

KNOX COUNTY R-I SCHOOL DISTRICT  
EDINA, MISSOURI

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY DATA  
AND INDEPENDENT AUDITORS' REPORTS

June 30, 2025

KNOX COUNTY R-I SCHOOL DISTRICT  
EDINA, MISSOURI

BOARD OF EDUCATION

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KNOX COUNTY R-I SCHOOL DISTRICT  
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# CONRAD & HIGGINS, LLC

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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, 2025, 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, 2025, 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 Auditors' 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.



### **Auditors' 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 Auditors' 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, Summary Schedule of Revenues Collected, Expenditures paid and changes in Fund Balances, and the Schedule of State Financial Assistance 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 Auditors' 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 15, 2025 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*

Conrad & Higgins, LLC  
Princeton, Missouri  
December 15, 2025

## 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, 2025

ASSETS:

Cash	\$ 1,796,821
Investments	-
Land, buildings and equipment, net of accumulated depreciation	<u>9,646,887</u>
Total Assets	<u><u>\$ 11,443,708</u></u>

LIABILITIES:

General obligation bonds	\$ 3,170,000
Lease purchase	<u>1,390,849</u>
Total Liabilities	<u><u>\$ 4,560,849</u></u>

NET POSITION:

Net investment in capital assets	\$ 5,086,038
Restricted for:	
Debt service	327,417
Capital projects	750,829
Unrestricted	<u>718,575</u>
Total Net Position	<u><u>\$ 6,882,859</u></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, 2025

		Program Receipts			
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Expenses and Changes in Net Position
Instruction	\$ 4,981,464	\$ 225,363	\$ 1,446,372	\$ 45,000	\$ (3,264,729)
Student services	539,994	-	-	-	(539,994)
Instruction staff support	249,836	-	-	-	(249,836)
Building administration	477,818	-	-	-	(477,818)
General administration	915,550	-	-	-	(915,550)
Operation of plant	1,196,496	-	-	-	(1,196,496)
Pupil transportation	1,114,600	-	311,509	-	(803,091)
Food services	441,607	113,388	176,251	-	(151,968)
Community services	249,982	-	-	-	(249,982)
Facilities acquisition	-	-	-	-	-
Interest	144,931	-	-	-	(144,931)
Other	51,753	-	-	-	(51,753)
Total	\$ 10,364,031	\$ 338,751	\$ 1,934,132	\$ 45,000	(8,046,148)

General Revenues:

Property and other taxes	4,525,542
Proposition C	684,615
Basic formula	1,082,954
Earnings on investments	176,018
Other	86,376
Increase/(decrease) in net position	<u>(1,490,643)</u>

Net position, July 1, 2024	8,373,502
Net Position, June 30, 2025	<u>\$ 6,882,859</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, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
ASSETS					
Cash	\$ (806,771)	\$ -	\$ (101,116)	\$ 72,807	\$ (835,080)
Investments	1,525,346	-	428,533	678,022	2,631,901
Total Assets	<u>\$ 718,575</u>	<u>\$ -</u>	<u>\$ 327,417</u>	<u>\$ 750,829</u>	<u>\$ 1,796,821</u>

FUND BALANCE

Restricted for:

Debt service	\$ -	\$ -	\$ 327,417	\$ -	\$ 327,417
Capital projects	-	-	-	750,829	750,829
Unassigned:	<u>718,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,575</u>
Total Fund Balance	<u>\$ 718,575</u>	<u>\$ -</u>	<u>\$ 327,417</u>	<u>\$ 750,829</u>	1,796,821

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.	9,646,887
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,560,849)
Fund Balance of governmental activities	<u>\$ 6,882,859</u>

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, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Funds	Totals (Governmental Funds)
REVENUES COLLECTED:					
Local	\$ 3,694,368	\$ 747,882	\$ 187,522	\$ 60,301	\$ 4,690,073
County	976,399	13,716	66,971	1	1,057,087
State	325,328	1,783,279	50,000	20,000	2,128,607
Federal	267,141	591,336	-	25,000	883,477
Other	44,143	-	-	1,270,000	1,314,143
Total Revenues Collected	<u>5,307,379</u>	<u>3,136,213</u>	<u>304,493</u>	<u>1,375,302</u>	<u>10,123,387</u>
EXPENDITURES PAID:					
Instruction	645,926	4,033,916	-	-	4,679,842
Guidance	91,281	230,063	-	-	321,344
Health services	169,490	49,160	-	-	218,650
Improvement of instruction	5,596	144,962	-	-	150,558
Professional development	2,753	7,993	-	-	10,746
Media services	12,702	75,830	-	-	88,532
Executive administration	392,161	382,707	-	14,696	789,564
Building level administration	211,633	379,093	-	13,078	603,804
Operation of plant	883,746	5,383	-	2,931,350	3,820,479
Pupil transportation	649,880	9,276	-	13,260	672,416
Food services	441,607	-	-	-	441,607
Adult/community programs	28,533	15,199	-	-	43,732
Early childhood programs/instruction	26,364	179,886	-	-	206,250
Architecture, engineering and legal services	-	-	-	140,899	140,899
Debt service:					
Principal	-	-	170,000	70,425	240,425
Interest and fees	-	-	122,912	22,018	144,930
Other	-	-	618	51,136	51,754
Total Expenditures Paid	<u>3,561,672</u>	<u>5,513,468</u>	<u>293,530</u>	<u>3,256,862</u>	<u>12,625,532</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>1,745,707</u>	<u>(2,377,255)</u>	<u>10,963</u>	<u>(1,881,560)</u>	<u>(2,502,145)</u>
OTHER FINANCING SOURCES (USES):					
Transfers	<u>(2,227,255)</u>	<u>2,377,255</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,227,255)</u>	<u>2,377,255</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	<u>(481,548)</u>	<u>-</u>	<u>10,963</u>	<u>(2,031,560)</u>	<u>(2,502,145)</u>
FUND BALANCE, JULY 1, 2024	<u>1,200,123</u>	<u>-</u>	<u>316,454</u>	<u>2,782,389</u>	
FUND BALANCE, JUNE 30, 2025	<u>\$ 718,575</u>	<u>\$ -</u>	<u>\$ 327,417</u>	<u>\$ 750,829</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.

2,232,350

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.

(1,220,848)

CHANGES IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES

\$ (1,490,643)



NOTES TO FINANCIAL STATEMENTS

Knox Co R-I School District  
Notes to Financial Statements  
Year Ended June 30, 2025

1 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.

Knox Co R-I School District  
Notes to Financial Statements  
Year Ended June 30, 2025

1 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, 2025

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

The school district's compensated absences policy allows employees to accumulate vacation and sick leave. Under the modified cash basis of accounting, the school district recognizes expenses and liabilities for compensated absences only when they are paid. Therefore, no liability is reported for earned by unused vacation or sick leave at year-end. If a liability for compensated absences were to be recorded under an accrual basis, it would be based on an assessment of which leave is more likely than not to be used or paid out, considering factors such as employee policies, historical usage, and whether the leave vests upon termination.

I. Teachers' Salaries

Payroll checks, written and dated in June 2025 for July and August 2025 payrolls, from 2024-2025 contracts in the amount of \$845,898 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, 2025.

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.

Knox Co R-I School District  
Notes to Financial Statements  
Year Ended June 30, 2025

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2025, the carrying amount of deposits and investments was \$(835,080) and \$2,631,901 and the bank balance was \$541,136 and \$2,631,901. 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, 2025, 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	(835,680)
Carrying amount of investments	2,631,901
<b>Total</b>	<b>\$ 1,796,821</b>
Cash	\$ (806,771)
Cash - restricted	(28,309)
Investments	1,525,346
Investments - restricted	1,106,555
<b>Total</b>	<b>\$ 1,796,821</b>

Knox Co R-I School District  
Notes to Financial Statements  
Year ended June 30, 2025

2 DEPOSITS AND INVESTMENTS (Continued)

Investment Type	Maturity	Total
MOCAAT	Various	\$ 2,517,792
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	114,109
		<u>\$ 2,631,901</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 2024 for purposes of local taxation were:

Real Estate:	
Residential	\$ 24,372,536
Agriculture	17,932,350
Commercial	9,249,991
Personal Property:	39,071,981
Total	<u>\$ 90,626,858</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2024 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 3.7000	\$ 3.7000
Special Revenue Fund	-	-
Debt Service Fund	0.2000	0.2000
Capital Project Fund	-	-
Total	<u>\$ 3.9000</u>	<u>\$ 3.9000</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2025, aggregated approximately 96.39 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, 2025

4 CHANGES IN LONG-TERM DEBT

	Bonds	Lease Purchase
Debt payable, July 1, 2024	\$ 3,340,000	\$ -
Debt issued	-	1,461,274
Debt retired	(170,000)	(70,425)
Debt payable, June 30, 2025	<u>\$ 3,170,000</u>	<u>\$ 1,390,849</u>

Bonds payable at June 30, 2025, consist of:

\$920,000 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 for bonds payable to maturity are:

Year ending June 30	Principal	Interest	Total
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	160,000	107,570	267,570
2031-2035	725,000	465,550	1,190,550
2036-2040	960,000	262,600	1,222,600
2041-2043	665,000	53,800	718,800
	<u>\$ 3,170,000</u>	<u>\$ 1,352,471</u>	<u>\$ 4,522,471</u>

Interest paid during the fiscal year ended June 30, 2025 was \$122,913.

\$1,250,000 lease purchase payable due in varying annual installments from October 15, 2024 through April 15, 2039; interest at 3.25 percent to 4.00 percent.

\$140,849 lease purchase payable due in annual installments from July 5, 2024 through July 5, 2026; interest at 0.00 percent.

Debt service requirements for lease payable to maturity are:

Year ending June 30	Principal	Interest	Total
2026	145,425	47,750	193,175
2027	145,424	45,313	190,737
2028	75,000	42,875	117,875
2029	75,000	40,438	115,438
2030	80,000	38,000	118,000
2031-2035	440,000	140,600	580,600
2036-2039	430,000	44,000	474,000
	<u>\$ 1,390,849</u>	<u>\$ 398,976</u>	<u>\$ 1,789,825</u>

Interest paid during the fiscal year ended June 30, 2025 was \$22,018.

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, 2025, the district transferred \$2,377,255 from the General Fund to the Special Revenue Fund for teachers' salaries and \$150,000 to the General Fund from the Capital Projects Fund.

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.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *no spendable*, 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, 2025

10 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, 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	-	-	-	-
Other capital assets:				
Buildings and improvements	6,283,644	3,043,374	-	9,327,018
Equipment	1,311,125	69,909	-	1,381,034
Vehicles	3,156,625	-	-	3,156,625
Total other capital assets at historical cost	10,751,394	3,113,283	-	13,864,677
Less accumulated depreciation for:				
Buildings and improvements	1,650,837	307,367	-	1,958,204
Equipment	737,469	131,382	-	868,851
Vehicles	948,552	442,184	-	1,390,736
Total accumulated depreciation	3,336,858	880,933	-	4,217,791
Other capital assets, net	7,414,536	2,232,350	-	9,646,886
Governmental activities capital assets, net	<u>\$ 7,414,536</u>	<u>\$ 2,232,350</u>	<u>\$ -</u>	<u>\$ 9,646,886</u>

Depreciation expense was charged to functions as follows:

<u>Governmental activities:</u>	
Instruction	\$ 131,382
Operation of plant	307,367
Transportation	442,184
Total governmental activities depreciation expense	<u>\$ 880,933</u>

Knox County R-I School District  
Notes to Financial Statements  
Year Ended June 30, 2025

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, 2025

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 2023, 2024, and 2025. 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 2023, 2024, and 2025. 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 \$541,539 and \$142,193, respectively, for the year ended June 30, 2025.

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.psr-peers.org](http://www.psr-peers.org).

## SUPPLEMENTARY INFORMATION

Knox Co R-I School District  
Schedule of Revenues Collected by Source  
Year Ended June 30, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
<u>Local</u>					
Current property taxes	\$ 3,007,896	\$ -	\$ 162,582	\$ -	\$ 3,170,478
Delinquent property taxes	218,954	-	12,117	5,224	236,295
Sales tax	-	684,616	-	-	684,616
Financial institution tax	-	-	-	10,772	10,772
M & M in lieu and city sales taxes	50,910	-	-	-	50,910
Premium on bonds sold	-	-	-	8,186	8,186
Regular day school tuition from individuals	-	2,945	-	-	2,945
Earnings on investments	69,340	49,600	12,823	36,069	167,832
Food service - program	70,004	-	-	-	70,004
Food service - non-program	43,384	-	-	-	43,384
Student activities	10,099	-	-	-	10,099
Other	223,781	10,721	-	50	234,552
Total Local	3,694,368	747,882	187,522	60,301	4,690,073
<u>County</u>					
Fines and escheats	-	13,716	-	-	13,716
State assessed utility taxes	976,399	-	66,971	1	1,043,371
Total County	976,399	13,716	66,971	1	1,057,087
<u>State</u>					
Basic formula	-	1,082,954	-	-	1,082,954
Transportation	311,509	-	-	-	311,509
Basic formula - classroom trust fund	-	196,837	50,000	-	246,837
Vocational/Technical	10,820	23,764	-	-	34,584
Food service	1,599	-	-	-	1,599
Educational screening program	-	27,518	-	-	27,518
Missouri quality pre-k (MOQPK)	-	203,341	-	-	203,341
Career ladder/excellence in education act	-	83,100	-	-	83,100
Energy loan	-	-	-	20,000	20,000
Other	1,400	165,765	-	-	167,165
Total State	325,328	1,783,279	50,000	20,000	2,178,607
<u>Federal</u>					
Medical	72,404	-	-	-	72,404
CRRSA - GEER II	-	-	-	-	-
ARP-ESSER III	2,615	-	-	-	2,615
CRRSA - ESSER II	-	-	-	-	-
Individuals with disabilities	-	140,487	-	-	140,487
Food service	187,111	-	-	25,000	212,111
Title I, ESEA	-	379,856	-	-	379,856
Title II, ESEA	-	41,182	-	-	41,182
Title IV	-	29,811	-	-	29,811
Title V	5,011	-	-	-	5,011
Other	-	-	-	-	-
Total Federal	267,141	591,336	-	25,000	883,477
Other	44,143	-	-	1,270,000	1,314,143
Total Revenues	\$ 5,307,379	\$ 3,136,213	\$ 304,493	\$ 1,375,302	\$ 10,123,387

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, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
Salaries	\$ 1,383,173	\$ 4,216,196	\$ -	\$ -	\$ 5,599,369
Employee benefits	401,133	1,282,830	-	-	1,683,963
Purchased services	897,268	14,442	-	-	911,710
Supplies	880,098	-	-	-	880,098
Capital outlay	-	-	-	3,113,283	3,113,283
Debt service					-
Principal	-	-	170,000	70,425	240,425
Interest	-	-	122,912	22,018	144,930
Fees	-	-	618	51,136	51,754
	<u>\$ 3,561,672</u>	<u>\$ 5,513,468</u>	<u>\$ 293,530</u>	<u>\$ 3,256,862</u>	<u>\$ 12,625,532</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, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals (Governmental Funds)
REVENUES COLLECTED	\$ 5,307,379	\$ 3,136,213	\$ 304,493	\$ 1,375,302	\$ 10,123,387
EXPENDITURES PAID	<u>3,561,672</u>	<u>5,513,468</u>	<u>293,530</u>	<u>3,256,862</u>	<u>12,625,532</u>
EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>1,745,707</u>	<u>(2,377,255)</u>	<u>10,963</u>	<u>(1,881,560)</u>	<u>(2,502,145)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>(2,377,255)</u>	<u>2,377,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,377,255)</u>	<u>2,377,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	(631,548)	-	10,963	(1,881,560)	(2,502,145)
FUND BALANCE, JULY 1, 2024	<u>1,200,123</u>	<u>-</u>	<u>316,454</u>	<u>2,782,389</u>	<u>4,298,966</u>
FUND BALANCE, JUNE 30, 2025	<u>\$ 568,575</u>	<u>\$ -</u>	<u>\$ 327,417</u>	<u>\$ 900,829</u>	<u>\$ 1,796,821</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, 2025

	District Operated	Total
Salaries	\$ 439,906	\$ 439,906
Employee benefits	143,478	143,478
Purchased services	23,980	23,980
Supplies	40,740	40,740
Capital outlay	13,260	13,260
Total	<u>\$ 661,364</u>	<u>\$ 661,364</u>
Nonroute contracted transportation	<u>\$ 11,051</u>	
School buses purchased	<u>\$ -</u>	
School buses leased/purchased:		
Principal	<u>\$ -</u>	
Interest	<u>\$ -</u>	
Transportation revenues from other districts	<u>\$ -</u>	

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, 2025

State Grantor/Program Title	Balance June 30, 2024	Receipts	Disbursements	Balance June 30, 2025
Department of Elementary and Secondary Education:				
Basic Formula	\$ -	\$ 1,082,954	\$ 1,082,954	\$ -
Transportation	-	311,509	311,509	-
Food Service	-	1,599	1,599	-
Basic Formula - Classroom Trust Fund	-	246,837	246,837	-
Educational Screening	-	27,518	27,518	-
Early Childhood Special Education	-	132,525	132,525	-
Career Education	-	34,584	34,584	-
Career Ladder	-	83,100	83,100	-
Missouri Quality Pre-K (MOQPK) LEA	-	203,341	203,341	-
Energy Loan	-	20,000	20,000	-
Other	-	34,640	34,640	-
Total State Financial Assistance	<u>\$ -</u>	<u>\$ 2,178,607</u>	<u>\$ 2,178,607</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, 2025

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
<b>REVENUES COLLECTED:</b>				
Local	\$ 3,594,597	\$ 3,694,368	\$ 3,694,368	\$ 99,771
County	1,072,000	976,399	976,399	(95,601)
State	529,365	325,328	325,328	(204,037)
Federal	284,000	267,141	267,141	(16,859)
Other	2,000	44,143	44,143	42,143
Total Revenues Collected	<u>5,481,962</u>	<u>5,307,379</u>	<u>5,307,379</u>	<u>(174,583)</u>
<b>EXPENDITURES PAID:</b>				
Instruction	506,509	645,926	645,926	(139,417)
Guidance	87,418	91,281	91,281	(3,863)
Health services	157,178	169,490	169,490	(12,312)
Improvement of instruction	7,100	5,596	5,596	1,504
Professional development	-	2,753	2,753	(2,753)
Media services	19,680	12,702	12,702	6,978
Executive administration	367,872	392,161	392,161	(24,289)
Building level administration	195,224	211,633	211,633	(16,409)
Operation of plant	752,775	883,746	883,746	(130,971)
Pupil transportation	583,536	649,880	649,880	(66,344)
Food services	407,216	441,607	441,607	(34,391)
Adult/community programs	12,000	28,533	28,533	(16,533)
Early childhood programs/instruction	45,713	26,364	26,364	19,349
Total Expenditures Paid	<u>3,142,220</u>	<u>3,561,672</u>	<u>3,561,672</u>	<u>(419,452)</u>
<b>REVENUES COLLECTED OVER (UNDER)</b>				
EXPENDITURES PAID	<u>\$ 2,339,742</u>	<u>\$ 1,745,707</u>	<u>1,745,707</u>	<u>\$ (594,035)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers			<u>(2,227,255)</u>	
Total other financing sources (uses)			<u>(2,227,255)</u>	
<b>REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES</b>				
			(481,548)	
<b>FUND BALANCE, JULY 1, 2024</b>				
			<u>1,200,123</u>	
<b>FUND BALANCE, JUNE 30, 2025</b>				
			<u>\$ 718,575</u>	

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, 2025

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
<b>REVENUES COLLECTED:</b>				
Local	\$ 786,000	\$ 747,882	\$ 747,882	\$ (38,118)
County	25,000	13,716	13,716	(11,284)
State	1,502,524	1,783,279	1,783,279	280,755
Federal	605,119	591,336	591,336	(13,783)
Other	-	-	-	-
Total Revenues Collected	<u>2,918,643</u>	<u>3,136,213</u>	<u>3,136,213</u>	<u>217,570</u>
<b>EXPENDITURES PAID:</b>				
Instruction	3,720,756	4,033,916	4,033,916	(313,160)
Guidance	265,001	230,063	230,063	34,938
Health services	49,963	49,160	49,160	803
Improvement of instruction	140,409	144,962	144,962	(4,553)
Professional development	-	7,993	7,993	(7,993)
Media services	76,018	75,830	75,830	188
Executive administration	377,423	382,707	382,707	(5,284)
Building level administration	381,268	379,093	379,093	2,175
Operation of plant	73	5,383	5,383	(5,311)
Pupil transportation	9,276	9,276	9,276	(0)
Adult/community programs	-	15,199	15,199	(15,199)
Early childhood programs/instruction	211,572	179,886	179,886	31,686
Total Expenditures Paid	<u>5,231,758</u>	<u>5,513,468</u>	<u>5,513,468</u>	<u>(281,710)</u>
<b>REVENUES COLLECTED OVER (UNDER)</b>				
EXPENDITURES PAID	<u>\$ (2,313,115)</u>	<u>\$ (2,377,255)</u>	<u>(2,377,255)</u>	<u>\$ (64,140)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers			<u>2,377,255</u>	
Total other financing sources (uses)			<u>2,377,255</u>	
<b>REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES</b>				
			-	
<b>FUND BALANCE, JULY 1, 2024</b>				
			-	
<b>FUND BALANCE, JUNE 30, 2025</b>				
			<u>\$ -</u>	

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, 2025

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 205,816	\$ 187,522	\$ 187,522	\$ (18,294)
County	72,306	66,971	66,971	(5,335)
State	50,000	50,000	50,000	-
Total Revenues Collected	<u>328,122</u>	<u>304,493</u>	<u>304,493</u>	<u>(23,629)</u>
EXPENDITURES PAID:				
Debt service:				
Principal	165,000	170,000	170,000	(5,000)
Interest and fees	86,350	122,912	122,912	(36,562)
Other	318	618	618	(300)
Total Expenditures Paid	<u>251,668</u>	<u>293,530</u>	<u>293,530</u>	<u>(41,862)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ 76,454</u>	<u>\$ 10,963</u>	10,963	<u>\$ (65,491)</u>
FUND BALANCE, JULY 1, 2024			<u>316,454</u>	
FUND BALANCE, JUNE 30, 2025			<u>\$ 327,417</u>	

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, 2025

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 145,000	\$ 60,301	\$ 60,301	\$ (84,699)
County	-	1	1	1
State	-	20,000	20,000	20,000
Federal	25,000	25,000	25,000	-
Other	1,295,550	1,270,000	1,270,000	(25,550)
Total Revenues Collected	<u>1,465,550</u>	<u>1,375,302</u>	<u>1,375,302</u>	<u>(90,248)</u>
EXPENDITURES PAID:				
Instruction	-	-	-	-
Executive administration	6,000	14,696	14,696	(8,696)
Building level administration	8,000	13,078	13,078	(5,078)
Operation of plant	2,660,000	2,931,350	2,931,350	(271,350)
Pupil transportation	5,000	13,260	13,260	(8,260)
Food service	-	-	-	-
Architecture, engineering and legal services	120,000	140,899	140,899	(20,899)
Debt service:				
Principal	70,000	70,425	70,425	(425)
Interest	-	22,018	22,018	(22,018)
Fees	-	51,136	51,136	(51,136)
Total Expenditures Paid	<u>2,869,000</u>	<u>3,256,862</u>	<u>3,256,862</u>	<u>(387,862)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ (1,403,450)</u>	<u>\$ (1,881,560)</u>	<u>(1,881,560)</u>	<u>\$ (478,110)</u>
OTHER FINANCING SOURCES (USES):				
Transfers			<u>(150,000)</u>	
Total other financing sources (uses)			<u>(150,000)</u>	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES			(2,031,560)	
FUND BALANCE, JULY 1, 2024			<u>2,782,389</u>	
FUND BALANCE, JUNE 30, 2025			<u>\$ 750,829</u>	

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, 2025

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 4,731,413	\$ 4,690,073	\$ 4,690,073	\$ (41,340)
County	1,169,306	1,057,087	1,057,087	(112,219)
State	2,081,889	2,178,607	2,178,607	96,718
Federal	914,119	883,477	883,477	(30,642)
Other	1,297,550	1,314,143	1,314,143	16,593
Total Revenues Collected	<u>10,194,277</u>	<u>10,123,387</u>	<u>10,123,387</u>	<u>(70,890)</u>
EXPENDITURES PAID:				
Instruction	4,227,265	4,679,842	4,679,842	(452,577)
Guidance	352,419	321,344	321,344	31,075
Health services	207,141	218,650	218,650	(11,509)
Improvement of instruction	147,509	150,558	150,558	(3,049)
Media services	95,698	88,532	88,532	7,166
Professional development	-	10,746	10,746	(10,746)
Executive administration	751,294	789,564	789,564	(38,270)
Building level administration	584,492	603,804	603,804	(19,312)
Operation of plant	3,412,775	3,815,096	3,820,479	(407,704)
Pupil transportation	597,812	672,416	672,416	(74,604)
Food services	407,216	441,607	441,607	(34,391)
Adult/community programs	12,000	43,732	43,732	(31,732)
Earlychildhood programs/instruction	257,285	206,250	206,250	51,035
Architecture, engineering and legal service	120,000	140,899	140,899	(20,899)
Debt service:				
Principal	165,000	240,425	240,425	(75,425)
Interest and fees	86,350	144,930	144,930	(58,580)
Other fees	318	51,754	51,754	(51,436)
Total Expenditures Paid	<u>11,424,574</u>	<u>12,620,149</u>	<u>12,625,532</u>	<u>(1,200,958)</u>
REVENUES COLLECTED OVER (UNDER)				
EXPENDITURES PAID	<u>\$ (1,230,297)</u>	<u>\$ (2,496,762)</u>	(2,502,145)	<u>\$ (1,271,848)</u>
FUND BALANCE, JULY 1, 2024			<u>4,298,966</u>	
FUND BALANCE, JUNE 30, 2025			<u>\$ 1,796,821</u>	

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 2025 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, 2025

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.0521%	\$ 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%
6/30/2024	0.0632%	\$ 4,375,416	\$ 3,570,101	122.50%	88.26%

*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, 2025

<u>Year Ended*</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency) (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
6/30/2024	\$ 517,666	\$ 517,666	\$ -	\$ 3,570,101	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, 2025

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.0580%	\$ 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%
6/30/2024	0.0748%	\$ 644,806	\$ 1,758,712	36.66%	88.96%

*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, 2025

<u>Year Ended*</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency) (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
6/30/2024	\$ 120,648	\$ 120,648	\$ -	\$ 1,758,712	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

P.O. Box 920  
Chillicothe, MO 64601  
(660) 240-0645  
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405 N Broadway  
Princeton, MO 64673  
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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, 2025. 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, 2025, is fairly stated, in all material respects.

*Conrad & Higgins, LLC*

**Conrad & Higgins, LLC**  
Princeton, Missouri  
December 15, 2025

Knox County R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

Type of Audit Performed:

Yellow Book:   X  

Single Audit:           

**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	PK	5		6.7500	156	1,048.6667
1050	6	12		6.7500	156	1,048.6667

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	PK	-		-		-	-
4020	K	39,688.7668		125.0000		2,070.0600	41,883.8268
4020	1	37,451.6668		141.0000		2,081.1200	39,673.7868
4020	2	35,936.9166		102.0000		2,600.9500	38,639.8666
4020	3	26,894.0833		192.0000		1,699.8500	28,785.9333
4020	4	42,103.8831		314.0000		2,292.2700	44,710.1531
4020	5	29,372.0333		116.0000		1,520.2200	31,008.2533
1050	6	31,898.3132		30.0000		781.1600	32,709.4732
1050	7	29,574.9135		40.0000		347.2100	29,962.1235
1050	8	22,025.8679		9.0000		50.1700	22,085.0379
1050	9	30,355.8631		-		609.1600	30,965.0231
1050	10	33,494.3767		-		235.7100	33,730.0867
1050	11	43,087.8901		-		83.0300	43,170.9201
1050	12	30,097.9713		-		153.7200	30,251.6913
Grand Total		431,982.5457		1,069.0000		14,524.6300	447,576.1757

Notes:

Knox County R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

### 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 include all PK students. If possible, note the number of 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
	PK	52.00	-	-	52.00
	K	40.00			40.00
	1	37.00	-	-	37.00
	2	38.00	-	-	38.00
	3	27.00	-	-	27.00
	4	45.00	-	-	45.00
	5	31.00	-	-	31.00
	6	31.00	-	-	31.00
	7	30.00	-	-	30.00
	8	24.00	-	-	24.00
	9	31.00	-	-	31.00
	10	35.00	-	-	35.00
	11	44.00	-	-	44.00
	12	35.00	-	-	35.00
Grand Total		500.00	-	-	500.00

Notes:

### 4 January 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 include all PK students. If possible, note the number of 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
4020	PK	52.00	-	-	52.00
4020	K	41.00	-	-	41.00
4020	1	39.00	0.03		39.03
4020	2	35.00			35.00
4020	3	27.00			27.00
4020	4	41.00			41.00
4020	5	30.00			30.00
4020	6	32.00			32.00
1050	7	29.00			29.00
1050	8	22.00			22.00
1050	9	32.00			32.00
1050	10	36.00			36.00
1050	11	46.00			46.00
1050	12	33.00			33.00
Gand Total		495.00	0.03		495.03

Notes:



Knox County R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

**5 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	96.00	32.00	-	-	128.00
4020	82.03	36.00	-	-	118.03
Gand Total	178.03	68.00	-		246.03

Notes:

Knox Co R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

**6 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.  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |
| 2 | 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: |   |
|   | Academic Programs Off Campus  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Career Exploration Program - Off Campus   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Cooperative Occupational Education (COE) or Supervised Occupational Experience  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Dual Enrollment   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Homebound instruction   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Missouri Options  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Prekindergarten eligible to be claimed for state aid  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Remediation   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Sheltered Workshop participation  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Students participating in the school flex program   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Traditional instruction (full and part-time students)   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |
|   | Virtual instruction (MOCAP or other option)   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
|   | Work Experience for Students with Disabilities  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">N/A</div>      |
| 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.   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |
| 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.  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |
| 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:  | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">\$50,000</div> |
| 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.   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |
| 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).   | <div style="border-bottom: 1px solid black; display: inline-block; padding-bottom: 2px;">TRUE</div>     |

Knox Co R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

**6 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.  | TRUE     |
| 9  | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools).  | N/A      |
| 10 | The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.  | TRUE     |
| 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). | TRUE     |
| 12 | The amount spent for approved professional development committee plan activities was:   | \$10,746 |
| 13 | The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.   | TRUE     |

Notes:

Finding #:

Management Letter Comment #:

**7 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.   | TRUE |
| 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 | TRUE |

Knox Co R-I School District  
Schedule of Selected Statistics  
Year Ended June 30, 2025

**7 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:

<b>• Eligible ADT</b>	<u>306.00</u>
<b>• Ineligible ADT</b>	<u>-</u>

- 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:

139,461

- 6 Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

<b>* Eligible Miles</b>	<u>111,972</u>
<b>* Ineligible Miles (Non-Route/Disapproved)</b>	<u>27,489</u>

- 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

## CERTIFIED PUBLIC ACCOUNTANTS

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Chillicothe, MO 64601  
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405 N Broadway  
Princeton, MO 64673  
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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

To the Board of Education  
Knox Co R-I School District  
Edina, MO 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 the Knox Co R-I School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Knox Co R-I School District's basic financial statements, and have issued our report thereon dated December 15, 2025.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Knox Co 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Knox Co R-I School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Knox Co 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 did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

1 Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and related accounting records, or all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

#### **Management Response**

The size and budget of the Knox Co R-I School District limits the application of adequate segregation of duties.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Knox Co 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. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

#### **Knox Co R-I School District's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Knox Co R-I School District's response to the findings identified in our audit are described previously. The Knox Co R-I School District's response was not subjected to the audit procedures applied in that 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 that 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 and Higgins, LLC*

**Conrad and Higgins, LLC**

Princeton, Missouri

December 15, 2025