
Everton, Missouri

We have audited the financial statements of Dade County R-3 School District, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 10, 2022.

Management’s Responsibility

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the requirements governing budgets (Chapter 67 RSMo) and the methods of maintaining pupil attendance and pupil transportation records (Chapter 165.121.3(7)RSMo). The management of the district is responsible for the district’s compliance with those requirements. Our responsibility is to express an opinion on the district’s compliance with those requirements based on our audit.

Auditor’s Responsibility

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the district’s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

As reported to management of Dade County R-3 School District in a separate letter dated November 10, 2022, the district’s actual expenditures in the General Fund, Debt Service Fund and Capital Projects Fund through May exceeded the amounts that had originally been budgeted. As the district did not amend the budget until June, the district’s budgetary and disbursement procedures were not in compliance with the budgetary statute (Chapter 67 RS Mo). It is further our opinion that the pupil attendance and the pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance, resident membership on the last Wednesday of September and January, average daily transportation of pupils and mileage and allowable cost for pupil transportation in compliance with state and administrative rules.

Purpose of this Report

The purpose of this report is solely to describe our testing of compliance with the requirements governing budgets and the methods of maintaining pupil attendance and pupil transportation records. Accordingly, this report is not suitable for any other purpose.

RMMC, CPA’s
Springfield, Missouri
November 10, 2022

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS

YEAR ENDED JUNE 30, 2022

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	K	6	-	7.3500	143	1,044,7900
1050	7	12	-	7.3500	143	1,044,7900

Notes: _____

2. **Attendance Hours**

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	K	12,135.4167	-	-	-	-	12,135.4167
4020	1	8,377.0333	-	-	-	-	8,377.0333
4020	2	13,210.2332	-	-	-	-	13,210.2332
4020	3	9,988.6499	-	-	-	-	9,988.6499
4020	4	5,597.5833	-	-	-	-	5,597.5833
4020	5	11,562.2332	-	-	-	-	11,562.2332
4020	6	14,052.6665	-	-	-	-	14,052.6665
1050	7	13,043.9668	-	-	-	-	13,043.9668
1050	8	16,743.4665	-	-	-	-	16,743.4665
1050	9	15,520.9499	-	-	-	-	15,520.9499
1050	10	15,110.5166	-	-	-	-	15,110.5166
1050	11	11,896.0500	259.2500	-	-	-	12,155.3000
1050	12	10,022.4999	-	-	-	-	10,022.4999
TOTAL		157,261.2658	259.2500	-	-	-	157,520.5158

Notes: _____

3. **September Membership**

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	K	13.00	-	-	13.00
4020	1	8.00	-	-	8.00
4020	2	12.00	-	-	12.00
4020	3	10.00	-	-	10.00
4020	4	6.00	-	-	6.00
4020	5	11.00	-	-	11.00
4020	6	14.00	-	-	14.00
1050	7	14.00	-	-	14.00
1050	8	17.00	-	-	17.00
1050	9	16.00	-	-	16.00
1050	10	17.00	-	-	17.00
1050	11	14.00	-	-	14.00
1050	12	11.00	-	-	11.00
TOTAL		163.00	-	-	163.00

Notes: _____

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

4. **Free and Reduced Price Lunch FTE Count** (Section 163.011(6), RSMo)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	77.00	-	-	-	77.00
1050	85.00	-	-	-	85.00
TOTAL	162.00	-	-	-	162.00

Notes: _____

5. **Finance**

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

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

5. **Finance (continued)**

5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools.)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. 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 costs. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$5,918
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

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

Finding #: _____

Management Letter Comment: _____

Notes: _____

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS
(CONTINUED)

YEAR ENDED JUNE 30, 2022

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

6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/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
6.3	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	57.5
	Ineligible ADT	0
6.4	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
6.5	Actual odometer records show the total district/charter operated and contracted mileage for the year was:	37,828
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible miles	26,280
	Ineligible miles (Non-route/disapproved)	11,548
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	143

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

Finding #: _____

Management Letter Comment: _____

Notes: _____

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID

YEAR ENDED JUNE 30, 2022

	District Owned	Contracted	Total
Certificated salaries	\$ 3,034	\$ -	\$ 3,034
Noncertificated salaries	27,207	-	27,207
Employee benefits	3,752	-	3,752
Purchased services	6,521	2,500	9,021
Supplies	12,155	-	12,155
Depreciation	<u>31,302</u>	<u>-</u>	<u>31,302</u>
	<u>\$ 83,971</u>	<u>\$ 2,500</u>	<u>\$ 86,471</u>
School buses leased:			
Principal			\$ 17,028
Interest			<u>247</u>
			<u>\$ 17,275</u>

DADE COUNTY R-3 SCHOOL DISTRICT

SCHEDULE OF REVENUES COLLECTED BY SOURCE

YEAR ENDED JUNE 30, 2022

	Governmental Fund Types				Total
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	
Local:					
Property tax	\$ 530,199	\$ -	\$ 71,684	\$ -	\$ 601,883
Sales tax	40,365	169,449	-	-	209,814
Intangible taxes	1,762	-	-	-	1,762
Earnings on investments	1,002	-	14	-	1,016
Food service	3,128	-	-	-	3,128
Student activities	70,815	-	-	-	70,815
Other	31,977	-	-	-	31,977
	<u>679,248</u>	<u>169,449</u>	<u>71,698</u>	<u>-</u>	<u>920,395</u>
County:					
State assessed utility taxes	<u>132,297</u>	<u>-</u>	<u>12,853</u>	<u>-</u>	<u>145,150</u>
State:					
Basic formula – state monies	127,420	552,198	-	-	679,618
Transportation aid	19,139	-	-	-	19,139
Basic Formula – Classroom Trust Fund	9,476	-	-	56,857	66,333
Educational screening	6,967	-	-	-	6,967
Small schools grant	64,410	-	-	-	64,410
Career education	134	200	-	-	334
Food service	1,084	-	-	-	1,084
	<u>228,630</u>	<u>552,398</u>	<u>-</u>	<u>56,857</u>	<u>837,885</u>
Federal:					
Medicaid	19,063	-	-	-	19,063
CARES/ESSER	29,673	186,720	-	41,812	258,205
IDEA	44,690	-	-	-	44,690
Food service	111,633	-	-	5,500	117,133
Title I	119	56,595	-	-	56,714
Title II	14,758	3,208	-	-	17,966
Title VI	23,335	-	-	-	23,335
Other	6,108	-	-	13,893	20,001
	<u>249,379</u>	<u>246,523</u>	<u>-</u>	<u>61,205</u>	<u>557,107</u>
	<u>\$ 1,289,554</u>	<u>\$ 968,370</u>	<u>\$ 84,551</u>	<u>\$ 118,062</u>	<u>\$ 2,460,537</u>

DADE COUNTY R-3 SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES PAID BY OBJECT
 YEAR ENDED JUNE 30, 2022

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals
Salaries	\$ 205,864	\$ 824,971	\$ -	\$ 1,030,835
Employee benefits	88,267	264,895	-	353,162
Purchased services	238,284	34,813	-	273,097
Supplies	276,414	-	-	276,414
Capital outlay	-	-	229,575	229,575
Other	-	-	28,588	28,588
	<u>\$ 808,829</u>	<u>\$ 1,124,679</u>	<u>\$ 258,163</u>	<u>\$ 2,191,671</u>

GOVERNMENT AUDITING STANDARDS

ROBERTS, MCKENZIE, MANGAN & CUMMINGS

A Professional Corporation
4035 S. Fremont
Springfield, Missouri 65804
(417) 883-5348 – (417) 883-8961 fax

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
Dade County R-3 School District
Everton, 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Dade County R-3 School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Dade County R-3 School District's basic financial statements, and have issued our report thereon dated November 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dade County R-3 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 the Dade County R-3 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dade County R-3 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 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. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described as item 2022-1 in the accompanying schedule of findings and responses that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dade County R-3 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Dade County R-3 School District's Response to Findings

Dade County R-3 School District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Dade County R-3 School 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 it.

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.

R/M/C, CPA's

Springfield, Missouri
November 10, 2022

DADE COUNTY R-3 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022

Item 2022-1: *Segregation of Duties*

Criteria:	The most effective system of internal control would provide for segregation of duties so that no individual would be involved in multiple phases of receiving, disbursing, processing or recording of assets and transactions.
Condition:	The size of the district is such that it is not feasible to have enough employees for adequate segregation of duties for internal control.
Context:	All accounting transactions
Effect:	The condition could adversely affect the district's ability to record, process, summarize, and report financial data consistent with the assertion of management in the financial statements.
Cause:	Not having sufficient number of personnel to allow for adequate segregation of duties.
Recommendation:	Any changes to the system of internal control to increase segregation of duties requires estimates and judgments by management of expected benefits and related costs. We recommend that management continue its active involvement in management of the district and strive to improve internal controls where practical.
Management response:	The size and budget constraints of the district limit the application of adequate segregation of duties. These areas will be reviewed periodically and consideration given to improving the segregation of duties.