

LINN COUNTY R-I SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Linn County R-I School District
Purdin, Missouri

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of the Linn County R-I 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 described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 Linn County R-I School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the financial statements in accordance with the cash basis of accounting described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Linn County R-I 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Linn County R-I 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 Linn County R-I 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 Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Linn County R-I School District's basic financial statements. The budgetary comparison information on pages 20-23 which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022, on our consideration of the Linn County R-I 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 and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Linn County R-I School District's internal control over financial reporting and compliance.

John W. Gillum, CPA, LLC
Certified Public Accountant
Kirksville, Missouri
October 19, 2022

BASIC FINANCIAL STATEMENTS

Linn County R-I School District
Statement of Net Position – Cash Basis
June 30, 2022

	--Primary Government-- Governmental <u>Activities .</u>
ASSETS	
Cash and cash equivalents	\$ <u>1,594,689</u>
Total Assets	\$ <u>1,594,689</u>
 NET POSITION	
Unrestricted	\$ <u>1,594,689</u>
Total Net Position	\$ <u>1,594,689</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
Statement of Activities – Cash Basis
For the Year Ended June 30, 2022

	<u>Cash</u>	<u>--Program Cash Receipts--</u>		<u>Net</u>
	<u>Disbursements</u>	<u>Charges for</u>	<u>Operating</u>	<u>Disbursements</u>
		<u>Services</u>	<u>Grants and</u>	<u>Receipts and</u>
			<u>Contributions</u>	<u>Changes in</u>
				<u>Net Position</u>
<u>Primary Government</u>				
Governmental Activities				
Instructional services	\$ (1,697,247)	\$ 125,795	\$ 401,856	\$ (1,169,596)
Support services	(803,336)	-	65,640	(737,696)
Food services	(164,003)	5,010	110,542	(48,451)
Building maintenance and improvements	(275,136)	-	-	(275,136)
Other	<u>(51,526)</u>	<u>-</u>	<u>-</u>	<u>(51,526)</u>
Total Primary Government	<u>\$ (2,991,248)</u>	<u>\$ 130,805</u>	<u>\$ 578,038</u>	(2,282,405)
General Receipts				
Property tax receipts				831,037
Other local receipts				300,787
County receipts				121,820
State receipts				1,123,823
Investment income				6,104
Federal receipts				20,000
Other				<u>1,503</u>
Total General Receipts				<u>2,405,074</u>
Change in Net Position				122,669
Net Position—Beginning				<u>1,472,020</u>
Net Position—Ending				<u>\$ 1,594,689</u>

See Accompanying Notes to Financial Statement

Linn County R-I School District
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
As of and for the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ <u>1,441,569</u>	\$ <u>-</u>	\$ <u>153,120</u>	\$ <u>1,594,689</u>
Total Assets	\$ <u>1,441,569</u>	\$ <u>-</u>	\$ <u>153,120</u>	\$ <u>1,594,689</u>
 <u>FUND BALANCES</u>				
Committed for: Capital projects	\$ -	\$ -	\$ 153,120	\$ 153,120
Unassigned	<u>1,441,569</u>	<u>-</u>	<u>-</u>	<u>1,441,569</u>
Total Fund Balances	\$ <u>1,441,569</u>	\$ <u>-</u>	\$ <u>153,120</u>	\$ <u>1,594,689</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
Statement of Cash Receipts, Disbursements and
Changes in Cash Basis Fund Balances – Governmental Funds
As of and for the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>RECEIPTS</u>				
Property tax receipts	\$ 831,037	\$ -	\$ -	\$ 831,037
Other local receipts	296,075	89,892	51,729	437,696
County receipts	112,489	9,331	-	121,820
State receipts	318,770	937,631	1,400	1,257,801
Federal receipts	126,196	312,864	20,000	459,060
Other receipts	<u>6,503</u>	<u>-</u>	<u>-</u>	<u>6,503</u>
 Total receipts	 <u>1,691,070</u>	 <u>1,349,718</u>	 <u>73,129</u>	 <u>3,113,917</u>
<u>DISBURSEMENTS</u>				
Instructional services	300,779	1,386,088	10,380	1,697,247
Support services	425,133	329,626	48,577	803,336
Food services	164,003	-	-	164,003
Building maintenance and facility acquisition	244,414	101	30,621	275,136
Other	<u>3,191</u>	<u>48,335</u>	<u>-</u>	<u>51,526</u>
 Total disbursements	 <u>1,137,520</u>	 <u>1,764,150</u>	 <u>89,578</u>	 <u>2,991,248</u>
 Excess (deficiency) of receipts over (under) disbursements	 553,550	 (414,432)	 (16,449)	 122,669
 Other financing sources(uses)				
Operating transfers (out)	(392,039)	-	-	(392,039)
in	<u>-</u>	<u>365,667</u>	<u>26,372</u>	<u>392,039</u>
Total Other Financing Sources (Uses)	<u>(392,039)</u>	<u>365,667</u>	<u>26,372</u>	<u>-</u>
 Excess of receipts and other financing sources over disbursements and other financing (uses)	 161,511	 (48,765)	 9,923	 122,669
 Cash basis fund balance – beginning of year	 <u>1,280,058</u>	 <u>48,765</u>	 <u>143,197</u>	 <u>1,472,020</u>
 Cash basis fund balance – end of year	 <u>\$ 1,441,569</u>	 <u>\$ -</u>	 <u>\$ 153,120</u>	 <u>\$ 1,594,689</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies

Linn County R-I School District (the “District”) is a public educational district operating under the applicable laws and regulations of the State of Missouri. It is governed by a “six directors” district (with seven members of the Board of Education) as described in RSMO Chapter 162, which are elected by registered voters of the District. The District prepares its basic financial statements in conformity with the cash basis of accounting, which is another comprehensive basis of accounting promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources; and it complies with the requirements of the appropriate version of the Missouri Department of Elementary and Secondary Education (DESE) Financial Accounting Manual (the “Accounting Manual”) and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Education (the “Board”) is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. There are no component units included within the reporting entity.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District does not have any business-type activities that rely, to a significant extent, on fees and charges for support.

In the government-wide Statement of Net Position, the District’s net position is reported in two parts: restricted net position and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities report both the gross and net cost of each of the District’s functions. The functions are also supported by general government revenues (property taxes, other local, county, state and federal revenues, etc.). The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instructional services, support services, food services, etc.). Operating grants include operating, specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs by function are normally covered by general revenue (property taxes, other local, county, state and federal revenues, interest income, etc.).

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

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses.

Major individual governmental funds are reported as separate columns in the fund financial statements. The District considers all governmental funds to be major funds and reports their financial condition and results of operations in a separate column.

1. Governmental Funds

The focus of the governmental funds' measurement (in the funds statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

- a) **General (Incidental) Fund:** Accounts for general activities of the District, including student activities, food service and textbook funds which are not designated in a separate fund.
- b) **Special Revenue (Teachers') Fund:** Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State for the payment of teacher salaries and fines collected by the county.
- c) **Capital Projects (Building) Fund:** Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which government fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-wide Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. The Governmental Funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring whether current year revenues were sufficient to pay for current year services.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Both the government-wide and governmental fund financial statements are prepared 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 that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statements. The cash basis differs from accounting principles generally accepted in the United States of America primarily because certain assets and their related revenues (such as accounts receivable and revenue for uncollected taxes or grants) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or service received but not yet paid) and certain assets and their related debt (such as capital assets and the debt issued to acquire the assets) are not recorded in these financial statements.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

E. BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund of the political subdivision.
2. Prior to July the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. On June 23, 2021, the budget was legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

6. Appropriations and the authority to expend funds lapse on June 30, 2022.

F. FINANCIAL STATEMENT AMOUNTS

1. CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, “cash and cash equivalents” include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. Additionally, the District maintains a cash and temporary cash investment pool that is available for use by all funds. Each fund type’s portion of this pool is presented as cash and cash equivalents.

2. INVENTORIES

The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased, however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriations even though they are a component of reported assets. There are no material amounts of inventories at June 30, 2022 and no inventories are recorded in the accompanying financial statements.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

3. CAPITAL ASSETS

Due to its use of the cash basis of accounting, the District does not maintain records of capital assets such as land, buildings and equipment. Capital assets when acquired have been reflected in the current year budget as capital outlay. Accordingly, depreciation for assets placed in service and depreciated over their estimated useful lives has not been recorded or reflected in these government-wide financial statements.

4. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes attach as an enforceable lien on property as of January 1 of the year of the levy. Taxes are levied on October 1, and payable by December 31. All unpaid taxes become delinquent January 1, of the following year. The county collects the property tax and remits it to the District on a monthly basis.

The District also receives sales tax collected by the state and remitted based on eligible pupil counts. The District is not required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year, because voters of the District have approved a waiver of proposition C rollback.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar years 2021 and 2020 for purposes of local taxation was \$21,128,473 and \$19,564,585 respectively.

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

	2021		2020	
	Unadjusted	Adjusted	Unadjusted	Adjusted
General (Incidental) Fund	\$ 4.1139	\$ 4.1139	\$ 4.1118	\$ 4.1118
Total	\$ 4.1139	\$ 4.1139	\$ 4.1118	\$ 4.1118

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregate approximately 96 percent of the current assessment computed on the basis of the levy as shown above.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

5. COMPENSATED ABSENCES

Vacation time, personal business days and sick leave are considered as expenditures in the year paid. Such amounts unused and which are vested in the employee are payable upon termination. The amount of unused vacation and sick leave at June 30, 2022 cannot reasonably be determined.

6. TEACHERS' SALARIES

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

7. GOVERNMENT-WIDE NET POSITION

Government-wide net position is divided into two components:

- a. **Restricted net position**—consists of net position that is restricted by the District's creditors (for example, through debt covenants), by grantors (both federal and state) or by other enabling legislation.
- b. **Unrestricted**—all other net position is reported in this category.

8. GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, fund balances are classified as follows:

- a. **Nonspendable**—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. **Restricted**—Externally enforceable limitations on use; amounts that can be spent only for specific purposes; limitations are imposed by creditors, grantors, or laws and regulations of other governments.
- c. **Committed**—Self-imposed limitations that must be set in place prior to the end of the period; amounts that can be used only for specific purposes determined by a formal action by the District's Board of Education; removal of the commitment must also be approved by a formal action of the District's Board of Education.
- d. **Assigned**—Limitation resulting from intended use; amounts that are designated by the District's Board of Education or Superintendent for a particular purpose but are not spendable until there is a majority vote approval by the District's Board of Education.
- e. **Unassigned**—All amounts not included in other spendable classifications.

The District does not have nonspendable or assigned governmental fund balances to report. In addition, the District has not formally adopted a stabilization policy.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)

9. USE OF RESTRICTED RESOURCES

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

Note 2: Cash and Cash Equivalents

State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all bank balances on deposit are entirely insured or collateralized with securities.

Note 3: Receipts From All Sources

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Local and Intermediate Sources</u>				
Local Sources				
Current taxes	\$ 790,210	\$ -	\$ -	\$ 790,210
Delinquent taxes	40,827	-	-	40,827
School district trust fund	149,820	89,892	-	239,712
M&M sur tax	-	-	51,578	51,578
In lieu of tax	-	-	151	151
Financial institution tax	20	-	-	20
Earnings on investment	6,104	-	-	6,104
Revenue from enterprise activities	4,887	-	-	4,887
Food service sales non program	619	-	-	619
Food service sales to adults	4,391	-	-	4,391
Prior period adjustment	4,200	-	-	4,200
Tuition from parents	19,680	-	-	19,680
Student organization membership dues	2,434	-	-	2,434
Other pupil activity income	98,794	-	-	98,794
Gifts	845	-	-	845
Other	4,281	-	-	4,281
	<u>1,127,112</u>	<u>89,892</u>	<u>51,729</u>	<u>1,268,733</u>
Total				

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 3 – Receipts From All Sources—(Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Local and Intermediate Sources (Continued)</u>				
County Sources				
Fines	-	9,331	-	9,331
State assessed utilities	<u>112,489</u>	-	-	<u>112,489</u>
Total	<u>112,489</u>	<u>9,331</u>	-	<u>121,820</u>
<u>State and Federal Sources</u>				
State Sources				
Basic Formula	262,917	788,751	-	1,051,668
Transportation	52,894	-	-	52,894
Basic Formula Classroom Trust	-	72,155	-	72,155
Education Screening	1,140	4,189	-	5,329
Career Education	575	2,166	1,400	4,141
Food Service	1,244	-	-	1,244
Small Schools Grant	-	<u>70,370</u>	-	<u>70,370</u>
Total	<u>318,770</u>	<u>937,631</u>	<u>1,400</u>	<u>1,257,801</u>
Federal Sources				
CRRSA-ESSER II	-	147,435	-	147,435
Medicaid	7,746	-	-	7,746
IDEA Entitlement Part B	-	51,204	-	51,204
School Lunch Program	69,564	-	-	69,564
School Breakfast Program	30,689	-	-	30,689
Title I	-	75,515	-	75,515
Title II Part A & B	-	11,270	-	11,270
IDEA Grants	-	10,669	-	10,669
Title IV Part A	-	10,000	-	10,000
ECSE	-	1,714	-	1,714
CARES-ESSER Fund	9,152	5,057	-	14,209
Child Nutrition EOC	9,045	-	-	9,045
Other	-	-	<u>20,000</u>	<u>20,000</u>
Total	<u>126,196</u>	<u>312,864</u>	<u>20,000</u>	<u>459,060</u>
Other Sources				
Sale of Other Property	1,503	-	-	1,503
Transportation Other Districts	<u>5,000</u>	-	-	<u>5,000</u>
Total	<u>6,503</u>	-	-	<u>6,503</u>
Total All Sources	<u>\$ 1,691,070</u>	<u>\$ 1,349,718</u>	<u>\$ 73,129</u>	<u>\$ 3,113,917</u>

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 4: Public School and Education Employee Retirement Systems of Missouri

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certified employees and certain part-time certificated employees of all public-school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all public-school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public-School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS 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 169.600-1699.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public-School Retirement System of Missouri.

A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psr-peers.org.

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 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 4: Public School and Education Employee Retirement Systems of Missouri (Continued)

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefits for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 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 restriction 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 year 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 contribution to PSRS and PEERS were \$201,447 and \$24,801, respectively, for the year ended June 30, 2022.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 4: Public School and Education Employee Retirement Systems of Missouri (Continued)

Commitment Related to Proportionate Share of Net Pension Liability. The net pension liability for PSRS and PEERS 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 \$184,339 and \$24,745, respectively, for the year ended June 30, 2021, relative to the actual 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 of the net pension liability was \$549,017 (0.0248%) for PSRS and \$21,215 (0.0197%) for PEERS. Because of the use of a cash basis of accounting framework in the preparation of these financial statements, this proportionate share of the PSRS/PEERS net pension liability is not reported in the District's financial statements as a liability, and is instead disclosed herein as a commitment. In accordance with the cash basis of accounting, pension expense or expenditures are only reported when contributions are paid by the Municipality to the Systems.

Actuarial Assumptions. Actuarial assumptions used in the determination of net pension liability, including mortality rates and life expectancies, long-term expected rate of return, discount rate and sensitivity of the net pension liability to changes in discount rate are available in the separately issued PSRS/PEERS financial report that can be obtained at www.psrs-peers.org.

Note 5: Other Postemployment Benefits (OPEB)

In addition to the pension benefits described in Note 4, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree.

Note 6: Transfers

Interfund transfers for the year ended June 30, 2022, were as follows:

	General (Incidental) Fund	Special Revenue (Teachers' Fund)	Special Revenue (Teachers' Fund)
Transfers (from) to funds:			
Teachers' Fund	\$ (365,667)	\$ 365,667	\$ -
Transportation Calc Cost	<u>(26,372)</u>	<u>-</u>	<u>26,372</u>
Total	<u>\$ (392,039)</u>	<u>\$ 365,667</u>	<u>\$ 26,372</u>

Interfund transfers were for recurring annual operating expenditures.

Linn County R-I School District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 7: Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 8: Contingencies

During 2021-2022 the District was awarded various financial assistance grants from the U.S. Government and the State of Missouri. Those awards are subject to program compliance audits by the grantors or their representatives. The audits of the programs have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time; although the District expects such amounts, if any, to be immaterial.

Note 9: Subsequent Events

Management has evaluated subsequent events through September 15, 2021, the date on which the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

Linn County R-I School District
 Budgetary Comparison Schedule – Cash Basis – General (Incidental) Fund
 For the Year Ended June 30, 2022

	----Budgeted Amounts---		Actual Amount	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (Receipts)				
Local	\$ 965,646	\$ 965,646	\$ 1,127,112	\$ 161,466
County	110,000	110,000	112,489	2,489
State	386,500	386,500	318,770	(67,730)
Federal	170,500	170,500	126,196	(44,304)
Other	<u>-</u>	<u>-</u>	<u>6,503</u>	<u>6,503</u>
Total resources (receipts)	<u>1,632,646</u>	<u>1,632,646</u>	<u>1,691,070</u>	<u>58,424</u>
Application (Disbursements)				
Instructional services	263,639	263,639	300,779	(37,140)
Support services	391,019	391,019	425,133	(34,114)
Food services	124,452	124,452	164,003	(39,551)
Building maintenance and facility acquisition	172,087	172,087	244,414	(72,327)
Other	<u>2,400</u>	<u>2,400</u>	<u>3,191</u>	<u>(791)</u>
Total application (disbursements)	<u>953,597</u>	<u>953,597</u>	<u>1,137,520</u>	<u>(183,923)</u>
Excess (deficiency) of resources (receipts) over applications (disbursements)	679,049	679,049	553,550	(125,499)
Other financing sources (uses)				
Operating transfers (out)	(690,773)	(690,773)	(392,039)	298,734
in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(690,773)</u>	<u>(690,773)</u>	<u>(392,039)</u>	<u>298,734</u>
Excess (deficiency) of resources (receipts) and other financing sources (uses) over application (disbursement)	(11,724)	(11,724)	161,511	173,235
Cash basis fund balance				
Beginning of year	<u>1,280,058</u>	<u>1,280,058</u>	<u>1,280,058</u>	<u>-</u>
Cash basis fund balance				
End of year	<u>\$ 1,268,334</u>	<u>\$ 1,268,334</u>	<u>\$ 1,441,569</u>	<u>\$ 173,235</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
 Budgetary Comparison Schedule – Cash Basis – Special Revenue (Teachers’) Fund
 For the Year Ended June 30, 2022

	----Budgeted Amounts---		Actual Amount	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (Receipts)				
Local	\$ 215,000	\$ 215,000	\$ 89,892	\$ (125,108)
County	10,000	10,000	9,331	(669)
State	775,000	775,000	937,631	162,631
Federal	<u>-</u>	<u>-</u>	<u>312,864</u>	<u>312,864</u>
Total resources (receipts)	1,000,000	1,000,000	1,349,718	349,718
Application (Disbursements)				
Instructional services	1,300,663	1,300,663	1,386,088	(85,425)
Support services	385,258	385,258	329,626	55,632
Other	53,617	53,617	48,335	5,282
Building maintenance	<u>-</u>	<u>-</u>	<u>101</u>	<u>(101)</u>
Total application (disbursements)	<u>1,739,538</u>	<u>1,739,538</u>	<u>1,764,150</u>	<u>(24,612)</u>
Excess(deficiency) of resources (receipts) over applications (disbursements)	(739,538)	(739,538)	(414,432)	325,106
Other financing sources (uses) Operating transfers in	<u>690,773</u>	<u>690,773</u>	<u>365,667</u>	<u>(325,106)</u>
Total other financing sources (uses)	<u>690,773</u>	<u>690,773</u>	<u>365,667</u>	<u>(325,106)</u>
Excess (deficiency) of resources (receipts) and other financing sources (uses) over application (disbursement)	(48,765)	(48,765)	(48,765)	-
Cash basis fund balance Beginning of year	<u>48,765</u>	<u>48,765</u>	<u>48,765</u>	<u>-</u>
Cash basis fund balance End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
 Budgetary Comparison Schedule – Cash Basis – Capital Projects Fund
 For the Year Ended June 30, 2022

	----Budgeted Amounts---		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Resources (Receipts)				
Local	\$ 47,700	\$ 47,700	\$ 51,729	\$ 4,029
State	63,000	63,000	1,400	(61,600)
Federal	<u>16,000</u>	<u>16,000</u>	<u>20,000</u>	<u>4,000</u>
Total resources (receipts)	126,700	126,700	73,129	(53,571)
Application (Disbursements)				
Instructional services	9,750	9,750	10,380	(630)
Support services	66,500	66,500	48,577	17,923
Food services	5,000	5,000	-	5,000
Building maintenance and facility acquisition	10,000	10,000	30,621	(20,621)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total application (disbursements)	<u>91,250</u>	<u>91,250</u>	<u>89,578</u>	<u>1,672</u>
Excess(deficiency) of resources (receipts) over applications (disbursements)	<u>35,450</u>	<u>35,450</u>	<u>(16,449)</u>	<u>(51,899)</u>
Other financing sources (uses)				
Operating transfers (out)	-	-	-	-
in	<u>-</u>	<u>-</u>	<u>26,372</u>	<u>26,372</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>26,372</u>	<u>26,372</u>
Excess (deficiency) of resources (receipts) and other financing sources (uses) over application (disbursement)	35,450	35,450	9,923	(25,527)
Cash basis fund balance				
Beginning of year	<u>143,197</u>	<u>143,197</u>	<u>143,197</u>	<u>-</u>
Cash basis fund balance				
End of year	<u>\$ 178,647</u>	<u>\$ 178,647</u>	<u>\$ 153,120</u>	<u>\$ (25,527)</u>

See Accompanying Notes to Financial Statements

Linn County R-I School District
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2022

BUDGET LAW

The District prepares its annual operating budget under the provisions of the Revised Missouri Statutes (RSMO) Chapter 67. In accordance with those provisions, the following process is used to adopt the annual budget.

- A. 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.
- B. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- C. On June 23, 2021, the budget was legally enacted by a vote of the Board of Education.
- D. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

- E. Appropriations and the authority to expend funds lapse on June 30, 2022.

FEDERAL COMPLIANCE SECTION

JOHN W. GILLUM, CPA, LLC

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

To the Board of Education
Linn County R-I School District
Purdin, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Linn County R-I School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Linn County R-I School District's basic financial statements, and have issued our report thereon dated October 19, 2022.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Linn County R-I School District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, 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.

John W. Gillum, CPA, LLC
Certified Public Accountant
Kirksville, Missouri
October 19, 2022

Linn County R-I School District
Summary Schedule of Findings and Responses
For the Year Ended June 30, 2022

Financial Statement Findings

MATERIAL WEAKNESS

2022-001 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. There are some mitigating controls in place but it is not possible to have segregation in all areas.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Repeat finding of 2021-001

Linn County R-I School District
Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

Financial Statement Finding

2021-001 Segregation of Duties

Auditor's Recommendation: We realize because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Status: Uncorrected. The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

STATE COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS - FINANCIAL

Board of Education
Linn County R-I School District
Purdin, Missouri

We have audited the cash basis financial statements of Linn County R-I School District, as of and for the year ended June 30, 2022, and have issued our report thereon dated October 19, 2022. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Linn County R-I School District taken as a whole. The accompanying Schedule of Transportation Costs Eligible for State Aid is presented for purposes of additional analysis and is not a required part of the financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

John W. Gillum, CPA, LLC
Certified Public Accountant
Kirksville, Missouri
October 19, 2022

Linn County R-I School District
 Schedule of Transportation Costs Eligible for State Aid
 For the Year Ended June 30, 2022

	<u>District Owned</u>	<u>Contracted</u>	<u>Total</u>
District operated transportation			
Certificated salaries	\$ 7,112	\$ -	\$ 7,112
Non-certificated salaries	90,203	-	90,203
Employee benefits	37,007	-	37,007
Purchased services	13,692	-	13,692
Supplies	59,960	-	59,960
Depreciation	<u>26,373</u>	<u>-</u>	<u>26,373</u>
Total costs	<u>\$ 234,347</u>	<u>\$ -</u>	<u>234,347</u>
Non-route contracted transportation			<u>\$ -</u>
School buses purchased			<u>\$ -</u>
Transportation revenues from other districts			<u>\$ 5,000</u>

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

Board of Education
Linn County R-I School District
Purdin, Missouri

We have examined management's assertions, included in its representation letter dated October 19, 2022, that Linn County R-I School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures, accurate disclosure by the District's attendance records of average daily attendance and average daily pupil transportation and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

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

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

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

John W. Gillum, CPA, LLC
Certified Public Accountant
Kirksville, Missouri
October 19, 2022

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
Example	PK	5		6.6825	174	1,156.45
058-106	PK	5		7.20	147	1058.40
058-106	6	12		7.25	147	1065.75

Notes:	

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

2. AVERAGE DAILY ATTENDANCE (ADA)

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance. Include only PK students allowed to be claimed for state aid in the calculation.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
058-106	K	13.95					13.95
058-106	1	11.86					11.86
058-106	2	11.66					11.66
058-106	3	9.51					9.51
058-106	4	9.67					9.67
058-106	5	12.33					12.33
058-106	6	13.08					13.08
058-106	7	15.60					15.60
058-106	8	11.06					11.06
058-106	9	15.68					15.68
058-106	10	13.10					13.10
058-106	11	17.17					17.17
058-106	12	14.92					14.92
Grand Total		169.59					169.59

Notes:	

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
058-106	K	14			14
058-106	1	12			12
058-106	2	12			12
058-106	3	8			8
058-106	4	10			10
058-106	5	13			13
058-106	6	15			15
058-106	7	16			16
058-106	8	12			12
058-106	9	16			16
058-106	10	14			14
058-106	11	18			18
058-106	12	18			18
Grand Total		178			178

Notes:	

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
058-106	60	14			74
Grand Total	60	14			74

Notes:	

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

5. FINANCE

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound Instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	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)	N/A

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$8,775
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	

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

Finding:	
Management Letter Comment:	

Linn County R-I School District
 District Number: 058-106
 Schedule of Selected Statistics
 For the Year Ended June 30, 2022

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/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:	True
	Eligible ADT	#163
	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:	#70,808
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:	True
	Eligible Miles	#60,301
	Ineligible Miles (Non-Route/Disapproved)	#10,507
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	#143

Notes:	

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

Finding:	
Management Letter Comment:	