

KNOX COUNTY R-I SCHOOL DISTRICT
EDINA, MISSOURI

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY DATA
AND INDEPENDENT AUDITORS' REPORTS

June 30, 2024

KNOX COUNTY R-I SCHOOL DISTRICT
EDINA, MISSOURI

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KNOX COUNTY R-I SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Education
Knox Co R-I School District
Edina, Missouri 63537

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Knox Co R-I School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Knox Co R-I School District, as of June 30, 2024, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 Knox Co 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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- * Exercise professional judgment and maintain professional skepticism throughout the audit.
- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- * Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation costs Eligible for State Aid, Summary Schedule of Revenues collected, Expenditures Paid and Changes in Fund Balance, and the Schedule of State Financial Assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts by Source, Schedule of Disbursements by Object, Schedule of Transportation costs Eligible for State Aid, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules, Public School Retirement System schedules and Public Education Employee Retirement System schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2024 on our consideration of Knox Co R-I School District's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Knox Co R-I School District's internal control over financial reporting and compliance.



Conrad & Higgins, LLC
Princeton, Missouri
December 10, 2024

BASIC FINANCIAL STATEMENTS

Knox Co R-I School District
Statement of Net Position Arising From Modified
Cash Basis Transactions - Governmental Activities
For the Year Ended June 30, 2024

ASSETS:	
Cash	\$ 4,298,966
Investments	-
Land, buildings and equipment, net of accumulated depreciation	7,414,536
Total Assets	<u>\$ 11,713,502</u>
 LIABILITIES:	
General obligation bonds	\$ 3,340,000
Lease purchase	-
Total Liabilities	<u>\$ 3,340,000</u>
 NET POSITION:	
Net investment in capital assets	\$ 4,074,536
 Restricted for:	
Debt service	316,454
Capital projects	2,782,389
Unrestricted	1,200,123
Total Net Position	<u>\$ 8,373,502</u>

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

Knox Co R-I School District
Statement of Activities Arising From Modified
Cash Basis Transactions - Governmental Activities
For the Year Ended June 30, 2024

	Expenditures	Program Receipts		Net Expenses and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Instruction	\$ 4,614,426	\$ 187,820	\$ 2,367,353	\$ 74,298	\$ (1,984,955)
Student services	510,044	-	-	-	(510,044)
Instruction staff support	240,202	-	-	-	(240,202)
Building administration	477,293	-	-	-	(477,293)
General administration	568,244	-	-	-	(568,244)
Operation of plant	1,249,871	-	-	-	(1,249,871)
Pupil transportation	1,074,249	-	304,873	-	(769,376)
Food services	422,990	99,111	203,697	-	(120,182)
Community services	232,490	-	-	-	(232,490)
Facilities acquisition	-	-	-	-	-
Interest	82,992	-	-	-	(82,992)
Other	42,418	-	-	-	(42,418)
Total	<u>\$ 9,515,219</u>	<u>\$ 286,931</u>	<u>\$ 2,875,923</u>	<u>\$ 74,298</u>	<u>(6,278,067)</u>

General Revenues:

Property and other taxes	4,597,044
Proposition C	697,409
Basic formula	951,225
Earnings on investments	263,347
Other	170,130
Increase/(decrease) in net position	<u>401,088</u>
Net position, July 1, 2023	<u>7,972,414</u>
Net Position, June 30, 2024	<u>\$ 8,373,502</u>

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

FUND FINANCIAL STATEMENTS

Knox Co R-I School District
 Combined Statement of Assets and Fund Balance
 Arising from Modified Cash Transactions - All Fund Types
 June 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
ASSETS					
Cash	\$ (476,236)	\$ -	\$ (115,160)	\$ 670,086	\$ 78,690
Investments	<u>1,676,359</u>	<u>-</u>	<u>431,614</u>	<u>2,112,303</u>	<u>4,220,276</u>
Total Assets	<u>\$ 1,200,123</u>	<u>\$ -</u>	<u>\$ 316,454</u>	<u>\$ 2,782,389</u>	<u>\$ 4,298,966</u>
FUND BALANCE					
Restricted for:					
Debt service	\$ -	\$ -	\$ 316,454	\$ -	\$ 316,454
Capital projects	-	-	-	2,782,389	2,782,389
Unassigned:	<u>1,200,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,123</u>
Total Fund Balance	<u>\$ 1,200,123</u>	<u>\$ -</u>	<u>\$ 316,454</u>	<u>\$ 2,782,389</u>	4,298,966

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources, and therefore, are not reported in the funds.	7,414,536
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,340,000)
Fund Balance of governmental activities	<u>\$ 8,373,502</u>

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

Knox Co R-I School District
 Combined Statement of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - All Governmental Fund Types
 for the Year Ended June 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Funds	Totals (Governmental Funds)
REVENUES COLLECTED:					
Local	\$ 2,949,272	\$ 758,137	\$ 182,609	\$ 777,806	\$ 4,667,824
County	1,019,170	14,883	72,961	142,882	1,249,896
State	326,948	1,505,010	50,000	74,298	1,906,256
Federal	280,021	1,665,169	-	-	1,945,190
Other	5,210	11,222	-	2,330,709	2,347,141
Total Revenues Collected	<u>4,580,621</u>	<u>3,954,421</u>	<u>305,570</u>	<u>3,325,695</u>	<u>12,166,307</u>
EXPENDITURES PAID:					
Instruction	752,526	3,849,323	-	65,140	4,666,989
Guidance	84,422	220,301	-	-	304,723
Health services	157,319	48,002	-	-	205,321
Improvement of instruction	9,669	135,006	-	-	144,675
Professional development	3,770	5,613	-	-	9,383
Media services	10,773	75,370	-	-	86,143
Executive administration	350,476	198,566	-	19,203	568,245
Building level administration	192,885	381,963	-	8,000	582,848
Operation of plant	841,039	5,382	-	1,359,171	2,205,592
Pupil transportation	633,735	39,276	-	302,997	976,008
Food services	417,623	-	-	5,368	422,991
Adult/community programs	12,621	15,184	-	-	27,805
Early childhood programs/instruction	3,868	200,816	-	-	204,684
Architecture, engineering and legal services	-	-	-	475,092	475,092
Debt service:					
Principal	-	-	165,000	-	165,000
Interest and fees	-	-	82,992	-	82,992
Other	-	-	468	41,950	42,418
Total Expenditures Paid	<u>3,470,726</u>	<u>5,174,802</u>	<u>248,460</u>	<u>2,276,921</u>	<u>11,170,909</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>1,109,895</u>	<u>(1,220,381)</u>	<u>57,110</u>	<u>1,048,774</u>	<u>995,398</u>
OTHER FINANCING SOURCES (USES):					
Transfers	(1,286,844)	1,220,381	-	66,463	-
Total other financing sources (uses)	<u>(1,286,844)</u>	<u>1,220,381</u>	<u>-</u>	<u>66,463</u>	<u>-</u>
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	(176,949)	-	57,110	1,115,237	995,398
FUND BALANCE, JULY 1, 2023	1,377,072	-	259,344	1,667,152	
FUND BALANCE, JUNE 30, 2024	<u>\$ 1,200,123</u>	<u>\$ -</u>	<u>\$ 316,454</u>	<u>\$ 2,782,389</u>	

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, capital costs are allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays were exceeded by depreciation.

1,490,690

The issuance of long term debt provides current financial resources to government funds, while the repayment of the principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

(2,085,000)

CHANGES IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES

\$ 401,088

NOTES TO FINANCIAL STATEMENTS

Knox Co R-I School District
Notes to Financial Statements
Year Ended June 30, 2024

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Knox Co R-I School District was established in 1865 under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education as described in RSMo Chapter 162).

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

* The financial statements include:

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

A. Reporting Entity

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

B. Basis of Presentation - Fund Accounting

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

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

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

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

The District does not allocate indirect costs.

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

C. Financial Statements - Fund Financial Statements

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

The following governmental fund types are used by the District:

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.

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

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

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its government-wide financial statements on the modified cash basis of accounting which recognizes all long-term fixed assets and long-term debt obligations. The District's policy is to prepare its fund financial statements on the modified cash basis of accounting, which is modified to recognize investments; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

E. Use of Estimates

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

F. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the district treasurer. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. government securities, carried at cost, which approximates market. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

Knox Co R-I School District
Notes to Financial Statements
Year Ended June 30, 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

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

Buildings	40 years
Equipment	7 years
Improvements	20 years

H. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts unused and which are vested in the employee are payable upon termination. Total vested and unpaid sick leave at June 30, 2024, amounted to \$124,441.

I. Teachers' Salaries

Payroll checks, written and dated in June 2024 for July and August 2024 payrolls, from 2023-2024 contracts in the amount of \$636,153 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

J. Post Employment Benefits

COBRA Benefits: Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium, plus a 2% administration charge, is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2024.

K. Inventories

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

L. Public School Retirement System of Missouri

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

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

M. Restricted Assets

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

Knox Co R-I School District
Notes to Financial Statements
Year Ended June 30, 2024

2 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Missouri State Statutes authorize the Board of Education, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposits. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the District or a disinterested third party and must be of the kind prescribed by the State Statutes and approved by the State. At June 30, 2024, the carrying amount of deposits and investments was \$78,690 and \$4,220,276 and the bank balance was \$1,370,090 and \$4,220,276. All of the bank balances were covered by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the District's name.

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

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

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

- a. District obligations of the U.S. Government, its agencies and instrumentalities to which faith and credit of the U.S. Government is pledged, or obligations to the payment of full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Investment Credit Risk - The District places no limit on the amount it may invest in any one issuer. At June 30, 2024, the District had no concentration of credit risk.

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

	Carrying Amount
Cash on hand	\$ 600
Carrying amount of deposits	78,090
Carrying amount of investments	4,220,276
Total	\$ 4,298,966
Cash	\$ 78,690
Cash - restricted	-
Investments	1,676,359
Investments - restricted	2,543,917
Total	\$ 4,298,966

Knox Co R-I School District
Notes to Financial Statements
Year ended June 30, 2024

2 DEPOSITS AND INVESTMENTS (Continued)

Investment Type	Maturity	Total
MOCAAT	Various	\$ 4,103,085
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	<u>117,191</u>
		<u>\$ 4,220,276</u>

MOCAAT

Liquid series account investments with varying maturities and investment returns. Investments include US Treasury Bills and investments in the State of Missouri.

Investment Contracts with BOK Financial

Funds on deposit with BOK Financial are invested in investment contracts in which the District has a pro-rata share of the investment contract. The investment contracts are in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service.

3 TAXES

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

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2023 for purposes of local taxation were:

Real Estate:	
Residential	\$ 23,793,339
Agriculture	17,843,939
Commercial	8,915,695
Personal Property:	<u>35,669,353</u>
Total	<u>\$ 86,222,326</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2023 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.1000	\$ 3.1000
Special Revenue Fund	-	-
Debt Service Fund	0.2000	0.2000
Capital Project Fund	0.6000	0.6000
Total	<u>\$ 3.9000</u>	<u>\$ 3.9000</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2024, aggregated approximately 97.40 percent of the current assessment computed on the basis of the levy as shown above.

Knox Co R-I School District
Notes to Financial Statements
Year ended June 30, 2024

4 CHANGES IN LONG-TERM DEBT

	Bonds
Debt payable, July 1, 2023	\$ 1,255,000
Debt issued	2,250,000
Debt retired	<u>(165,000)</u>
Debt payable, June 30, 2024	<u><u>\$ 3,340,000</u></u>

Bonds payable at June 30, 2024, consist of:

\$1,090,000 general obligation bonds due in varying annual installments from September 1, 2024 through March 1, 2031; interest at .95 percent to 2.30 percent.

\$2,250,000 general obligation bonds due in varying annual installments from August 1, 2023 through March 1, 2043; interest at 4.00 percent to 5.00 percent.

Debt service requirements to maturity are:

Year ending June 30	Principal	Interest	Total
2025	170,000	122,913	292,913
2026	165,000	120,193	285,193
2027	165,000	117,388	282,388
2028	165,000	114,335	279,335
2029	165,000	111,035	276,035
2030-2034	720,000	494,370	1,214,370
2035-2039	915,000	306,750	1,221,750
2039-2043	875,000	88,800	963,800
	<u>\$ 3,340,000</u>	<u>\$ 1,475,784</u>	<u>\$ 4,815,784</u>

Interest paid during the fiscal year ended June 30, 2024 was \$82,992.

5 CONTINGENCIES

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

6 INTERFUND TRANSFERS

During the year ended June 30, 2024, the district transferred \$1,220,381 from the General Fund to the Special Revenue Fund for teachers' salaries and \$66,463 to the Capital Projects Fund for capital improvements.

7 GASB STATEMENT NO. 54 - FUND BALANCE REPORTING

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

Knox Co R-I School District
Notes to Financial Statements
Year ended June 30, 2024

7 GASB STATEMENT NO. 54 - FUND BALANCE REPORTING (Continued)

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

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

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

8 POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 11, 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 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.

9 RISK MANAGEMENT

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

Knox Co R-I School District
Notes to Financial Statements
Year ended June 30, 2024

10 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets:				
Buildings and improvements	4,551,179	1,732,465	-	6,283,644
Equipment	1,135,491	175,634	-	1,311,125
Vehicles	2,829,753	326,872	-	3,156,625
Total other capital assets at historical cost	<u>8,516,423</u>	<u>2,234,971</u>	<u>-</u>	<u>10,751,394</u>
Less accumulated depreciation for:				
Buildings and improvements	1,454,741	196,096	-	1,650,837
Equipment	614,397	123,072	-	737,469
Vehicles	523,439	425,113	-	948,552
Total accumulated depreciation	<u>2,592,577</u>	<u>744,281</u>	<u>-</u>	<u>3,336,858</u>
Other capital assets, net	<u>5,923,846</u>	<u>1,490,690</u>	<u>-</u>	<u>7,414,536</u>
Governmental activities capital assets, net	<u>\$ 5,923,846</u>	<u>\$ 1,490,690</u>	<u>\$ -</u>	<u>\$ 7,414,536</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities:</u>	
Instruction	\$ 123,072
Operation of plant	196,096
Transportation	425,113
Total governmental activities depreciation expense	<u>\$ 744,281</u>

Knox County R-I School District
Notes to Financial Statements
Year Ended June 30, 2024

11 PENSION PLANS

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

Summary of Significant Accounting Policies

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

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

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

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

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

Knox County R-I School District
Notes to Financial Statements
Year Ended June 30, 2024

11 PENSION PLANS (Continued)

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

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

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

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

-If the CPI decreases, no COLA is provided.

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2022, 2023, and 2024. Employers were required to match the contributions made by the employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2022, 2023, and 2024. 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 \$517,666 and \$120,648, respectively, for the year ended June 30, 2024.

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

SUPPLEMENTARY INFORMATION

Knox Co R-I School District
Schedule of Revenues Collected by Source
Year Ended June 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
<u>Local</u>					
Current property taxes	\$ 2,414,852	\$ -	\$ 155,791	\$ 467,403	\$ 3,038,046
Delinquent property taxes	186,115	-	12,166	38,963	237,244
Sales tax	-	697,409	-	-	697,409
Financial institution tax	-	-	-	15,687	15,687
M & M in lieu and city sales taxes	-	-	-	56,171	56,171
Premium on bonds sold	-	-	-	45,851	45,851
Earnings on investments	65,113	51,265	14,652	132,316	263,346
Food service - program	58,363	-	-	-	58,363
Food service - non-program	40,747	-	-	-	40,747
Student activities	8,841	-	-	-	8,841
Other	175,241	9,463	-	21,415	206,119
Total Local	<u>2,949,272</u>	<u>758,137</u>	<u>182,609</u>	<u>777,806</u>	<u>4,667,824</u>
<u>County</u>					
Fines and escheats	-	14,883	-	-	14,883
State assessed utility taxes	1,019,170	-	72,961	142,882	1,235,013
Total County	<u>1,019,170</u>	<u>14,883</u>	<u>72,961</u>	<u>142,882</u>	<u>1,249,896</u>
<u>State</u>					
Basic formula	-	951,225	-	-	951,225
Transportation	304,873	-	-	-	304,873
Basic formula - classroom trust fund	-	151,260	50,000	-	201,260
Vocational/Technical	8,610	22,033	-	24,298	54,941
Food service	1,641	-	-	-	1,641
Educational screening program	-	30,212	-	-	30,212
Missouri quality pre-k (MOQPK)	2,724	132,107	-	-	134,831
Career ladder/excellence in education act	-	69,000	-	-	69,000
School safety grant	-	-	-	50,000	50,000
Other	9,100	149,173	-	-	158,273
Total State	<u>326,948</u>	<u>1,505,010</u>	<u>50,000</u>	<u>74,298</u>	<u>1,956,256</u>
<u>Federal</u>					
Medical	46,754	-	-	-	46,754
CRRSA - GEER II	3,655	-	-	-	3,655
ARP-ESSER III	-	1,015,693	-	-	1,015,693
CRRSA - ESSER II	7,880	786	-	-	8,666
Individuals with disabilities	-	184,816	-	-	184,816
Food service	219,635	-	-	-	219,635
Title I, ESEA	-	403,663	-	-	403,663
Title II, ESEA	-	35,515	-	-	35,515
Title IV	-	24,696	-	-	24,696
Title V	2,097	-	-	-	2,097
Other	-	-	-	-	-
Total Federal	<u>280,021</u>	<u>1,665,169</u>	<u>-</u>	<u>-</u>	<u>1,945,190</u>
Other	5,210	11,222	-	2,330,709	2,347,141
Total Revenues	<u>\$ 4,580,621</u>	<u>\$ 3,954,421</u>	<u>\$ 305,570</u>	<u>\$ 3,325,695</u>	<u>\$ 12,166,307</u>

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

Knox Co R-I School District
Schedule of Expenditures Paid by Object
Year Ended June 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
Salaries	\$ 1,208,448	\$ 3,903,927	\$ -	\$ -	\$ 5,112,375
Employee benefits	404,023	1,244,517	-	-	1,648,540
Purchased services	989,797	26,358	-	-	1,016,155
Supplies	868,458	-	-	-	868,458
Capital outlay	-	-	-	2,234,971	2,234,971
Debt service					-
Principal	-	-	165,000	-	165,000
Interest	-	-	82,992	-	82,992
Fees	-	-	468	41,950	42,418
	<u>\$ 3,470,726</u>	<u>\$ 5,174,802</u>	<u>\$ 248,460</u>	<u>\$ 2,276,921</u>	<u>\$ 11,170,909</u>

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

Knox Co R-I School District
Summary Schedule of Revenues Collected, Expenditures Paid and
Changes in Fund Balance
Year Ended June 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
REVENUES COLLECTED	\$ 4,580,621	\$ 3,954,421	\$ 305,570	\$ 3,325,695	\$ 12,166,307
EXPENDITURES PAID	<u>3,470,726</u>	<u>5,174,802</u>	<u>248,460</u>	<u>2,276,921</u>	<u>11,170,909</u>
EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>1,109,895</u>	<u>(1,220,381)</u>	<u>57,110</u>	<u>1,048,774</u>	<u>995,398</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>(1,286,844)</u>	<u>1,220,381</u>	<u>-</u>	<u>66,463</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,286,844)</u>	<u>1,220,381</u>	<u>-</u>	<u>66,463</u>	<u>-</u>
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	(176,949)	-	57,110	1,115,237	995,398
FUND BALANCE, JULY 1, 2023	<u>1,377,072</u>	<u>-</u>	<u>259,344</u>	<u>1,667,152</u>	<u>3,303,568</u>
FUND BALANCE, JUNE 30, 2024	<u>\$ 1,200,123</u>	<u>\$ -</u>	<u>\$ 316,454</u>	<u>\$ 2,782,389</u>	<u>\$ 4,298,966</u>

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

Knox Co R-I School District
Schedule of Transportation Costs Eligible for State Aid
Year Ended June 30, 2024

	District Operated	Total
Salaries	\$ 405,966	\$ 405,966
Employee benefits	137,766	137,766
Purchased services	34,906	34,906
Supplies	84,230	84,230
Capital outlay	302,997	302,997
Total	\$ 965,865	\$ 965,865
 Nonroute contracted transportation	 \$ 10,153	
 School buses purchased	 \$ 233,533	
 School buses leased/purchased:		
Principal	\$ -	
Interest	\$ -	
 Transportation revenues from other districts	 \$ -	

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

Knox Co R-I School District
Schedule of State Financial Assistance
Year Ended June 30, 2024

State Grantor/Program Title	Balance June 30, 2023	Receipts	Disbursements	Balance June 30, 2024
Department of Elementary and Secondary Education:				
Basic Formula	\$ -	\$ 951,225	\$ 951,225	\$ -
Transportation	-	304,873	304,873	-
Food Service	-	1,641	1,641	-
Basic Formula - Classroom Trust Fund	-	201,260	201,260	-
Educational Screening	-	30,212	30,212	-
Early Childhood Special Education	-	148,273	148,273	-
Career Education	-	54,941	54,941	-
Career Ladder	-	69,000	69,000	-
Missouri Quality Pre-K (MOQPK) LEA	-	134,831	134,831	-
School Safety Grant	-	50,000	50,000	-
Other	-	10,000	10,000	-
Total State Financial Assistance	<u>\$ -</u>	<u>\$ 1,956,256</u>	<u>\$ 1,956,256</u>	<u>\$ -</u>

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

OTHER INFORMATION

Knox Co R-I School District
General (Incidental) Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 2,742,276	\$ 2,949,272	\$ 2,949,272	\$ 206,996
County	973,000	1,019,170	1,019,170	46,170
State	505,500	326,948	326,948	(178,552)
Federal	441,000	280,021	280,021	(160,979)
Other	-	5,210	5,210	5,210
Total Revenues Collected	4,661,776	4,580,621	4,580,621	(81,155)
EXPENDITURES PAID:				
Instruction	374,226	752,526	752,526	(378,300)
Guidance	84,722	84,422	84,422	300
Health services	144,851	157,319	157,319	(12,468)
Improvement of instruction	19,100	9,669	9,669	9,431
Professional development	6,400	3,770	3,770	2,630
Media services	18,620	10,773	10,773	7,847
Executive administration	340,432	350,476	350,476	(10,044)
Building level administration	182,824	192,885	192,885	(10,061)
Operation of plant	632,780	841,039	841,039	(208,259)
Pupil transportation	564,560	633,735	633,735	(69,175)
Food services	404,690	417,623	417,623	(12,933)
Adult/community programs	12,000	12,621	12,621	(621)
Early childhood programs/instruction	4,400	3,868	3,868	532
Total Expenditures Paid	2,789,605	3,470,726	3,470,726	(681,121)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID				
	\$ 1,872,171	\$ 1,109,895	1,109,895	\$ (762,276)
OTHER FINANCING SOURCES (USES):				
Transfers			(1,286,844)	
Total other financing sources (uses)			(1,286,844)	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES				
			(176,949)	
FUND BALANCE, JULY 1, 2023				
			1,377,072	
FUND BALANCE, JUNE 30, 2024				
			\$ 1,200,123	

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

Knox Co R-I School District
Special Revenue (Teachers') Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 700,000	\$ 758,137	\$ 758,137	\$ 58,137
County	25,000	14,883	14,883	(10,117)
State	1,284,738	1,505,010	1,505,010	220,272
Federal	1,422,903	1,665,169	1,665,169	242,266
Other	-	11,222	11,222	11,222
Total Revenues Collected	3,432,641	3,954,421	3,954,421	521,780
EXPENDITURES PAID:				
Instruction	3,573,473	3,849,323	3,849,323	(275,850)
Guidance	220,495	220,301	220,301	194
Health services	48,037	48,002	48,002	35
Improvement of instruction	129,305	135,006	135,006	(5,701)
Professional development	4,600	5,613	5,613	(1,013)
Media services	73,065	75,370	75,370	(2,305)
Executive administration	228,459	198,566	198,566	29,893
Building level administration	361,593	381,963	381,963	(20,370)
Operation of plant	-	5,382	5,382	(5,382)
Pupil transportation	9,276	39,276	39,276	(30,000)
Adult/community programs	-	15,184	15,184	(15,184)
Early childhood programs/instruction	195,053	200,816	200,816	(5,763)
Total Expenditures Paid	4,843,356	5,174,802	5,174,802	(331,446)
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID				
	\$ (1,410,715)	\$ (1,220,381)	(1,220,381)	\$ 190,334
OTHER FINANCING SOURCES (USES):				
Transfers			1,220,381	
Total other financing sources (uses)			1,220,381	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES				
			-	
FUND BALANCE, JULY 1, 2023			-	
FUND BALANCE, JUNE 30, 2024			\$ -	

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

Knox Co R-I School District
Debt Service Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 171,264	\$ 182,609	\$ 182,609	\$ 11,345
County	72,000	72,961	72,961	961
State	50,000	50,000	50,000	-
Total Revenues Collected	293,264	305,570	305,570	12,306
EXPENDITURES PAID:				
Debt service:				
Principal	176,819	165,000	165,000	11,819
Interest and fees	71,173	82,992	82,992	(11,819)
Other	318	468	468	(150)
Total Expenditures Paid	248,310	248,460	248,460	(150)
REVENUES COLLECTED OVER (UNDER)				
EXPENDITURES PAID	\$ 44,954	\$ 57,110	57,110	\$ 12,156
FUND BALANCE, JULY 1, 2023			259,344	
FUND BALANCE, JUNE 30, 2024			\$ 316,454	

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

Knox Co R-I School District
 Capital Projects (Building) Fund
 Statements of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 714,060	\$ 777,806	\$ 777,806	\$ 63,746
County	190,000	142,882	142,882	(47,118)
State	38,000	74,298	74,298	36,298
Other	2,285,000	2,330,709	2,330,709	45,709
Total Revenues Collected	3,227,060	3,325,695	3,325,695	98,635
EXPENDITURES PAID:				
Instruction	88,318	65,140	65,140	23,178
Executive administration	12,755	19,203	19,203	(6,448)
Building level administration	8,000	8,000	8,000	-
Operation of plant	2,038,339	1,359,171	1,359,171	679,168
Pupil transportation	300,000	302,997	302,997	(2,997)
Food service	2,000	5,368	5,368	(3,368)
Architecture, engineering and legal services	250,000	475,092	475,092	(225,092)
Fees	-	41,950	41,950	(41,950)
Total Expenditures Paid	2,699,412	2,276,921	2,276,921	422,491
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID				
	\$ 527,648	\$ 1,048,774	1,048,774	\$ 521,126
OTHER FINANCING SOURCES (USES):				
Transfers			66,463	
Total other financing sources (uses)			66,463	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES				
			1,115,237	
FUND BALANCE, JULY 1, 2023				
			1,667,152	
FUND BALANCE, JUNE 30, 2024				
			\$ 2,782,389	

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

Knox Co R-I School District
 Combined Funds
 Statement of Revenues Collected, Expenditures Paid
 and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 4,327,600	\$ 4,667,824	\$ 4,667,824	\$ 340,224
County	1,260,000	1,249,896	1,249,896	(10,104)
State	1,878,238	1,956,256	1,956,256	78,018
Federal	1,863,903	1,945,190	1,945,190	81,287
Other	2,285,000	2,347,141	2,347,141	62,141
Total Revenues Collected	11,614,741	12,166,307	12,166,307	551,566
EXPENDITURES PAID:				
Instruction	4,036,017	4,666,989	4,666,989	(630,972)
Guidance	305,217	304,723	304,723	494
Health services	192,888	205,321	205,321	(12,433)
Improvement of instruction	148,405	144,675	144,675	3,730
Media services	91,685	86,143	86,143	5,542
Professional development	11,000	9,383	9,383	1,617
Executive administration	581,646	568,245	568,245	13,401
Building level administration	552,417	582,848	582,848	(30,431)
Operation of plant	2,671,119	2,200,210	2,205,592	465,527
Pupil transportation	873,836	976,008	976,008	(102,172)
Food services	406,690	422,991	422,991	(16,301)
Adult/community programs	12,000	27,805	27,805	(15,805)
Earlychildhood programs/instruction	199,453	204,684	204,684	(5,231)
Architecture, engineering and legal service	250,000	475,092	475,092	(225,092)
Debt service:				
Principal	176,819	165,000	165,000	11,819
Interest and fees	71,173	124,942	124,942	(53,769)
Other fees	318	468	468	(150)
Total Expenditures Paid	10,580,683	11,165,527	11,170,909	(590,226)
REVENUES COLLECTED OVER (UNDER)				
EXPENDITURES PAID	\$ 1,034,058	\$ 1,000,780	995,398	\$ (38,660)
FUND BALANCE, JULY 1, 2023			3,303,568	
FUND BALANCE, JUNE 30, 2024			\$ 4,298,966	

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

1 SUMMARY OF SIGNIFICANT BUDGETARY ACCOUNTING POLICIES

Budgets and Budgetary Accounting

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

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

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

The final budget amendment was made at the June 2024 board meeting.

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

Knox Co R-I School District
Public School Retirement System of Missouri
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Year Ended June 30, 2024

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.0521%	\$ 2,137,442	\$ 2,321,597	92.07%	89.34%
6/30/2015	0.0496%	\$ 2,863,339	\$ 2,244,031	127.60%	85.78%
6/30/2016	0.0465%	\$ 3,459,902	\$ 2,146,557	161.18%	82.18%
6/30/2017	0.0473%	\$ 3,415,781	\$ 2,230,022	153.17%	83.77%
6/30/2018	0.0480%	\$ 3,572,379	\$ 2,305,921	154.92%	84.06%
6/30/2019	0.0479%	\$ 3,535,054	\$ 2,351,633	150.32%	84.62%
6/30/2020	0.0473%	\$ 4,224,229	\$ 2,380,067	177.48%	82.01%
6/30/2021	0.0497%	\$ 1,100,248	\$ 2,571,855	42.78%	95.81%
6/30/2022	0.0562%	\$ 4,346,623	\$ 2,961,018	146.79%	86.04%
6/30/2023	0.0594%	\$ 4,966,151	\$ 3,235,550	153.49%	85.38%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
* The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.

Knox Co R-I School District
Public School Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2024

Year Ended*	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 331,682	\$ 331,682	\$ -	\$ 2,294,181	14.46%
6/30/2014	\$ 335,766	\$ 335,766	\$ -	\$ 2,321,597	14.46%
6/30/2015	\$ 325,385	\$ 325,385	\$ -	\$ 2,244,031	14.50%
6/30/2016	\$ 311,252	\$ 311,252	\$ -	\$ 2,146,557	14.50%
6/30/2017	\$ 323,353	\$ 323,353	\$ -	\$ 2,230,022	14.50%
6/30/2018	\$ 334,360	\$ 334,360	\$ -	\$ 2,305,921	14.50%
6/30/2019	\$ 340,987	\$ 340,987	\$ -	\$ 2,351,633	14.50%
6/30/2020	\$ 342,485	\$ 342,485	\$ -	\$ 2,380,067	14.39%
6/30/2021	\$ 370,267	\$ 370,267	\$ -	\$ 2,571,855	14.40%
6/30/2022	\$ 429,347	\$ 429,347	\$ -	\$ 2,961,018	14.50%
6/30/2023	\$ 469,155	\$ 469,155	\$ -	\$ 3,235,550	14.50%

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

Knox Co R-I School District
 Public Education Employee Retirement System of Missouri
 Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
 Year Ended June 30, 2024

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.0580%	\$ 211,796	\$ 846,394	25.02%	91.33%
6/30/2015	0.0573%	\$ 303,063	\$ 858,820	35.29%	88.28%
6/30/2016	0.0612%	\$ 491,029	\$ 944,560	51.98%	83.32%
6/30/2017	0.0604%	\$ 460,822	\$ 970,787	47.47%	85.35%
6/30/2018	0.0582%	\$ 449,719	\$ 968,767	46.42%	86.06%
6/30/2019	0.0616%	\$ 487,232	\$ 1,069,304	45.57%	86.38%
6/30/2020	0.0627%	\$ 608,539	\$ 1,127,909	53.95%	84.06%
6/30/2021	0.0618%	\$ 66,554	\$ 1,132,611	5.88%	98.36%
6/30/2022	0.0642%	\$ 542,566	\$ 1,253,340	43.29%	87.92%
6/30/2023	0.0768%	\$ 767,158	\$ 1,634,405	46.94%	86.50%

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

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

Knox Co R-I School District
 Public Education Employee Retirement System of Missouri
 Schedule of Employer Contributions
 Year Ended June 30, 2024

Year Ended*	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 52,471	\$ 52,471	-	\$ 764,885	6.86%
6/30/2014	\$ 58,063	\$ 58,063	-	\$ 846,394	6.86%
6/30/2015	\$ 58,915	\$ 58,915	-	\$ 858,820	6.86%
6/30/2016	\$ 64,797	\$ 64,797	-	\$ 944,560	6.86%
6/30/2017	\$ 66,596	\$ 66,596	-	\$ 970,787	6.86%
6/30/2018	\$ 66,458	\$ 66,458	-	\$ 968,767	6.86%
6/30/2019	\$ 73,355	\$ 73,355	-	\$ 1,069,304	6.86%
6/30/2020	\$ 77,375	\$ 77,375	-	\$ 1,127,909	6.86%
6/30/2021	\$ 77,697	\$ 77,697	-	\$ 1,132,611	6.86%
6/30/2022	\$ 85,979	\$ 85,979	-	\$ 1,253,340	6.86%
6/30/2023	\$ 112,120	\$ 112,120	-	\$ 1,634,405	6.86%

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

STATE COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1422 N. Washington
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

405 N Broadway
Princeton, MO 64673
(660) 748-4423
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INDEPENDENT AUDITORS' REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI LAWS AND REGULATIONS

Board of Education
Knox Co R-I School District
Edina, Missouri 63537

We have examined management of Knox Co R-I School District's assertions that Knox Co R-I School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of attendance, resident membership on the last Wednesday of September and the free and reduced lunch count on the last Wednesday of January; and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2024. Knox Co R-I School District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

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

In our opinion, management's assertion that Knox Co R-I School District complied with the aforementioned requirements for the year ended June 30, 2024, is fairly stated, in all material respects.

Conrad & Higgins, LLC

Conrad & Higgins, LLC
Princeton, Missouri
December 10, 2024

Knox County R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2024

Type of Audit Performed:

Yellow Book: _____

Single Audit: X

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	5		6.7500	156	1,046.3300
1050	6	12		6.7500	156	1,046.3300

Notes:

2 Attendance Hours

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

School Code	Grade Level	Full Time Hours	Part Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
4020	K	37,412.9836		108.0000		1,740.9400	39,261.9236
4020	1	36,029.2166		134.0000		2,209.5600	38,372.7766
4020	2	26,612.7333		153.0000		1,664.6500	28,430.3833
4020	3	39,505.3932		327.0000		2,413.2700	42,245.6632
4020	4	28,403.1832		126.0000		1,355.0000	29,884.1832
4020	5	28,044.2334		151.0000		1,283.1600	29,478.3934
1050	6	28,864.9331		133.0000		490.0000	29,487.9331
1050	7	19,812.1666		3.0000		362.8500	20,178.0166
1050	8	31,667.7167		48.0000		323.3000	32,039.0167
1050	9	32,229.6332		-		314.3500	32,543.9832
1050	10	42,223.1834		1		205.1100	42,429.2934
1050	11	31,807.4333		-		279.2400	32,086.6733
1050	12	30,247.0502		-		105.0000	30,352.0502
Grand Total		412,859.8598		1,184.0000		12,746.4300	426,790.2898

Notes:

Knox County R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2024

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
	K	39.00	-	-	39.00
	1	36.00	-	-	36.00
	2	28.00	-	-	28.00
	3	40.00	-	-	40.00
	4	29.00	-	-	29.00
	5	28.00	-	-	28.00
	6	28.00	-	-	28.00
	7	21.00	-	-	21.00
	8	32.00	-	-	32.00
	9	33.00	-	-	33.00
	10	44.00	-	-	44.00
	11	34.00	-	-	34.00
	12	34.00	-	-	34.00
Grand Total		426.00	-	-	426.00

Notes:

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	88.00	39.00	-	-	127.00
4020	95.00	35.00	-	-	130.00
Gand Total	183.00	74.00	-	-	257.00

Notes:

Knox Co R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2024

5 Finance

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

- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------------------------|------------|---|------------|--|------------|-----------------|------------|-----------------------|------------|------------------|------------|--|------------|-------------|------------|----------------------------------|------------|---|------------|---|-------------|---|------------|--|------------|--|
| 1 | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and RSMo and all attendance hours were reported. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | <p>The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which concludes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:</p> <table style="width: 100%; margin-left: 40px;"> <tr><td>Academic Programs Off Campus</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Career Exploration Program - Off Campus</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Cooperative Occupational Education (COE) or Supervised Occupational Experience</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Dual Enrollment</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Homebound instruction</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Missouri Options</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Prekindergarten eligible to be claimed for state aid</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Remediation</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Sheltered Workshop participation</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Students participating in the school flex program</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Traditional instruction (full and part-time students)</td><td style="text-align: center;"><u>TRUE</u></td></tr> <tr><td>Virtual instruction (MOCAP or other option)</td><td style="text-align: center;"><u>N/A</u></td></tr> <tr><td>Work Experience for Students with Disabilities</td><td style="text-align: center;"><u>N/A</u></td></tr> </table> | Academic Programs Off Campus | <u>N/A</u> | Career Exploration Program - Off Campus | <u>N/A</u> | Cooperative Occupational Education (COE) or Supervised Occupational Experience | <u>N/A</u> | Dual Enrollment | <u>N/A</u> | Homebound instruction | <u>N/A</u> | Missouri Options | <u>N/A</u> | Prekindergarten eligible to be claimed for state aid | <u>N/A</u> | Remediation | <u>N/A</u> | Sheltered Workshop participation | <u>N/A</u> | Students participating in the school flex program | <u>N/A</u> | Traditional instruction (full and part-time students) | <u>TRUE</u> | Virtual instruction (MOCAP or other option) | <u>N/A</u> | Work Experience for Students with Disabilities | <u>N/A</u> | |
| Academic Programs Off Campus | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Career Exploration Program - Off Campus | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cooperative Occupational Education (COE) or Supervised Occupational Experience | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dual Enrollment | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Homebound instruction | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Missouri Options | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prekindergarten eligible to be claimed for state aid | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remediation | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sheltered Workshop participation | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Students participating in the school flex program | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traditional instruction (full and part-time students) | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Virtual instruction (MOCAP or other option) | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Experience for Students with Disabilities | <u>N/A</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of: | <u>\$50,000</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual. | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | The district maintained a separate bank account for Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools). | <u>TRUE</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Knox Co R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2024

5 Finance (continued)

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

- | | | |
|----|---|----------------|
| 8 | Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable. | <u>TRUE</u> |
| 9 | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools). | <u>N/A</u> |
| 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. | <u>TRUE</u> |
| 11 | The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools). | <u>TRUE</u> |
| 12 | The amount spent for approved professional development committee plan activities was: | <u>\$9,383</u> |
| 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. | <u>TRUE</u> |

Notes: _____

Finding #: _____
 Management Letter Comment #: _____

6 Transportation (Section 163.161, RSMo)

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

- | | | |
|---|--|-------------|
| 1 | The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. | <u>TRUE</u> |
| 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 | <u>TRUE</u> |

Knox Co R-I School District
 Schedule of Selected Statistics
 Year Ended June 30, 2024

6 Transportation (Section 163.161, RSMo) (continued)

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

3 Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

• Eligible ADT	275.50
• Ineligible ADT	-

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

TRUE

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

142,815

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	114,649
* Ineligible Miles (Non-Route/Disapproved)	28,166

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

156

Notes:

FEDERAL COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

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

Board of Education
Knox County R-I School District
Edina, Missouri 63537

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County R-I School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Knox County R-I School District's basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Knox County R-I School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Knox County R-I School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Knox 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-1 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

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

Government Auditing Standards requires the auditor to perform limited procedures on the Knox County R-I School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Knox County R-I School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing 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.



Conrad & Higgins, LLC
Princeton, Missouri
December 10, 2024

CONRAD & HIGGINS, LLC

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INDEPENDENT AUDITORS'
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE

Board of Education
Knox County R-I School District
Edina, Missouri 63537

Report on Compliance for Each Major Federal Program

Opinion On Each Major Federal Program

We have audited Knox County R-I School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Knox County R-I School District's major federal programs for the year ended June 30, 2024. Knox County R-I School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Knox County R-I School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Knox County R-I School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Knox County R-I School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance

when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Knox County R-I School District's compliance with the requirements of each major federal program as a whole.

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

- * Exercise professional 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 Knox County R-I School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- * Obtain an understanding of Knox County R-I School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Knox County R-I School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Conrad & Higgins, LLC
Princeton, Missouri
December 10, 2024

Knox County R-I School District
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantors Number	Disbursements
<u>U.S. Department of Agriculture</u>			
Pass-through State Department of Elementary and Secondary Education:			
National School Lunch Program	10.555	052-096	\$ 139,165
National School Breakfast Program	10.553	052-096	62,891
Food Distribution Program (Note 4)	10.555	052-096	20,994
Total Pass-through State Department of Elementary and Secondary Education			<u>223,050</u>
Pass-through Missouri Department of Health and Senior Services:			
Summer Food Service Programs of Children	10.559	ERS0461937S	17,580
Total pass-through Missouri Department of Health and Senior Services			<u>17,580</u>
Total U.S. Department of Agriculture - Cluster			<u>240,630</u>
<u>U.S. Department of Education</u>			
Pass-through State Department of Elementary and Secondary Education:			
Special Education Grants to States	84.027	052-096	137,929
Special Education Grants to States - ECSE	84.027	052-096	14,136
Special Education - Preschool Grants	84.173	052-096	7,262
ARP IDEA ECSE 611	84.027X	052-096	21,978
ARP IDEA ESCE 619	84.173X	052-096	1,540
Total Special Education Cluster			<u>182,845</u>
ESEA, Title 1	84.010	052-096	464,703
Rural Education	84.358	052-096	5,011
Education Stabilization Fund Programs			
Postsecondary Advising Grant	84.425U	052-096	30,000
Education Stabilization Fund III	84.425U	052-096	985,693
CRRSA Parent Reimbursement (GEER II)	84.425C	052-096	3,660
Total Education Stabilization Education			<u>1,489,067</u>
Total U.S. Department of Education			<u>1,671,912</u>
Total Federal Financial Assistance			<u>\$ 1,912,542</u>

Knox County R-I School District
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

Note 1-General

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

Note 2-Basis of Accounting

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

Note 3-Relationship to Federal Financial Statements

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports and indicate amounts due to the district as of June 30, 2024 from each related federal program.

Note 4-Noncash Programs

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. At June 30, 2024, the district had food commodities totaling \$0 in inventory.

Note 5 - Indirect Cost Rate

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

Note 6 - Subrecipients

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

Knox County R-I School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Questioned Program

Finding/Noncompliance

Summary of audit results:

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

2) One significant deficiency was disclosed during the audit of the financial statements and is reported in the Independent Auditor's report on Internal control over Financial Reporting and on compliance and other matters based on an audit of Financial Statements performed in accordance with Government Auditing Standards. No material weaknesses are reported.

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

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

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

6) Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

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

- a) CRRSA ESSER III(AL #84.425U)
- b) Postsecondary Advising Grant (AL #84.425U)

8) The district had one Type A program at June 30, 2024. All other programs were Type B programs. The threshold used to distinguish Type A programs from Type B programs was \$750,000.

9) The district was not qualified as a low-risk auditee at June 30, 2024.

Findings - Financial Statement Audit

2024-001

Significant Deficiency : Lack of Segregation of Duties

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

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

Knox County R-I School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

<u>Questioned Program</u>	<u>Finding/Noncompliance</u>
2024-001 (Cont)	<p>Cause: The district does not have enough available personnel to adequately segregate certain incompatible duties</p> <p>Effect: Due to the limited number of personnel, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.</p> <p>Recommendation: The district should consider adding additional personnel as soon as district finances allow, to provide additional segregation of duties.</p> <p>Views of Responsible officials: The size and budget of the Knox County R-I School District limit the application of adequate segregation of duties.</p>

Knox County R-I School District
Schedule of Resolutions of Prior Year Audit Findings
Year Ended June 30, 2024

Program	Finding/Noncompliance
	Findings - Financial Statement Audit
<u>2023-001</u>	<p>Significant Deficiency : Lack of Segregation of Duties</p> <p>Condition: Due to the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.</p> <p>Criteria: Internal controls should be designed so that no one person has access to both physical assets and related accounting records or all phases of a transaction.</p> <p>Cause: The district does not have enough available personnel to adequately segregate certain incompatible duties</p> <p>Effect: Due to the limited number of personnel, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.</p> <p>Recommendation: The district should consider adding additional personnel as soon as district finances allow, to provide additional segregation of duties.</p> <p>Views of Responsible officials: The size and budget of the Knox County R-I School District limit the application of adequate segregation of duties.</p>