

**LUTIE R-VI SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Thomas and Company*  
**Certified Public Accountant**

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*James K. Thomas, CPA*

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*Committed To  
Quality, Excellence,  
Professionalism &  
Confidentiality*

## TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Report on Internal Control over Financial Reporting, Compliance, and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Schedule of Findings and Questioned Cost	6
Statement of Net Position-Cash Basis	10
Statement of Activities-Cash Basis	11
Statement of Cash Basis Assets and Fund Balances - Governmental Funds	12
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Governmental Funds	13
Notes to Financial Statements	14
<b>SUPPLEMENTAL INFORMATION</b>	
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Budget and Actual General (Incidental) Fund	25
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Budget and Actual Special Revenue (Teachers) Fund	26
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Budget and Actual (Capital Projects Fund)	27

## **TABLE OF CONTENTS**

	<b>PAGE</b>
<b>OTHER FINANCIAL INFORMATION</b>	
Schedule of Revenues by Source	29
Schedule of Expenditures by Object	30
Schedule of Transportation Costs Eligible for State Aid	31
<b>SUPPLEMENTARY STATE INFORMATION</b>	
Independent Auditors' Report on Compliance with State Requirements	33
Schedule of Selected Statistics	35
<b>SUPPLEMENTARY FEDERAL INFORMATION</b>	
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards in Accordance with Uniform Guidance	39
Schedule of Expenditures of Federal Awards	43
Notes to Schedule of Expenditures of Federal Awards	45
Schedule of Resolutions of Prior Audit Findings	46
Corrective Action Plan	47

# *Thomas and Company*

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Education  
Lutie R-VI School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Lutie R-VI School District as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements. These collectively comprise Lutie R-VI School District basic financial statements as listed in the Table of Contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on the financial statements based on our audit. We did not audit NOTE III Employee Retirement Plans. This note to the financial statements was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to this information is based solely on the report of the other auditors

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. The auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of any significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the evidence we have obtained and the report of other auditors are sufficient and appropriate to provide a reasonable basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements present fairly, in all material respects, the respective financial position – cash basis of the governmental activities and each major fund of Lutie R-VI School District, as of June 30, 2023, and the respective changes in financial position – cash basis for the fiscal year then ended in accordance with the cash basis of accounting described in Note I.B.3.

### **Basis of Accounting**

We draw attention to Note I.B.3 of the financial statements, which describes the basis of accounting. The financial statements are prepared and presented using the cash basis of accounting. This basis of accounting is not generally accepted accounting principles in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Matters**

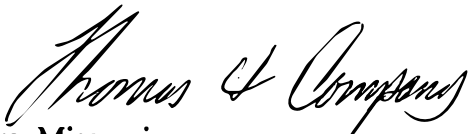
#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lutie R-VI School District's basic financial statements. The budgetary comparison information on pages 25-27 is the responsibility of management. This information is presented for the purpose of additional analysis. These are not required parts of financial statements presented in accordance with the cash basis of accounting. The budgetary comparison information is required by Missouri Department of Elementary and Secondary Education regulations. This information has not been subject to the auditing procedures applied in our audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on such information.

The Other Financial Information on pages 29-31 is presented for purpose of additional analysis and is not required parts of the financial statements. The Other Financial 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. This information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures. The additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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 Other Financial 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 a report dated December 21, 2023 on our consideration of the Lutie R-VI School District's internal control over financial reporting and on our test of 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 the testing. The purpose of the report is not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lutie R-VI School District's internal control over financial reporting and compliance.

  
Ava, Missouri  
December 21, 2023

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

**INDEPENDENT AUDITORS' REPORT**

To The Board of Education  
Lutie R-VI School District

We have audited, 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, the financial statements of the governmental activities and each major fund of Lutie R-VI School District as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, except NOTE III, Employee Retirement Plans which was audited by other auditors. These collectively comprise Lutie R-VI School District's basic financial statements. We issued our report on the financial statements dated December 21, 2023.

Our report includes a reference to other auditors who audited NOTE III Employee Retirement Plans included in the Notes to Financial Statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

We considered Lutie R-VI School District's internal control over financial reporting (internal control) in planning and performing our audit of the financial statements. The purpose for our consideration of internal control was to determine audit procedures that are appropriate in the circumstances which would provide evidence required for expressing our opinions on the financial statements. Our consideration of internal control was not for the purpose of expressing an opinion on the effectiveness of Lutie R-VI School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lutie R-VI School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or combination of deficiencies in internal control that creates a reasonable possibility a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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, material weaknesses or significant deficiencies may exist that were not identified during our audit. We identified a deficiency in internal control that we consider to be a material weakness which is described in the accompanying Schedule of Findings, and Questioned Costs referenced as Finding 2023-1 on page 6.

## **Compliance and Other Matters**

We performed tests of Lutie R-VI School District's compliance with certain provisions of laws, regulations, contracts, and grant agreements as part of obtaining reasonable assurance about whether the financial statements are free from material misstatement. Noncompliance with the provisions tested could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with those provisions was not an objective of our audit. 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*.

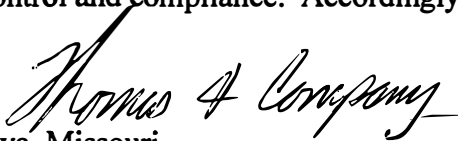
We noted certain other matters we reported to management of Lutie R-VI School District in a separate letter dated December 21, 2023.

### **Lutie R-VI School District's Response to Audit Finding**

Lutie R-VI School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs on page 7. The response was not subjected to the auditing procedures applied in our audit of the financial statements. Accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing. The purpose is not to provide an opinion on the effectiveness of the entity's internal control or 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.

  
Ava, Missouri  
December 21, 2023



**LUTIE R-VI SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF AUDITOR'S RESULTS**

- a. Unmodified opinion issued on the financial statements prepared in accordance with the modified cash basis of accounting.
- b. One material weaknesses disclosed during the audit of the financial statements was reported in the Report on Internal Control over Financial Reporting, Compliance, and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- c. No noncompliance which is material to the financial statements.
- c. Two material weaknesses identified in internal control over compliance for major federal programs.
- e. Modified opinion issued on compliance for major federal programs.
- f. Four audit findings required to be reported in accordance with Section 2 CFR 200.516 (a).
- g. Major programs:

Education Stabilization Fund	84.425
------------------------------	--------
- h. Dollar threshold used to distinguish between Type A and Type B programs is \$750,000.
- i. Auditee did not qualify as a low-risk auditee.
- j. Lutie R-VI School District did not elect to use the 10% de minimis indirect cost rate.

**II. FINDINGS - FINANCIAL STATEMENT AUDIT**

**Finding 2023-1 – Internal Control Over Financial Reporting**

**Condition:** The accounting function lacks segregations of duties and responsibilities in the payroll, expenditures, receipts, and reporting cycles. The bookkeepers' responsibilities include recording and reporting of financial data.

**Questioned Cost:** Unknown

**Effect:** Increases risk misstatements to the financial statements could occur and not be prevented or detected and corrected on a timely basis.

**Cause:** Insufficient number of personnel in the accounting function to provide segregations of duties required for effective internal controls.

**Recommendation:** Management should routinely review accounting and financial data to provide additional safeguards to timely detect and correct misstatements. The District should evaluate the implementation of additional segregations of duties in the accounting function.

**Management's Response:** Budget constraints limit the application of segregation of duties in the accounting function. The District will evaluate additional feasible segregations of duties. Management will routinely monitor accounting information.

### **III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

#### **Finding 2023-2 – Compliance Over Major Federal Program**

**Compliance Requirement:** Equipment and Real Property Management

**Program:** Education Stabilization Fund

**CFDA Number:** 84.425

**Criteria:** OMB Uniform Guidance Section 200.313 states assets acquired with Federal Funds shall be maintained accurately and shall include a description of the asset, identification number, source of funding, acquisition date, cost, location, condition of the asset, and date the information was reported. A physical inventory of all Federal funded assets shall be taken and the results reconciled with equipment records at least once every two years. Any differences between quantities determined by physical inspection and accounting records shall be investigated to determine cause. The existence, current utilization, and continued need shall be verified.

**Condition:** The District did not provide a completed and updated asset inventory accounting report.

**Cause:** The District did not complete the physical inventory or update the inventory report.

**Effect:** Federally funded assets could be inaccurately captured on the inventory records and not discovered and corrected. Misappropriation of assets could occur and not be detected. Improper disposition of assets could occur.

**Questioned Costs:** None noted

**Recommendation:** The District should complete a physical inventory of all Federally Funded assets. Asset inventory report should be completed and updated. The District should provide training to ensure the appropriate personnel have an understanding of OMB Uniform Guidance requirements specific to asset inventory.

**Management Views:** Management views and Corrective Action Plan are included at the end of this report.

### **Finding 2023-3 – Compliance over Major Federal Programs**

**Compliance Requirement:** Wage Rate Requirements

**Program:** Education Stabilization Fund

**CFDA Number:** 84.425

**Criteria:** OMB Uniform Guidance Compliance Supplement Section 4-20.001 requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project by the Department of Labor.

**Condition:** The District did not acquire certified payroll reports from contractors for the building roofing project. The District did not verify Wage Rate Requirement compliance

**Cause:** The District did not require contractors to prepare and provide certified payroll reports to ensure compliance with wages rate for the locality.

**Effect:** The District could be held liable by contractor employees for any wage amounts paid that were less than the prevailing wage rate for the locality.

**Questioned Cost:** Unknown

**Recommendation:** The District should request and retain certified payroll reports from contractors for the roofing project. The District should determine if the prevailing wage rate was paid to the contractor employees. The District should consult legal counsel if underpayments are discovered.

**Managements Views:** Managements views and Corrective Action plan are included at the end of this report.

### **Finding 2023-4 – Internal Control over Major Federal Program Compliance**

**Internal Control:** Equipment and Real Property Management Compliance

**Program:** Education Stabilization Fund

**CFDA Number:** 84.425

**Criteria:** OMB Uniform Guidance requires the District to establish and maintain effective internal controls to ensure compliance with asset management.

**Condition:** Federally funded asset acquisitions were not properly recorded, identified, and reported in an inventory system.

**Cause:** The District did not implement procedures to inventory, record, and monitor federally funded asset acquisitions.

**Recommendation:** The District should review its policies and procedures for asset inventory management. The District should ensure the policies require asset inventory management to comply with Equipment and Real Property Management compliance requirements. The District should provide training to personnel assigned to the inventory procedures. The District should implement specific inventory procedures to ensure compliance with the requirements.

**Management Views:** Management's views and Corrective Action Plan are included at the end of this report.

**Finding 2023-5 – Internal Control over Major Federal Program Compliance**

**Internal Control:** Wage Rate Requirements Compliance

**Program:** Education Stabilization Fund

**CFDA Number:** 84.425

**Criteria:** OMB Uniform Guidance requires the District to establish and maintain effective internal controls to ensure compliance with Wage Rate Requirements.

**Condition:** Certified payroll reports were not obtained from contractors working on the Federally funded roof project. Verification of Wage Rate Compliance was not performed.

**Cause:** The District did not have policies and procedures for monitoring and verifying Wage Rate Requirements compliance.

**Recommendation:** The District should review the policies and procedures for Wage Rate Requirements for Federally funded projects. The District should ensure policies require contracts on Federally funded projects stipulate prevailing wage payments to contractor employees as a requirement. The District should adopt policies requiring certified payroll reports be provided by contractors to the District. The District should implement procedures to verify contractor prevailing wage compliance.

**Management's Views:** Management's Views and Corrective Action Plan are included at the end of this report.

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION - CASH BASIS**  
**JUNE 30, 2023**

**ASSETS**

Pooled cash	\$ 1,285,957
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<b>TOTAL ASSETS</b>	<u><u>1,285,957</u></u>
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**NET POSITION**

Restricted for:

Professional Development	4,904
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Student Scholarships	800
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Education Stabilization Fund	95,080
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Unrestricted	<u>1,185,173</u>
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<b>TOTAL NET POSITION</b>	<u><u>\$ 1,285,957</u></u>
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The accompanying Notes to Financial Statements are integral part of this statement.

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

		<b>Program Cash Receipts</b>			<b>Net (Disbursements)</b>
	<b>Cash</b>	<b>Charges</b>	<b>Operating</b>	<b>Capital</b>	<b>Receipts and</b>
	<b>Disbursements</b>	<b>for</b>	<b>Grants and</b>	<b>Grants</b>	<b>Changes in</b>
		<b>Services</b>	<b>Contrib.</b>		<b>Net Position</b>
<b>Governmental activities:</b>					
Instructional services	\$ 1,294,280	\$ 120,348	\$ 302,942	\$	\$ (870,990)
Student services	187,571		62,206		(125,365)
Instructional staff support	6,752		10,319		3,567
Building administration	403,199		129,841	6,993	(266,365)
Genl admin&central serv	168,696		740		(167,956)
Operation of plant	355,950		850	14,439	(340,661)
Transportation	62,128		52,834		(9,294)
Food service	155,968	4,084	83,737		(68,147)
Community services	4,707		4,436		(271)
Facility acq. & const.	436,511			436,511	
Debt Services:					
Principal	12,946				(12,946)
Interest	788				(788)
<b>Net program (disb) receipts</b>	<u>3,089,496</u>	<u>124,432</u>	<u>647,905</u>	<u>457,943</u>	<u>(1,859,216)</u>
<b>General receipts:</b>					
Local receipts					
Property taxes					1,049,803
Sales taxes					174,613
Other local					13,040
County receipts					35,874
State receipts					
Basic Formula-state monies					515,639
Basic Formula-classroom trust fund					47,542
Small schools grant					43,228
Investment income					21,528
<b>Total general receipts</b>					<u>1,901,267</u>
<b>Increase in net position</b>					42,051
<b>Net position-Beginning of year</b>					1,229,355
<b>Prior Period Adjustment</b>					<u>14,551</u>
<b>Net position-Ending of year</b>					<u>\$ 1,285,957</u>

The accompanying Notes to Financial Statements are integral part of this statement.

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<u><b>GOVERNMENTAL FUND TYPES</b></u>			
	<u><b>General (Incidental) Fund</b></u>	<u><b>Special Revenue (Teachers') Fund</b></u>	<u><b>Capital Projects Fund</b></u>	<u><b>Total Memorandum Only 6/30/2023</b></u>
<b>ASSETS:</b>				
Pooled cash	\$ 1,159,328	\$ 104,865	\$ 21,764	\$ 1,285,957
<b>TOTAL ASSETS</b>	<u>1,159,328</u>	<u>104,865</u>	<u>21,764</u>	<u>1,285,957</u>
<b>FUND BALANCES:</b>				
Restricted-Professional Development	4,904			4,904
Restricted-Student Scholarships	800			800
Restricted-Education Stabilization Funds	95,880			95,880
Assigned-Certificated Employee Salary and Benefits		104,865		104,865
Assigned-Capital Outlay			21,764	21,764
Unassigned	1,057,744			1,057,744
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,159,328</u>	<u>\$ 104,865</u>	<u>\$ 21,764</u>	<u>\$ 1,285,957</u>

The accompanying Notes to Financial Statements are integral part of this statement.

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>General (Incidental) Fund</b>	<b>Special Revenue (Teachers') Fund</b>	<b>Capital Projects Fund</b>	<b>Total Memorandum Only 6/30/2023</b>
<b>REVENUES:</b>				
Local	\$ 1,097,328	\$ 174,613	\$	\$ 1,271,941
County	30,598	5,276		35,874
State	60,956	668,233		729,189
Federal	485,434	30,584	457,943	973,961
Investment income	21,528			21,528
Other		99,054		99,054
Total Revenues	<u>1,695,844</u>	<u>977,760</u>	<u>457,943</u>	<u>3,131,547</u>
<b>EXPENDITURES:</b>				
Instruction	345,839	935,439	13,002	1,294,280
Student services	155,149	4,612	27,810	187,571
Instructional staff support	6,752			6,752
Building administration	302,529	93,677	6,993	403,199
Genl admin & central serv	105,225	61,575	1,896	168,696
Operation of plant	318,513		37,437	355,950
Transportation	61,293	835		62,128
Food service	147,083		8,885	155,968
Community services	1,794	2,913		4,707
Facility acq. & const.			436,511	436,511
Debt Services:				
Principal			12,946	12,946
Interest			788	788
Fees				
Total Expenditures	<u>1,444,177</u>	<u>1,099,051</u>	<u>546,268</u>	<u>3,089,496</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	251,667	(121,291)	(88,325)	42,051
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,191,130	36,843	1,382	1,229,355
<b>PRIOR PERIOD ADJUSTMENT</b>	14,551			14,551
<b>TRANSFERS IN (OUT)</b>	<u>(298,020)</u>	<u>189,312</u>	<u>108,708</u>	
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,159,328</u>	<u>\$ 104,864</u>	<u>\$ 21,765</u>	<u>\$ 1,285,957</u>

The accompanying Notes to Financial Statements are integral part of this statement.



**LUTIE R-VI SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I.A. INTRODUCTION**

The accounting and reporting framework and significant accounting principles and practices of Lutie R-VI School District are discussed in subsequent sections of this note. The remainder of the notes present additional explanatory information and required disclosures of the district's financial status and activities for the fiscal year ended June 30, 2023.

The financial statements are prepared and presented in accordance with the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The financial statements apply generally accepted accounting principles and Governmental Accounting Standards Board (GASB) pronouncements relevant to the cash basis of accounting.

**I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION**

**I.B.1. COMPONENT UNITS**

Lutie R-VI School District is a public school district with seven publicly elected board members. The financial statements are presented for the primary government. The reporting entity includes the governing board and any organizations for which oversight responsibility is exercised.

Management has developed criteria to assess whether outside agencies with activities which benefit the District, including joint agreements which serve pupils from numerous districts, should be included within the financial reporting entity. The criteria includes, but is not limited to, the level of oversight responsibility exercised by the District (which includes financial dependency, 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.

Management has determined no outside agency meets this criteria. Therefore, no outside agency is included in the financial statements.

**I.B.2. GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

The government-wide financial statements are the Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis. These financial statements present financial information for the District as a whole. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities – Cash Basis presents expenses by function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities. It may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which are fees and other charges to users of the district's services; (2) operating grants and contributions which finance operating activities; and (3) capital grants which fund the acquisition, construction, or rehabilitation of capital assets. These revenues may be subject to externally imposed restrictions to the program uses. Taxes and other revenue sources which are not designated or restricted to specific functions are presented as general revenues.

## **Fund Financial Statements**

Fund financial statements are presented for the governmental funds. Major individual governmental funds are separately presented. Funds presented as a major fund which do not meet the major fund criteria of GASB Statements No. 34 and 37 are particularly important to the intended users of the financial statements. Each fund is accounted for with a separate set of self-balancing accounts consisting of assets, fund equity, revenues, and expenditures. Resources are allocated to and accounted for in specific funds based upon the spending purpose and the means by which spending activities are controlled. The following are the major funds presented in the financial statements.

### **Governmental Funds:**

General (Incidental) Fund: Accounts for general activities, including student activities and food service, which are not designated in a separate fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certificated employees involved in administration and instruction and revenues restricted or assigned for the payment of teacher and administrator salaries and benefits.

Capital Projects (Building) Fund: Accounts for the receipt and disbursement of funds for acquisition and construction of capital assets.

## **I.B.3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus is the term used to describe “how” transactions are recorded. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements present data using the current financial resources measurement focus and the cash basis of accounting. Internal activity (between or within funds) is eliminated from these financial statements. Revenues are recorded when cash is received. Expenses are recorded when cash is disbursed.

Governmental fund financial statements present data using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recorded when cash is disbursed. Internal activity between funds, such as transfers, are presented in the fund financial statements.

Only current financial assets and net position or fund balances are presented using the “current financial resources” measurement focus. The operating statements present sources and uses of the current financial resources during a given period.

## **Total Columns on Combined Statements**

The "Totals (Memorandum Only)" columns are presented to facilitate financial analysis. They do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

## **I.C. ASSETS AND FUND BALANCE**

### **I.C.1. CASH**

The District maintains a cash pool for the primary government. Each fund's portion of the pool is displayed in the Statement of Cash Basis Assets and Fund Balances - Governmental Funds as "pooled cash." Cash deposits are reported at carrying amount which approximates fair value.

### **I.C.2. CAPITAL ASSETS AND DEPRECIATION**

Capital asset costs are presented as current expenditures in the Capital Projects Fund when incurred. Capital assets, accumulated depreciation, and depreciation expense are not presented in the government wide or fund financial statements in accordance with the cash basis presentation.

### **I.C.3. FUND BALANCE**

The governmental fund financial statements present restricted fund balance for amounts not available for appropriation or legally restricted for specified purposes. The General Fund presents restricted fund balance of \$800 for student scholarships which is the unexpended balance of restricted donations. The General Fund also presents restricted fund balance of \$4,904 for professional development cost which is the unexpended balance of basic formula revenues allocated to professional development. The General Fund also presents restricted fund balance of \$95,880 for Education Stabilization Funds which represents the unexpended balance of these grant funds.

The Statement of Cash Basis Assets and Fund Balances-Governmental Funds presents assigned and unassigned fund balances in the governmental funds. In accordance with Missouri State Statute, Missouri Department of Elementary and Secondary Education regulation, and school board policy. The fund balance of the Teachers' Fund has been assigned for future salary and employee benefits expenditures for certificated teachers and administrators. The fund balance of the Capital Projects Fund has been assigned for capital outlay expenditures. The residual fund balance of the General Fund is unassigned.

District policy requires first the use of restricted, then assigned, and lastly unassigned funds for eligible expenditures, when available.

## **I.D. PENSION PLANS**

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

The financial Statements are presented using the cash basis of accounting. Employer pension contribution expenses are recognized when paid. The District has not presented its proportionate share of the net pension plans liabilities in the financial statements in accordance with the cash basis presentation.

## **II. DETAILED NOTES**

### **II.A. ASSETS**

#### **II.A.1. DEPOSITS**

##### **Deposits**

Custodial Credit Risk for deposits is the risk in the event of a bank failure deposits may not be returned or collateral securities in the possession of an outside party would not be recovered. District policy requires deposits to be 100 percent secured by Federal Deposit Insurance Corporation insurance (FDIC), pledged collateral valued at current market price, or an irrevocable and unconditional Letter of Credit. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements or an irrevocable and unconditional Letter of Credit must be approved prior to deposit of funds as provide by law. The School Board approves and designates an authorized depository institution based on evaluation of solicited responses and certifications.

District deposits are FDIC insured.

#### **II.A.2. CAPITAL ASSETS**

Capital asset costs are presented as current expenditures in the government-wide Statement of Activities – Cash Basis and the Capital Projects Fund Statement of Cash Basis Receipts, Disbursements, and Changes in Cash Basis Fund Balance in the governmental funds financial statements in accordance with the cash basis presentation.

### **II.B. LEASE COMMITMENTS**

#### **Capital Lease**

The outstanding lease purchase agreements include a five year lease acquired in 2019 in the amount of \$62,900 for the purchase of a school bus with interest at 3.0% and \$13,334 of outstanding principal and a five year copier lease purchase acquired in 2023 with interest at 5.78% and \$8,879 of outstanding principal.

The payment requirements for the capital lease to maturity are:

<u>Year End</u> <u>June 30</u>	<u>Governmental Activities.</u>	
	<u>Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2024	16,125	840
2025	2,956	274
2026	3,132	99
Total	<u>\$ 22,613</u>	<u>\$ 1,213</u>

Principal and interest payments on the capital leases are presented as current expenditures in the government wide Statement of Activities-Cash Basis and the Capital Projects Fund Statement of Cash Basis Receipts, Disbursements, and Changes in Cash Basis Fund Balance in accordance with the cash basis of accounting.

Capital lease activity for the fiscal year:

	Balance <u>7/1/22</u>	Amount <u>Borrowed</u>	Amount <u>Repaid</u>	Balance <u>6/30/23</u>	Due Within <u>One Year</u>
<u>Primary Government</u>					
<u>Governmental Activities</u>					
School Bus	\$ 26,280	\$ -0-	\$ 12,946	\$ 13,334	\$ 13,334
Copiers	<u>11,513</u>	<u>-0-</u>	<u>2,634</u>	<u>8,879</u>	<u>2,791</u>
	<u>\$ 37,793</u>	<u>\$ -0-</u>	<u>\$ 15,580</u>	<u>\$ 22,213</u>	<u>\$ 16,125</u>

## II.C. TRANSFERS WITHIN THE REPORTING ENTITY

Transfers in the District are substantially for the purposes of funding deficit spending, capital projects, and asset acquisitions. Resources are accumulated in specific funds to support and simplify the administration of various projects and programs.

Transfers are eliminated from the government-wide Statement of Activities-Cash Basis. Transfers which are presented in the Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Governmental Funds.

The District made a Teachers Fund transfer of \$189,312 from the General Fund to the Teachers Fund to fund deficit spending for the fiscal year.

The District made a partial \$162,326 or 7% xSATxWADA transfer of \$108,708 from the General Fund to the Capital Projects fund to provide funding for equipment acquisitions, bus payments, and provide funding for future capital outlay costs.

Transfers in the District for fiscal year are:

<u>Transfers From</u>	<u>Transfers To</u>	
<u>Primary Government</u>	<u>Governmental Activities</u>	
<u>Governmental Activities</u>	<u>Major Governmental Funds</u>	
<u>General Fund</u>	<u>Teachers</u>	<u>Capital Projects</u>
<u>\$ 298,020</u>	<u>\$ 189,312</u>	<u>\$ 108,708</u>

## II.D. REVENUES AND EXPENDITURES

### II.D.1. TAXES, ASSESSED VALUATION, PROPERTY TAX LEVY RATE, AND LEGAL BOND DEBT MARGIN

#### Taxes

Property taxes are levied on November 1 and payable by December 31. Property taxes levied attach as an enforceable lien on real property on January 1. Ozark County government assesses and collects property taxes levied by the District.

Sales tax revenues collected by the State of Missouri are remitted to the District based on eligible pupil data.

### **Assessed Valuation**

Assessed valuation of taxable property within the taxing authority of the District for the 2022 tax year for the purpose of local taxation was:

Residential	\$18,585,630
Agricultural	706,280
Commercial	3,089,630
Personal	<u>7,751,274</u>
Total	<u>\$30,132,814</u>

### **Property Tax Levy Rate**

The property tax levy rate per \$100 of assessed valuation of taxable property within the taxing authority of the District for the 2022 tax year for the purpose of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General	\$ 3.5424	\$ 3.5424
Teachers	-0-	-0-
Capital Projects	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 3.5424</u>	<u>\$ 3.5424</u>

Current and delinquent property tax receipts during the fiscal year aggregated 98.35 percent of the 2022 assessment.

### **Legal Bond Debt Margin**

The Missouri Constitution limits the outstanding amount of authorized general obligation bonds to 15 percent of the assessed valuation of property within the taxing authority of the District. The legal bond debt margin at June 30, 2023 was:

Constitution debt limit	\$ 4,519,922
General obligation bonds payable	-0-
Amount available in Debt Service Fund	<u>-0-</u>
Legal Bond Debt Margin	<u>\$ 4,519,922</u>

## **II.D.2. COMPENSATED ABSENCES COMPENSATION**

Compensation for employee vacation time, personal days, and sick leave are presented as expenditures in the year paid. Unused accrued amounts vested in the employee are payable upon termination.

## **II.E.3. TEACHERS' SALARIES**

Payroll checks written and dated in June, 2023, for July and August, 2023 teachers and administrators payrolls from 2022-23 contracts are presented in the financial statements as expenditure paid in the month of June. This practice has been consistently followed in previous years.

### **III. EMPLOYEE RETIREMENT PLANS**

#### **General Information about the Pension Plans**

*Plan Description.* PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of 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 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 a contributing member 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 – 169.715 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.

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

PEERS is a defined benefit plan providing retirement, disability and death/survivor 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 benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for

the “Rule of 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 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems’ website at [www.psr-peers.org](http://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 proceeding 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-U 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 member, 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 and benefits during fiscal years 2021, 2022, and 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

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



The district's contributions to PSRS and PEERS were \$146,241 and \$40,180, respectively, for the year ended June 30, 2023.

### **Pension Liabilities and Pension Expense**

At June 30, 2023, the district's unrecorded pension liability is \$1,276,144 for its proportionate share of PSRS' net pension liability and \$167,333 for its proportionate share of PEERS' net pension liability. In total the district's unrecorded net pension liability is \$1,443,477. The net pension liability for the plans in total was measured as of June 30, 2022, 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 \$125,960 and \$26,514, respectively, for the year ended June 30, 2022, relative to the actual contributions of \$763,765,597 for PSRS and \$133,912,935 for PEERS from all participating employers. At June 30, 2022, the district's proportionate share was 0.0165% for PSRS and 0.0198% for PEERS.

For the year ended June 30, 2023, the district recognized a pension expense of \$143,362 for PSRS and \$38,634 for PEERS.

## **IV. RISK MANAGEMENT**

The District can be exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC), a Protected Self-Insurance Program of Missouri public school districts with 487 members. The District pays an annual assessment to be a member of this risk-sharing group. The assessment pays for losses, administrative expenses, risk management services, and excess insurance contracts. MUSIC is allowed to make additional assessments to its members for shortfalls. MUSIC provides comprehensive property, casualty, liability, and workmen compensation coverage to limit the risk of loss from such events. Lutie R-VI School District assessment for calendar year 2023 is \$31,500.

## **V. CONTINGENCIES**

### **V.A. CLAIMS AND LITIGATION**

The District can be exposed to potential claims and litigation in the course of business. Management is unaware of pending or threatened claims or litigation.

### **V.B. FEDERAL AND STATE GRANTS**

The District receives federal and state grants for specific purposes which can be subject to review and audit by the granting agency. Reviews and audits could result in required reimbursements by the District or withholding of future grant funds for noncompliance with grant terms.

## **VI. SUBSEQUENT EVENTS**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, Lutie R-VI School District has evaluated subsequent events through December 21, 2023 which is the date these financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified.

## **V.II. PRIOR PERIOD ADJUSTMENT**

The Statement of Activities presents a prior period adjustment of \$14,551 restating net position at June 30, 2022 from \$1,229,355 to \$1,243,906. The Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances-Governmental Funds presents this prior period adjustment in the General Fund restating fund balance at June 30, 2022 from \$1,191,130 to \$1,205,681. The adjustment results from current year refunds of expenses paid and recorded in a prior year.

## **V.III. POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note III, 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.

## **IX. TAX ABATEMENTS**

As of June 30, 2023, the District did not provide tax abatements to any business. The District's taxes received had not been reduced by agreements entered into by other governments.

## **SUPPLEMENTAL INFORMATION**

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL (INCIDENTAL) FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(UNAUDITED)

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Revised Budget to Actual Variance</b>
<b>REVENUES:</b>				
Local	\$ 1,097,610	\$ 1,097,328	\$ 1,097,328	\$
County	27,752	30,598	30,598	
State	33,839	60,956	60,956	
Federal	516,582	485,434	485,434	
Investment income	4,000	21,528	21,528	
Other	100			
Total Revenues	<u>1,679,883</u>	<u>1,695,844</u>	<u>1,695,844</u>	
<b>EXPENDITURES:</b>				
Instruction	211,368	345,839	345,839	
Student services	78,784	155,149	155,149	
Instructional staff support	20,850	6,752	6,752	
Building administration	70,010	302,529	302,529	
Gen admin & central serv	191,628	105,225	105,225	
Operation of plant	277,459	318,513	318,513	
Transportation	80,676	61,293	61,293	
Food service	171,412	147,083	147,083	
Community services	8,523	1,794	1,794	
Total Expenditures	<u>1,110,710</u>	<u>1,444,177</u>	<u>1,444,177</u>	
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	569,173	251,667	251,667	
<b>FUND BALANCES, BEGINNING OF YEAR</b>	1,191,130	1,191,130	1,191,130	
<b>PRIOR PERIOD ADJUSTMENT</b>		14,551	14,551	
<b>TRANSFERS IN (OUT)</b>	<u>(356,253)</u>	<u>(298,020)</u>	<u>(298,020)</u>	
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,404,050</u>	<u>\$ 1,159,328</u>	<u>\$ 1,159,328</u>	<u>\$</u>

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE (TEACHERS') FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(UNAUDITED)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Revised Budget to Actual Variance</u>
<b>REVENUES:</b>				
Local	\$ 130,000	\$ 174,613	\$ 174,613	\$
County	3,000	5,276	5,276	
State	624,461	668,233	668,233	
Federal	128,451	30,584	30,584	
Investment income				
Other	81,000	99,054	99,054	
Total Revenues	<u>966,912</u>	<u>977,760</u>	<u>977,760</u>	
<b>EXPENDITURES:</b>				
Instruction	1,106,384	935,439	935,439	
Student services	10,988	4,612	4,612	
Instructional staff support	5,480			
Building administration	83,956	93,677	93,677	
Gen admin & central serv	153,200	61,575	61,575	
Operation of plant				
Transportation		835	835	
Food service				
Community services		2,913	2,913	
Total Expenditures	<u>1,360,008</u>	<u>1,099,051</u>	<u>1,099,051</u>	
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(393,096)	(121,291)	(121,291)	
<b>FUND BALANCES,</b>				
<b>BEGINNING OF YEAR</b>	36,843	36,843	36,843	
<b>PRIOR PERIOD ADJUSTMENT</b>				
<b>TRANSFERS IN</b>	<u>356,253</u>	<u>189,312</u>	<u>189,312</u>	
<b>FUND BALANCES,</b>				
<b>END OF YEAR</b>	<u>\$</u>	<u>\$ 104,864</u>	<u>\$ 104,864</u>	<u>\$</u>

**LUTIE R-VI SCHOOL DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(UNAUDITED)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Revised Budget to Actual Variance</u>
<b>REVENUES:</b>				
Local	\$	\$	\$	\$
County				
State	10,783			
Federal	585,546	457,943	457,943	
Investment income				
Other				
Total Revenues	<u>596,329</u>	<u>457,943</u>	<u>457,943</u>	
<b>EXPENDITURES:</b>				
Instruction		13,002	13,002	
Student services		27,810	27,810	
Instructional staff support				
Building administration		6,993	6,993	
Gen admin & central serv	5,000	1,896	1,896	
Operation of plant	505,974	37,437	37,437	
Transportation	13,250			
Food service	5,000	8,885	8,885	
Community services				
Facility acq. & const.		436,511	436,511	
Debt Services:				
Principal		12,946	12,946	
Interest	1,532	788	788	
Fees				
Total Expenditures	<u>530,756</u>	<u>546,268</u>	<u>546,268</u>	
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	65,573	(88,325)	(88,325)	
<b>FUND BALANCES,</b>				
<b>BEGINNING OF YEAR</b>	1,382	1,382	1,382	
<b>TRANSFERS IN</b>		108,708	108,708	
<b>FUND BALANCES,</b>				
<b>END OF YEAR</b>	<u>\$ 66,955</u>	<u>\$ 21,765</u>	<u>\$ 21,765</u>	<u>\$</u>

## **OTHER FINANCIAL INFORMATION**

**LUTIE R-IV SCHOOL DISTRICT  
SCHEDULE OF REVENUE BY SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General (Incidental) Fund	Special Rev (Teachers') Fund	Capital Projects Fund	Total (Memorandum Only) 6/30/2023
<b>LOCAL:</b>				
Property taxes	\$ 1,049,803	\$	\$	1,049,803
Sales taxes		174,613		174,613
Financial institution tax	228			228
M & M surtax	3,759			3,759
Earnings on investment	21,528			21,528
Food service	4,084			4,084
Student activities	21,294			21,294
Gifts	9,108			9,108
Other local	9,053			9,053
Total Local	<u>1,118,857</u>	<u>174,613</u>		<u>1,293,470</u>
<b>COUNTY:</b>				
Fines, escheats, etc.		5,276		5,276
State assessed utilities	6,768			6,768
Federal properties	23,830			23,830
Total County	<u>30,598</u>	<u>5,276</u>		<u>35,874</u>
<b>STATE:</b>				
Basic formula-state monies	198	520,648		520,846
Transportation	52,834			52,834
Basic formula-classroom trust fund		47,542		47,542
Edctnl screening/PAT	4,436			4,436
Small schools grant		43,228		43,228
Career education	3,239			3,239
Food service	249			249
Teacher baseline grant		56,815		56,815
Other state				
Total State	<u>60,956</u>	<u>668,233</u>		<u>729,189</u>
<b>FEDERAL:</b>				
Medicaid	37,988			37,988
ARP-ESSER III	117,805		436,511	554,316
CRRSA-ESSER II	149,258		21,432	170,690
CARES-ESSER fund	3,329			3,329
IDEA grants	743			743
ARP-IDEA 611 entitlement	3,614			3,614
IDEA entitlement, Part B IDEA		30,584		30,584
ARP-IDEA (ECSE)	490			490
National school lunch program	55,972			55,972
School breakfast program	27,284			27,284
Fresh fruits & vegetables program	232			232
Title I-ESEA	70,624			70,624
Title IV, A	6,982			6,982
Title II, A	5,112			5,112
Other-Federal	6,000			6,000
Total Federal	<u>485,433</u>	<u>30,584</u>	<u>457,943</u>	<u>973,960</u>
<b>OTHER:</b>				
Tuition other district's		99,054		99,054
Total Other		<u>99,054</u>		<u>99,054</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,695,844</u>	<u>\$ 977,760</u>	<u>\$ 457,943</u>	<u>3,131,547</u>



**LUTIE R-VI SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General (Incidental) Fund</u>	<u>Special Rev (Teachers') Fund</u>	<u>Capital Projects Fund</u>	<u>Total Memorandum Only</u>
Salaries	\$ 554,920	\$ 813,319	\$	\$ 1,368,239
Employee benefits	186,436	285,731		472,167
Purchased services	392,533	.		392,533
Supplies	310,289			310,289
Capital outlay			532,535	532,535
Other Objects	<u>                    </u>	<u>                    </u>	<u>13,735</u>	<u>13,735</u>
<b>TOTAL</b>	<u>\$ 1,444,178</u>	<u>\$ 1,099,050</u>	<u>\$ 546,270</u>	<u>\$ 3,089,498</u>

**LUTIE R-VI SCHOOL DISTRICT  
SCHEDULE OF TRANSPORTATION COST  
ELIGIBLE FOR STATE AID  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>District Owned</b>
Certificated salaries	\$ 1,360
Noncertified salaries	31,754
Employee benefits	3,159
Purchased services	6,541
Supplies	19,314
Depreciation	19,597
Total Allowable Costs	\$ <u>81,725</u>
 Missouri State Transportation Aid Revenue	 \$ <u>52,834</u>
 School Bus Lease/Purchases	
Principal	\$ <u>12,946</u>
Interest	\$ <u>788</u>

## **SUPPLEMENTARY STATE INFORMATION**

# **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS**

To the Board of Education  
Lutie R-VI School District

## **Report on Compliance with Revised Statutes of the State of Missouri and Missouri Department of Elementary and Secondary Education Regulations**

We have audited Lutie R-VI School District's compliance with the compliance requirements as required by Revised Statutes of the State of Missouri and Missouri Department of Elementary and Secondary Education regulations. We have performed auditing procedures to test compliance with requirements governing budgets (Chapter 67, RSMo) and methods of maintaining pupil attendance and transportation records (Chapter 165.121.3(7)RSMo).

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws of the State of Missouri and regulations of Missouri Department of Elementary and Secondary Education.

### **Auditor's Responsibility**

Our responsibility is to express opinions on compliance based on our audit of the compliance requirements. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform our audit to obtain reasonable assurance about whether noncompliance occurred with the compliance requirements. An audit includes examining, on a test basis, evidence about Lutie R-VI School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

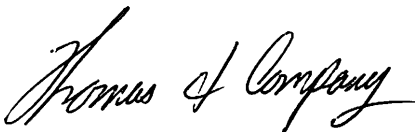
We believe our audit provides a reasonable basis for our opinions on compliance. Our audit does not provide a legal determination of Lutie R-VI School District's compliance with laws and regulations.

## **Opinion on Compliance with Budget Procedures and Methods of Maintaining Pupil Attendance and Transportation Records**

In our opinion Lutie R-VI School District's budgetary and disbursement procedures were in compliance with the budgetary statute (Chapter 67 RSMo). It is also our opinion pupil attendance and 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, 2022, students eligible to receive free and reduced lunches on the last Wednesday of January 2023, average number of eligible and ineligible pupils transported on a regular basis, actual eligible and ineligible mileage data, and allowable cost for pupil transportation in compliance with state and administrative rules.

### **Intended Use of this Report**

The report is intended for the information of management, Board of Education, others within the entity, and Missouri Department of Elementary and Secondary Education. This report is not intended for, nor should it be used by, other than the specified parties.

A handwritten signature in black ink that reads "Thomas J. Company". The signature is written in a cursive, flowing style.

Ava, Missouri  
December 21, 2023

**LUTIE R-IV SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FISCAL YEAR ENDED JUNE 30, 2023**

Type of audit performed: Yellow Book: \_\_\_\_\_ Single Audit:  X .

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

<u>School Code</u>	<u>Begin Grade</u>	<u>End Grade</u>	<u>½ Day</u>	<u>Std Day</u>	<u># Days</u>	<u># Hours</u>
077-104	K	11		6.95	151	1044.43
077-104	12	12		6.95	146	1009.68

**2. Attendance Hours**

<u>School Code</u>	<u>Grade Level</u>	<u>Full-Time Hours</u>	<u>Part-Time Hours</u>	<u>Remedial Hours</u>	<u>Other Hours</u>	<u>Summer School Hours</u>	<u>Total Hours</u>
077-104	K-11	77369					77369
077-104	12	<u>5719</u>					<u>5719</u>
Total		<u>83088</u>					<u>83088</u>

**3. September Membership**

<u>School Code</u>	<u>Grade Level</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Other</u>	<u>Total</u>
077-104	K-12	<u>80</u>			<u>80</u>

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

<u>School Code</u>	<u>Free Lunch</u>	<u>Reduced Lunch</u>	<u>Deseg In Free</u>	<u>Total</u>
077-104	<u>87</u>			<u>87</u>

**5. Finance**

5.1 The district 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 school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. True

Sampling of records included those students receiving instruction in the following categories: Traditional Instruction (full and part-time students)

5.3 The district 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 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, the district has purchased a bond covering acts of the district treasurer up to a limit of: \$50,000
- 5.6 The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. True
- 5.7 The District maintained a separate bank account for its Debt Service Fund in accordance with Section 108.180 and 165.011 RSMo. N/A
- 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 expenditures date for the projects to be undertaken. False
- 5.10 The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- 5.11 The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. True
- 5.12 The amount spent for approved professional development committee plan activities was: \$4,011
- 5.13 The District has posted, at least quarterly, a searchable expenditure and revenue document or data base detailing actual income, expenditures, and disbursement for the current fiscal year on the district website as required by Section 160.066, RSMo. True

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

Finding #: N/A

Management Letter Comment #: 1

## 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 school 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	<u>43.5</u>
• Ineligible ADT	<u>10.0</u>

6.4 The district's school's transportation odometer mileage records are maintained in a manner accurately disclose in all material respects the eligible and ineligible mileage for the year. True

6.5 Actual odometer records show the total district operated and contracted mileage for the year was: 33,430

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	<u>21,820</u>
• Ineligible Miles	<u>11,610</u>

6.7 Number of days the District operated the school transportation system during the regular school year. 151

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

Finding #: N/A

Management Letter Comment #: N/A



## **SUPPLEMENTARY FEDERAL INFORMATION**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS IN ACCORDANCE WITH UNIFORM GUIDANCE**

To the Board of Education  
Lutie R-VI School District

**Report on Compliance for Each Major Federal Program**

***Qualified Opinion***

We have audited Lutie R-VI School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Lutie R-VI School District's major federal program for the year ended June 30, 2023. The Lutie R-VI School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs on page 6.

***Qualified Opinion on Education Stabilization Fund Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, The Lutie R-VI School District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Education Stabilization Fund Program for the year ended June 30, 2023.

**Basis for Qualified Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under the Uniform Guidance is further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

## **Matter(s) Giving Rise to Qualified Opinion on Education Stabilization Fund Program**

As described in the accompanying Schedule of Findings and Questioned Costs, the Lutie R-VI School District did not comply with requirements regarding CFDA 84.425 *Education Stabilization Fund* as described in findings number 2023-2 for Equipment and Real Property Management and 2023-3 for Wage Rate Requirements.

Compliance with such requirements is necessary, in our opinion, for Lutie R-VI School District to comply with the requirements applicable to that program.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to Lutie R-VI School District federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lutie R-VI School District compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lutie R-VI School District internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lutie R-VI School District internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2023-4 and 2023-5 to be material weaknesses.

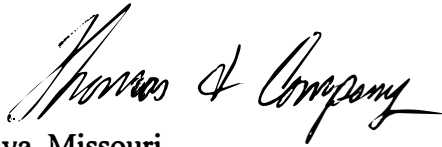
Lutie R-VI School District is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Lutie R-VI School District's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Lutie R-VI School District as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 21, 2023, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on pages 43 and 44 is presented for purpose of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in our 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Thomas & Company". The signature is written in black ink and is positioned above the printed text.

Ava, Missouri  
December 21, 2023

**LUTIE R-VI SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2023**

<b>Program Title</b>	<b>Federal AL Number</b>	<b>Pass-through Entity Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed Through Missouri Department of Elementary and Secondary Education			
National School Lunch Program	10.555	20221N119943	\$ 17,898
		20232N119943	37,842
		20221N890343	233
			<u>55,973</u>
School Breakfast Program	10.582	20221N119943	8,938
		20232N119943	18,347
			<u>27,285</u>
Fruits and Vegetables Program	10.582	2022IL160343	232
Passed Through Missouri Department of Health and Senior Services Summer Food Service Program	10.559	077-104	<u>3,354</u>
<b>Total Child Nutrition Cluster</b>			<b>86,844</b>
Passed Through Missouri Department of Elementary and Secondary Education			
Commodity Supplemental Food Program	10.565	077-104	<u>9,577</u>
<b>Total U.S. Department of Agriculture</b>			<b>96,421</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Missouri Department of Elementary and Secondary Education			
Title I, Part A Grants	84.010	S010A220025	48,647
		S010A210025	70,624
			<u>119,271</u>
Title II, A	84.376	S367A210024	5,112
		S367A220024	7,384
			<u>12,496</u>
Title IV, A	84.424	S424A210026	6,982
		S424A220026	8,605
			<u>15,587</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**LUTIE R-VI SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDED JUNE 30, 2023**

<b>Program Title</b>	<b>Federal AL Number</b>	<b>Pass-through Entity Number</b>	<b>Expenditures</b>
Special Education Cluster:			
Special Education, Part B Entitlement	84.027	H027A210040	30,584
		H027A220040	14,273
			<u>44,857</u>
ARP IDEA	84.027	H027X210040	3,614
Early Childhood Special Education (619)	84.173	H173A210103	2,355
ARP IDEA ECSE (619)	84.173	H173X210103	490
Special Education MO Model Districts	84.323	H323A170020	<u>743</u>
<b>Total Special Education Cluster</b>			52,059
Education Stabilization Fund	84.425	S425D210021	68,302
		S425U210021	620,513
			<u>688,815</u>
<b>Total U.S. Department of Education</b>			888,228
<b>NATIONAL SCIENCE FOUNDATION</b>			
Passed Through Curators of University of Missouri			
STEM Education	47.076		6,000
<b>Total Expenditure of Federal Awards</b>			<u>\$ 990,649</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**LUTIE R-VI SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**A. Basis of Presentation**

The Schedule of Expenditures of Federal Awards of Lutie R-VI School District is presented using the modified cash basis of accounting. This is the same basis of accounting used in presenting Lutie R-VI School District's financial statements. The expenditures reported in the Schedule of Expenditures of Federal Awards represent only the federally funded portion of the program.

**B. Noncash Expenditures**

The Schedule of Expenditures of Federal Awards includes noncash expenditures of the Commodity Supplemental Food Program. The program expenditures have been presented at fair market value of commodities received during the fiscal year.

**C. Program Types**

Each program, including clusters of programs, with expenditures in excess of \$750,000 are considered Type A programs. Those with expenditures of less than \$750,000 are considered Type B programs. There were no Type A programs for this fiscal year.

**D. Subrecipients**

The District did not provide funds to subrecipients in this fiscal year.

**E. Indirect Costs**

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



**LUTIE R-VI SCHOOL DISTRICT  
SCHEDULE OF RESOLUTIONS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Finding 2022-1 – Internal Control**

**Condition:** The accounting function lacks segregations of duties and responsibilities in the payroll, expenditures, receipts, and reporting accounting cycles. The bookkeepers' responsibilities include, recording and reporting of financial data.

**Resolution:** This condition continues to exist in the District. Budget constraints limit the application of segregation of duties and responsibilities. The District cross-trains employees in the accounting function. Management assumes an active role by routinely monitoring accounting data.

**LUTIE R-VI SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Finding 2023-1 – Internal Control over Financial Reporting**

**Condition**

Lack of Segregation of Duties in the accounting function.

**Repeat Finding and Material Weakness**

**Corrective Action**

Management will continue to evaluate segregations of duties in the accounting function. The District will continue to cross train employees for the accounting function. Management will assume an active role in the accounting function by routinely monitoring accounting data.

**Anticipated Completion Date**

Management does not anticipate resolving this finding. Safeguards outlined in the Corrective Action have been implemented.

**Responsible Contact Person**

Kathalee Cole, Superintendent (417)273-4274

**Finding 2023-2 – Compliance over Major Federal Program**

**Program**

Education Stabilization Fund (CFDA 84.425)

**Compliance Requirement**

Equipment and Real Property Management

**Condition**

Incomplete Asset Inventory

**Material Noncompliance**

**Corrective Action Plan**

The District will perform a physical inventory of all assets and complete/update the asset inventory accounting report in accordance the requirements of OMB Uniform Guidance. The District will provide training to personnel responsible for the asset inventory procedures.

**Planned Completion Date**

March 31, 2024

**Responsible Contact Person**

Kathalee Cole, Superintendent (417)273-4274

**Finding 2023-3 – Compliance over Major Federal Program**

**Program**

Education Stabilization Fund (CFDA 84.425)

**Compliance Requirement**

Wage Rate Requirements

**Condition**

Prevailing Wage Payment to Contractors not verified and documented.

**Material Noncompliance**

**Corrective Action Plan**

The District will request certified payroll reports from the contractor of the roofing project. The District will determine if prevailing wage payments were paid to the contractor employees. The District will consult with legal counsel if underpayments are discovered.

**Planned Completion Date**

March 31, 2024

**Responsible Contact Person**

Kathalee Cole, Superintendent (417)273-4274

**Finding 2023-4 – Internal Control over Major Federal Program Compliance**

**Program**

Education Stabilization Fund (CFDA 84.425)

**Condition**

Lack of policies and procedures for Asset inventory management.

**Material Weakness**

**Corrective Action Plan**

The District will adopt policies and implement procedures to ensure asset physical inventories are completed and inventory records are completed and updated in accordance with Federal program requirements. The District will provide training to responsible personnel.

**Planned Completion Date**

March 20, 2024

**Responsible Contact Person**

Kathalee Cole, Superintendent (417)273-4274

**Finding 2023-5– Internal Control over Major Federal Program Compliance****Program**

Education Stabilization Fund (CFDA 84.425)

**Condition**

Lack of policies and procedures for verifying and monitoring Wage Rate Requirements.

**Material Weakness****Corrective Action Plan**

The District will adopt policies and implement procedures to require prevailing wage payments for contractor employees working on Federally funded projects. The District will adopt policies and implement procedures requiring contractors on Federally funded projects provide certified payroll reports to the District to ensure compliance with Wage Rate Requirements. The District will implement verification procedures to ensure contractor compliance with prevailing wage payments to employees.

**Planned Completion Date**

March 20, 2024

**Responsible Contact Person**

Kathalee Cole, Superintendent (417)273-4274