INDEPENDENCE 30 SCHOOL DISTRICT

JACKSON COUNTY, MISSOURI

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021

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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Independence 30 School District

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the blended component unit and each major fund of Independence 30 School District (District), Missouri, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I; this includes 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 Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

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, the blended component unit and each major fund of the District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note I 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 opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules presented on pages 37 through 41 and the schedule of expenditures of federal awards presented on pages 55 and 56 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 28, 2022

BASIC FINANCIAL STATEMENTS

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note II)	$ 63,725,275.99
TOTAL CURRENT ASSETS	63,725,275.99
Restricted Assets:	
Cash and Cash Equivalents - Student Scholarships	279,520.20
Cash and Cash Equivalents - Inspiring Greatness	676,182.18
Cash and Cash Equivalents - Nutrition Service	1,492,630.98
Cash and Cash Equivalents - Debt Service	7,278,966.05
Cash and Cash Equivalents - Bond Projects	51,879,295.54
Investments - Student Scholarships	1,997,000.00
Investments - Debt Service	5,192,721.00
TOTAL RESTRICTED ASSETS	68,796,315.95
TOTAL ASSETS	132,521,591.94
LIABILITIES	
Current Liabilities:	
Payroll Withholdings	10,700,050.84
Deferred Revenue	4,617.75
TOTAL CURRENT LIABILITIES	10,704,668.59
TOTAL LIABILITIES	10,704,668.59
NET POSITION	
Restricted:	
Student Scholarships	2,276,520.20
Bond Projects	51,879,295.54
Nutrition Service	1,492,630.98
Inspiring Greatness Activity	676,182.18
Debt Service	12,471,687.05
Unrestricted:	53,020,607.40
TOTAL NET POSITION	121,816,923.35
TOTAL LIABILITIES AND NET POSITION	$ 132,521,591.94

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

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

		PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
FUNCTIONS / PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS, CONTRIBUTIONS AND DEBT PROCEEDS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**
GOVERNMENTAL ACTIVITIES					
Instruction	$ 79,953,901.54	$ 983,148.43	$ 12,642,277.06	$ 100,411.85	$ (66,228,064.20)
Student Services	12,886,801.09	-	1,976,167.29	423,800.00	(10,486,833.80)
Instructional Staff Support	7,309,894.54	-	1,252,656.81	-	(6,057,237.73)
Building Administration	9,802,499.51	64.95	2,391,737.23	123,880.21	(7,286,817.12)
General Admin & Central Services	12,788,400.88	-	368,150.54	-	(12,420,250.34)
Operation of Plant	22,156,269.62	205,790.05	186,171.34	14,215.01	(21,750,093.22)
Transportation	7,234,266.01	2,256.73	2,055,639.04	26,832.00	(5,149,538.24)
Food Services	490,595.26	211,135.85	231,825.16	-	(47,634.25)
Community Services	16,874,675.97	1,595,317.08	11,597,216.79	3,987.00	(3,678,155.10)
Facility Projects	2,214,061.78	-	-	52,966,648.95	50,752,587.17
Debt Service:					
Principal	35,895,000.00	-	-	-	(35,895,000.00)
Interest and Fiscal Charges	8,145,514.70	-	-	-	(8,145,514.70)
TOTAL GOVERNMENTAL ACTIVITIES	$ 215,751,880.90	$ 2,997,713.09	$ 32,701,841.26	$ 53,659,775.02	(126,392,551.53)
GENERAL REVENUES					
Property Taxes, Levied For General Purposes					47,067,915.33
Property Taxes, Levied For Debt Service					13,221,385.69
Other Taxes					16,149,514.34
Prop C - Sales Tax					3,096,137.03
Federal, State and County Aid Not Restricted To Specific Purposes					77,607,583.16
Interest and Investment Earnings					954,539.26
Miscellaneous					70,772.45
SUBTOTAL GENERAL REVENUES					**158,167,847.26**
CHANGE IN NET POSITION					31,775,295.73
NET POSITION JULY 1, 2020					90,041,627.62
NET POSITION JUNE 30, 2021					**$ 121,816,923.35**

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

INDEPENDENCE 30 SCHOOL DISTRICT
BALANCE SHEET
MODIFIED CASH BASIS - ALL GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	$ 38,367,970.52	$ 838,877.67	$ -	$ 24,518,427.80	$ 63,725,275.99
Restricted Assets:					
Cash and Cash Equivalents - Student Scholarships	279,520.20	-	-	-	279,520.20
Cash and Cash Equivalents - Inspiring Greatness	-	676,182.18	-	-	676,182.18
Cash and Cash Equivalents - Nutrition Service	1,492,630.98	-	-	-	1,492,630.98
Cash and Cash Equivalents - Debt Service	-	-	7,278,966.05	-	7,278,966.05
Cash and Cash Equivalents - Bond Projects	-	-	-	51,879,295.54	51,879,295.54
Investments - Student Scholarships	1,997,000.00	-	-	-	1,997,000.00
Investments - Debt Service	-	-	5,192,721.00	-	5,192,721.00
TOTAL ASSETS	$ 42,137,121.70	$ 1,515,059.85	$ 12,471,687.05	$ 76,397,723.34	$ 132,521,591.94
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll Withholdings	$ 9,861,173.17	$ 838,877.67	$ -	$ -	$ 10,700,050.84
Unearned Income	4,617.75	-	-	-	4,617.75
TOTAL LIABILITIES	9,865,790.92	838,877.67	-	-	10,704,668.59
Fund Balances:					
Restricted:					
Student Scholarships	2,276,520.20	-	-	-	2,276,520.20
Bond Projects	-	-	-	51,879,295.54	51,879,295.54
Nutrition Service	1,492,630.98	-	-	-	1,492,630.98
Inspiring Greatness Activity	-	676,182.18	-	-	676,182.18
Debt Service	-	-	12,471,687.05	-	12,471,687.05
Committed:					
Special Insurance Fund	1,801,024.05	-	-	-	1,801,024.05
NGE Bus Project	-	-	-	1,667,139.36	1,667,139.36
Assigned:					
Student Activities	1,916,822.66	-	-	-	1,916,822.66
Unassigned	24,784,332.89	-	-	22,851,288.44	47,635,621.33
TOTAL FUND BALANCES	32,271,330.78	676,182.18	12,471,687.05	76,397,723.34	121,816,923.35
TOTAL LIABILITIES AND FUND BALANCES	$ 42,137,121.70	$ 1,515,059.85	$ 12,471,687.05	$ 76,397,723.34	$ 132,521,591.94

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

INDEPENDENCE 30 SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	$ 51,408,416.43	$ 16,166,995.89	$ 13,105,299.98	$ 3,260,839.92	$ 83,941,552.22
County Sources	2,531,715.34	48,055.82	668,371.82	-	3,248,142.98
State Sources	5,241,330.67	71,146,188.98	-	4,160,505.88	80,548,025.53
Federal Sources	21,238,874.76	4,648,578.36	-	595,856.72	26,483,309.84
Other	125,698.07	302,771.14	-	35,527.90	463,997.11
TOTAL REVENUES	**80,546,035.27**	**92,312,590.19**	**13,773,671.80**	**8,052,730.42**	**194,685,027.68**
EXPENDITURES					
Current					
Instruction	9,795,046.48	69,802,859.83	-	355,995.23	79,953,901.54
Student Services	6,646,658.09	5,816,343.00	-	423,800.00	12,886,801.09
Instructional Support Staff	2,081,960.02	5,226,100.02	-	1,834.50	7,309,894.54
Building Level Administration	2,851,033.69	6,947,530.82	-	3,935.00	9,802,499.51
General Admin. & Central Services	9,659,950.48	2,603,060.14	-	525,390.26	12,788,400.88
Operation of Plant	20,028,248.27	-	-	2,128,021.35	22,156,269.62
Pupil Transportation	7,147,195.21	-	-	87,070.80	7,234,266.01
Food Service	429,150.18	-	-	61,445.08	490,595.26
Community Services	15,152,429.79	1,704,305.40	-	17,940.78	16,874,675.97
Facility Project	-	-	-	2,214,061.78	2,214,061.78
Debt Service					
Principal	-	-	35,895,000.00	-	35,895,000.00
Interest and Charges	-	-	7,294,903.03	850,611.67	8,145,514.70
TOTAL EXPENDITURES	**73,791,672.21**	**92,100,199.21**	**43,189,903.03**	**6,670,106.45**	**215,751,880.90**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**6,754,363.06**	**212,390.98**	**(29,416,231.23)**	**1,382,623.97**	**(21,066,853.22)**
OTHER FINANCING SOURCES (USES)					
Transfers	(7,824,625.27)	-	(1,077,850.00)	8,902,475.27	-
Sale of Bonds	-	-	-	43,000,000.00	43,000,000.00
Premium on Bonds Sold	-	-	-	9,842,148.95	9,842,148.95
TOTAL OTHER FINANCING SOURCES (USES)	(7,824,625.27)	-	(1,077,850.00)	61,744,624.22	52,842,148.95
NET CHANGE IN FUND BALANCES	**(1,070,262.21)**	**212,390.98**	**(30,494,081.23)**	**63,127,248.19**	**31,775,295.73**
FUND BALANCES JULY 1, 2020	33,341,592.99	463,791.20	42,965,768.28	13,270,475.15	90,041,627.62
FUND BALANCES JUNE 30, 2021	**$ 32,271,330.78**	**$ 676,182.18**	**$ 12,471,687.05**	**$ 76,397,723.34**	**$ 121,816,923.35**

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

INDEPENDENCE 30 SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF JUNE 30, 2021

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

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	$ 121,816,923.35
There are no reconciling items.	-
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$ 121,816,923.35

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

INDEPENDENCE 30 SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ 31,775,295.73
There are no reconciling items.	-
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 31,775,295.73

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Independence 30 School District (District) was established in 1866 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 District, located in Jackson County, serves an area of approximately 31 square miles. It is staffed by 1,034 non-certified employees, 1,116 certificated full-time teaching personnel, and 86 administrative employees who provide services to approximately 13,833 students and other community members. The District currently operates 20 early education/elementary schools (PK-5), four middle schools (6-8), three high schools (9-12), one alternative school and two Early Education Centers.

Reporting Entity

A reporting entity comprises the primary government, component units, and other organizations that are included to ensure that the District's financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the District, this includes general operations, food service, and student-related activities.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. As of June 30, 2021, the District has the following component unit:

Independence School District Public Building Corporation

This component unit was incorporated under Missouri statutes as a not-for-profit organization for acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of public sites, buildings, furnishings and equipment for the District's use for educational purposes.

Due to the nature of the Corporation's business, the District has elected not to present the component unit separately, but rather to report it in the Governmental Activities.

Excluded from the reporting entity are the Public School Retirement System of Missouri and the Public Education Employee Retirement System. The participating school districts' governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting (OCBOA) other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. For the year ended June 30, 2021, all of the District's activities are classified as governmental.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the non-fiduciary financial activities of the primary government. The effect of inter-fund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e. generally supported by taxes and intergovernmental revenues). Fiduciary funds are not included in the government-wide financial statements.

The Statement of Net Position presents the financial condition of the District's governmental activities at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as the District's general revenues, with certain limited exceptions.

The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or drawing from the District's general receipts.

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; 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. The purchase of investments is recorded as assets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Fund financial statements report detailed information about the District. The District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The District believes that all the funds presented are important to the users of its financial statements; therefore, it considers the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund all to be major.

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 fund financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather that when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General (Incidental) Fund: Accounts for general activities of the District, including student activities and food service, 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 local tax levy for the payment of teacher salaries and certain employee benefits.

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and certain equipment designated by Missouri statute.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position or Balance Sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, payroll withholdings and deferred revenue arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and post-employment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Cash with Fiscal Agents

To improve cash management, all cash received by the District is pooled. Monies for all funds, except for the Debt Service funds are maintained in this pool. Individual fund integrity is maintained through District records. (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet as "Cash and Cash Equivalents and Investments" under each fund's caption.

The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements Debt Service Fund as "Investments" and "Investments in Escrow" and includes MOHEFA funds and other District purchased U.S. Government Securities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Teachers' Salaries

Payroll checks written and dated in June 2021, for July and August 2021, payrolls from 2020-2021 contracts as well as June 2021 summer service hours written and paid in July 2021 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in the previous years. Due to COVID-19, Jackson County Health Department issued an order that did not allow the District to hold summer school in June 2020. The District was allowed to hold summer school July 2020. This resulted in summer school 2020 expenses postponed to the next fiscal year.

Post-Employment Benefits

In addition to the pension benefits described in Note VII, 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 District has not made a formal evaluation or projection on the future cost of the existing healthcare benefit plan in relation to retirees. There were 71 retiree participants with premiums totaling $85,865.26 at year end.

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former and retired employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid by the insured monthly for the next month's coverage. This program is offered for 18 months after the termination date. There is no associated cost to the District under this program, and there were 32 participants at year end. Premiums of $155,457.60 were paid during the year.

Net Position/ Fund Balance Classifications

Net position represents the difference between assets and liabilities.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

[1] Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact.

[2] Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

[3] Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education. Formal action by vote must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

[4] Assigned Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education, or a body or official, such as the Chief Financial Officer, who has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

[5] Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The Board delegates the authority to assign amounts for specific purpose(s) to the chief financial officer.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

As of June 30, 2021, fund balance components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund	$ -	$ 3,769,151.18	$ 1,801,024.05	$ 1,916,822.66
Special Revenue Fund	-	676,182.18	-	-
Debt Service Fund	-	12,471,687.05	-	-
Capital Projects Fund	-	51,879,295.54	1,667,139.36	-
Total	$ -	$ 68,796,315.95	$ 3,468,163.41	$ 1,916,822.66

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Extraordinary and Nonrecurring Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Nonrecurring items are transactions or events that are within the control of the Board of Education and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year 2021.

Revenues-Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the modified cash basis when the District receives the revenue.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On a modified cash basis, revenue from property taxes is recognized in the fiscal year for which the taxes are collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which the funds are received and eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Flex Spending Arrangement

This arrangement allows participating employees to make pre-tax contributions to the flexible spending arrangement accounts for reimbursements of health and/or dependent care expenses.

Inventories

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

II. CASH AND INVESTMENTS

Deposits

Missouri state statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2021, the carrying amount of the District's deposits and investments was $132,521,591.94 and the bank balance was $133,467,417.63. Of the bank balances, $250,000.00 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

Investments

The District may purchase any investments allowed by the State Treasurer and Repurchase Agreements. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

As of June 30, 2021, the District’s investments included U.S. Government Securities that are not subject to credit risk. A summary of the District’s investments as of June 30, 2021, are as follows:

	Average Maturity	Cost Amount	Market Amount
Tennessee Valley Authority	> 5 years	$ 1,997,000.00	$ 3,215,540.00
MOHEFA	< 1 year	5,192,721.00	5,192,721.00
Total Investments		$ 7,189,721.00	$ 8,408,261.00

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s investment policy does not include custodial credit risk requirements. The District’s deposits were not exposed to custodial credit risk for the year ended June 30, 2021.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government’s name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

II. CASH AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The District's deposits were not exposed to concentration of investment credit risk for the year ended June 30, 2021.

State law is very strict regarding allowable investments for school districts. Under a very limited situation, the District has made an investment purchase that exceeds the maturity period allowable but is of a type allowable under state law. Two Tennessee Valley Authority bonds maturing April 1, 2056, were purchased by the District with a par value of $1,000,000 each for purposes of the Phil Roberts Scholarship Fund. The purchase of the specific TVAs was a requirement by the donor to provide consistent revenue for future scholarships. The District has no other investments or intentions of purchasing other investments outside of those allowable by state law.

III. 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 it is remitted based on a prior year weighted average attendance. 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. In October 1994, the patrons of the District voted to forego this reduction in property taxes, thus earmarking the entire amount for education.

The assessed valuation of the tangible taxable property for the calendar year 2020, for purposes of local taxation, was $1,110,542,451.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2020, for purposes of local taxation, was:

	Unadjusted	Adjusted
General Fund	$ 4.3236	$ 4.3236
Debt Service Fund	1.2145	1.2145
Total	$ 5.5381	$ 5.5381

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 92.41% of the current assessment computed on the basis of the levy as shown above.

IV. INTERFUND TRANSFERS

	Transfer In	Transfer Out
General Fund	$ -	$ 7,824,625.27
Special Revenue Fund	-	-
Debt Service Fund	-	1,077,850.00
Capital Projects Fund	8,902,475.27	-
Total	$ 8,902,475.27	$ 8,902,475.27

Interfund transfers for the year ended June 30, 2021, consisted of $8,902,475.27 to the Capital Projects Fund; $7,824,625.27 from the General Fund to the Capital Projects Fund; and $1,077,850.00 from the Debt Service Fund to the Capital Projects Fund. The transfer from the General Fund was for food service equipment, grant match, 7%xSATxWADA, and DESE calculated transportation costs. The transfer from the Debt Service Fund was for the building portion of lease series 2008A refunded in 2016.

V. LONG-TERM DEBT

Long-term debt balances and activity of the District's governmental activities for the year ended June 30, 2021, were as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	$ 162,505,000.00	$ 43,000,000.00	$ 35,895,000.00	$ 169,610,000.00	$ 6,760,000.00
Total Long-Term Debt	$ 162,505,000.00	$ 43,000,000.00	$ 35,895,000.00	$ 169,610,000.00	$ 6,760,000.00

General obligation bonds payable at June 30, 2021, consist of:

$5,925,000 qualified school construction bonds, dated June 15, 2010, due in varying installments through March 1, 2027, interest at 5.35% being funded by taxable build America funds	$ 5,925,000.00
$30,000,000 tax-exempt general obligation school bonds, dated March 1, 2011, due in varying installments through March 1, 2031, interest at 5.25%	-
$10,020,000 general obligation refunding bonds, dated August 30, 2011, due in varying installments through March 1, 2021, interest at 2.00% to 5.00%	-
$6,905,000 general obligation refunding bonds, dated February 28, 2013, due in varying installments through March 1, 2023, interest at 4.91% to 5.00%	2,945,000.00
Subtotal	$ 8,870,000.00

V. LONG-TERM DEBT (concluded)

Subtotal from previous page	$	8,870,000.00
$21,790,000 general obligation refunding bond, dated May 3, 2016, due in varying installments through March 1, 2030, interest at 3.00% to 4.00%		20,300,000.00
$28,130,000 general obligation refunding bonds dated November 1, 2016, due in varying installments through March 1, 2034, interest at 5.00%		28,130,000.00
$9,505,000 general obligation refunding bonds dated March 1, 2017, due in varying installments through March 1, 2023, interest at 3.00%		7,480,000.00
$38,000,000 general obligation school building bonds dated June 30, 2017, due in varying installments through March 2037, interest at 5.50%		38,000,000.00
$5,315,000 general obligation refunding bonds dated June 30, 2017, due in varying installments through March 2029, interest at 4.00%		5,315,000.00
$19,165,000 general obligation refunding bonds dated September 27, 2018, due in varying installments through March 2029, interest at 3.56% to 4.25%		18,515,000.00
$43,000,000 general obligation school building bonds dated June 24, 2021, due in varying installments through March 2041, interest at 3.25% to 5.00%		43,000,000.00
Total	$	169,610,000.00

General obligation bond debt service requirements to maturity are:

Year Ended June 30,		Principal		Interest		Total
2022	$	6,760,000.00	$	6,995,037.89	$	13,755,037.89
2023		8,045,000.00		7,330,236.50		15,375,236.50
2024		7,390,000.00		7,082,686.50		14,472,686.50
2025		7,865,000.00		6,785,886.50		14,650,886.50
2026		8,320,000.00		6,462,486.50		14,782,486.50
2027-2031		46,360,000.00		26,447,734.50		72,807,734.50
2032-2036		50,870,000.00		14,281,000.00		65,151,000.00
2037-2041		34,000,000.00		3,498,987.50		37,498,987.50
Totals	$	169,610,000.00	$	78,884,055.89	$	248,494,055.89

General obligation bond debt service payments are made from the Debt Service Fund.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a district (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2021.

VI. LEASES

Operating Leases:

The District leases early education buses under operating lease agreements with Kansas State Bank of Manhattan that will expire in 2022. The terms of the agreements include varying annual lease payments, totaling $16,729.23 for the year ended June 30, 2021. Although all lease agreements provide for cancellation of the lease at the District's option at the renewal date each year, the District does not foresee exercising its option to cancel. The balance due at June 30, 2021 is $16,729.23. Payments are made from the General Fund.

The District entered into a copier lease agreement with Sumner One that will expire in 2022. The terms of the agreement include 48 monthly payments of $23,742.06 totaling $1,139,618.88. The balance due at June 30, 2021 is $284,904.72. Payments are made from the General Fund.

The District entered into a rental agreement with Blue Ridge Bank and Trust Co in July 2019 subletting space for a classroom. The terms of the agreement are for the period August 1, 2019 through July 31, 2029 and require various rental amounts throughout the agreement term totaling $60,180. The balance due at June 30, 2021 is $50,405. Payments are made from the General Fund.

The following is a schedule of the future minimum lease payments under the leases (assuming non-cancellation):

Year Ended June 30,		Leases
2022	$	307,201.45
2023		5,610.00
2024		6,077.50
2025		6,120.00
2026		6,587.50
2027-2030		20,442.50
Totals	$	352,038.95

Capital Leases:

The District has entered into lease agreements for the Annexation and Independence Regional Ennovation Center Projects as described below. The terms of the agreements include varying semi-annual lease payments totaling $3,370,000.00 for the year ended June 30, 2021.

Annexation Project Lease

Eight school buildings and approximately 2,500 students were annexed from Kansas City, Missouri School District following a November 2007 vote that included voters of both districts. The State appointed Board of Arbitration decided that the District would compensate the Kansas City, Missouri School District for the real and personal property transferred July 2008. The District worked with the Missouri School Boards Association, Commerce Bank, N.A. and George K. Baum & Company to issue lease certificates to pay for the property transferred.

VI. LEASES (continued)

Annexation Project Lease (concluded)

In November 2008, $16,055,000 in lease certificates were issued as Series 2008A for purchase of the annexation property. On May 3, 2016, the District entered into an agreement of $11,580,000 refunding lease certificates to refinance the Series 2008A lease certificates. Under the lease agreement, the District makes annual lease payments, which are used to pay the principal and interest payments of the lease certificates.

Independence Regional Ennovation Center Project Lease

The City of Independence created a Building Rehabilitation Fund funded with tax increment financing (TIF) revenues generated within the TIF Redevelopment Project Area of the TIF Redevelopment Plan for the Independence Regional Health Center and Medical Center of Independence campuses after they closed and reopened in a new location as Centerpoint Medical Center. In March 2009, the City Council adopted a resolution directing that $10 million from the Building Rehabilitation Fund be allocated to redevelopment of the Independence Regional Health Center and selected Edwards Management Group LLC and the District as the developer. The Independence Regional Ennovation Center Project ("IREC Project") consists of the acquisition of the former Independence Regional Medical Center facility and the renovation, remodeling, repair and improvement and equipping and furnishing of the facility. The redeveloped facility will be partially occupied by the District and partially a business incubator for bioscience wet and dry labs, commercial kitchen facilities, and technology laboratories.

Initial available funds from the Building Rehabilitation Fund were not sufficient for the renovation phases. The District worked with the Missouri School Boards Association, Commerce Bank, N.A. and George K. Baum & Company to develop financing that includes Lease Participation Certificates. Under the lease agreement, the District will make semi-annual lease payments to Missouri School Boards Association's Trustee Commerce Bank. The lease payments match the principal and interest schedule for the Lease Participation Certificates. Funds available to make the lease payments are derived from various IREC project funds including future rental payments and Building Rehabilitation Funds.

In June 2009, the District issued $4,310,000 in Lease Participation Certificates for the IREC Project in two parts: Series 2009A $1,525,000 was Insured Lease Participation Certificates for the District portion of the project and Series 2009B $2,785,000 was Insured Taxable Lease Participation Certificates for the business incubator portion of the project. On February 26, 2019, the District entered into an agreement of $1,475,000 refunding lease certificates to refinance the Series 2009A lease certificates. In June 2010, the District issued $4,045,000 in Lease Participation Certificates for phase three of the IREC Project in two series.

Series 2010A, $1,590,000 was Insured Lease Participation Certificates for the District portion of the project and Series 2010B $2,455,000 was Insured Lease Participation Certificates for the business incubator portion of the project. On March 17, 2020, the District entered into an agreement of $985,000, $1,690,000 and $60,000 refunding lease certificates to refinance the Series 2010A and 2010B lease certificates. In February 2011, the Board of Education issued $3,075,000 in Lease Participation Certificates for phase four of the IREC Project.

On December 1, 2020, the District entered into an agreement of $1,890,000.00 refunding lease certificates to refinance the Series 2011 lease certificates.

VI. LEASES (continued)

Capital lease balances and activity of the District for the year ended June 30, 2021, were as follows:

Lease Certificates Of Participation	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Series 2011A	$ 2,100,000.00	$ -	$ 2,100,000.00	$ -	$ -
Series 2016, Rfdg	8,400,000.00	-	830,000.00	7,570,000.00	850,000.00
Series 2019	1,250,000.00	-	230,000.00	1,020,000.00	240,000.00
Series 2020A	985,000.00	-	75,000.00	910,000.00	85,000.00
Series 2020B	1,690,000.00	-	135,000.00	1,555,000.00	130,000.00
Series 2020C	60,000.00	-	-	60,000.00	-
Series 2020D	-	1,890,000.00	-	1,890,000.00	160,000.00
Total Lease Certificates of Participation	$ 14,485,000.00	$ 1,890,000.00	$ 3,370,000.00	$ 13,005,000.00	$ 1,465,000.00

Lease certificates of participation payable at June 30, 2021, consist of:

$3,075,000 Series 2011A lease certificate of participation, dated February 1, 2011, due in varying installments through March 2031, interest at 2.00% to 7.375%	$ -
$11,580,000 Series 2016 refunding lease certificates, dated May 3, 2016, due in varying installments through June 30, 2029, interest at 2.00% to 3.00%	7,570,000.00
$1,475,000 Series 2019 refunding lease certificates, dated September 2019, due in varying installments through March 2025, interest at 4.00%	1,020,000.00
$985,000 Series 2020A refunding lease certificates, dated March 17, 2020, due in varying installments through March 2030, interest at 3.00%	910,000.00
$1,690,000 Series 2020B refunding recovery zone facility lease participation certificates, dated March 17, 2020, due in varying installments through March 2030, interest at 3.00%	1,555,000.00
$60,000 Series 2020C taxable refunding lease participation certificates, dated March 17, 2020, due in one payment March 2030, interest at 3.00%	60,000.00
$1,890,000 Series 2020D refunding lease participation certificates, dated December 1, 2020, due in varying installments through March, 2031, interest at 3.75% to 7.38%	1,890,000.00
Total Lease Certificates of Participation	$ 13,005,000.00

VI. LEASES (concluded)

The following is a schedule of the future minimum lease payments for the lease certificates of participation:

Year Ended June 30,	Principal	Interest	Total
2022	$ 1,465,000.00	$ 408,087.50	$ 1,873,087.50
2023	1,540,000.00	350,450.00	1,890,450.00
2024	1,605,000.00	303,500.00	1,908,500.00
2025	1,650,000.00	254,550.00	1,904,550.00
2026	1,415,000.00	202,350.00	1,617,350.00
2027-2031	5,330,000.00	373,500.00	5,703,500.00
Totals	$ 13,005,000.00	$ 1,892,437.50	$ 14,897,437.50

Payments are made from the Capital Projects Fund.

VII. PENSION PLANS

Summary of Significant Accounting Policies

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

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

VII. PENSION PLANS (continued)

General Information about the Pension Plan - PSRS

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.

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

The District's contributions to PSRS were $11,012,013.05 for the year ended June 30, 2021.

VII. PENSION PLANS (continued)

General Information about the Pension Plan - PEERS

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

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

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. 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 PEERS were $2,442,779.95 for the year ended June 30, 2021.

VII. 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 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.

Pension Liabilities and Pension Expense - PSRS

At June 30, 2021, the District has a liability of $134,443,002 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS of $10,898,758 for the year ended June 30, 2020, relative to the total contributions of $723,970,206 from all participating employers. At June 30, 2020, the District's proportionate share was 1.5054%. For the year ended June 30, 2021, the District’s proportionate share of the total pension expense was $21,055,556.

Pension Liabilities and Pension Expense - PEERS

At June 30, 2021, the District has a liability of $20,052,685 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of $2,550,390 paid to PEERS for the year ended June 30, 2020, relative to the total contributions of $123,440,288 from all participating employers. At June 30, 2020, the District's proportionate share was 2.0661%. For the year ended June 30, 2021, the District’s proportionate share of the total pension expense was $4,016,582.

VII. PENSION PLANS (continued)

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016.

All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016, valuation. For the June 30, 2017, valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018, valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021.

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

- Measurement Date	June 30, 2020
- Valuation Date	June 30, 2020
- Expected Return on Investments	7.50%, net of investment expenses and including 2.25% inflation
- Inflation	2.25%
- Total Payroll Growth	PSRS: 2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity. PEERS: 3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

VII. PENSION PLANS (continued)

Actuarial Assumptions (continued)

- Future Salary Increases

PSRS: 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.25% to 6.75%.

PEERS: 4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.75% to 7.75%.

- Cost-of-Living Increases

PSRS & PEERS: The annual COLA assumed in the valuation increases from 1.30% to 1.65% over six years, beginning January 1, 2022. The COLA reflected for January 1, 2021, is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

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

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

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

- If the CPI decreases, no COLA is provided.

VII. PENSION PLANS (continued)

Actuarial Assumptions (concluded)

- Cost-of-Living Increases (concluded) - The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.
- Mortality Assumption

Actives:

PSRS: RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

PEERS: RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

Non-Disabled Retirees, Beneficiaries and Survivors:

PSRS: RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

PEERS: RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Disabled Retirees:

PSRS & PEERS: RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods

PSRS & PEERS

There have been no assumption changes since the June 30, 2018, valuations.

Fiduciary Net Position

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

VII. PENSION PLANS (continued)

Changes in Actuarial Assumptions and Methods (continued)

- Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020, are summarized below.

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

VII. PENSION PLANS (continued)

Changes in Actuarial Assumptions and Methods (concluded)

- Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.50% as of June, 30, 2020, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with the June 30, 2016, valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017, valuation, and to 7.5% effective with the June 30, 2018, valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarial accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- Discount Rate Sensitivity

The sensitivity of the District's net pension liabilities to changes in the discount rate is presented below. The District's net pension liabilities calculated using the discount rate of 7.50% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

Discount Rate	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
PSRS Proportionate share of the Net Pension Liability / (Asset)	$228,142,578	$134,443,002	$56,519,791
PEERS Proportionate share of the Net Pension Liability / (Asset)	$ 35,338,627	$ 20,052,695	$ 7,226,842

VII. PENSION PLANS (continued)

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS

Year Ended*	Proportion of the Net Position Liability (Asset)	Proportionate Share of the Net Position 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
6/30/14	1.5157%	$62,182,735	$68,130,559	91.27%	89.34%
6/30/15	1.5494%	$89,444,695	$71,027,354	125.93%	85.78%
6/30/16	1.5512%	$115,419,345	$72,523,868	159.15%	82.18%
6/30/17	1.5470%	$111,716,995	$73,971,592	151.03%	83.77%
6/30/18	1.5184%	$113,006,259	$74,071,288	152.56%	84.06%
6/30/19	1.5046%	$111,040,539	$74,843,818	148.36%	84.62%
6/30/20	1.5054%	$134,443,002	$76,040,900	176.80%	82.01%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS

Year Ended*	Proportion of the Net Position Liability (Asset)	Proportionate Share of the Net Position 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
6/30/14	2.1186%	$7,736,406	$30,894,113	25.04%	91.33%
6/30/15	2.1485%	$11,363,549	$32,215,750	35.27%	88.28%
6/30/16	2.1329%	$17,113,009	$32,936.761	51.96%	83.32%
6/30/17	2.1363%	$16,298,919	$34,393,353	47.39%	85.35%
6/30/18	2.1433%	$16,561,543	$35,661,459	46.44%	86.06%
6/30/19	2.1066%	$16,662,386	$36,312,139	45.89%	86.38%
6/30/20	2.0661%	$20,052,685	$36,960,808	54.25%	84.06%

** The data provided in the schedules is based as of the measurement date of the System's net pension liability, which is as of the beginning of the District's fiscal year.*

VII. PENSION PLANS (concluded)

Schedules of Employer Contributions – PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	$9,590,271	$9,590,271	$ -	$66,978,145	14.32%
6/30/14	$9,760,793	$9,760,793	-	$68,130,559	14.33%
6/30/15	$10,172,910	$10,172,910	-	$71,027,354	14.32%
6/30/16	$10,391,115	$10,391,115	-	$72,523,868	14.33%
6/30/17	$10,582,890	$10,582,890	-	$73,971,592	14.31%
6/30/18	$10,586,793	$10,586,793	-	$74,071,288	14.29%
6/30/19	$10,709,025	$10,709,025	-	$74,843,818	14.31%
6/30/20	$10,898,758	$10,898,758	-	$76,040,900	14.33%

Schedules of Employer Contributions – PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	$2,009,672	$2,009,672	$ -	$29,296,592	6.86%
6/30/14	$2,119,338	$2,119,338	-	$30,894,113	6.86%
6/30/15	$2,209,998	$2,209,998	-	$32,215,750	6.86%
6/30/16	$2,259,462	$2,259,462	-	$32,936,761	6.86%
6/30/17	$2,355,134	$2,355,134	-	$34,393,353	6.85%
6/30/18	$2,446,376	$2,446,376	-	$35,661,459	6.86%
6/30/19	$2,508,589	$2,508,589	-	$36,312,139	6.91%
6/30/20	$2,550,390	$2,550,390	-	$36,960,808	6.90%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

VIII. INSURANCE

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks.

The District was not able to obtain workers' compensation insurance at a cost it considered to be economically justifiable. During 2017, the District was approved to be self-insured by the state of Missouri. The District contracts with PMA Group to be a third party claims processor. The District paid three months of estimated claims payments and loss adjustment expenses to PMA held in escrow. PMA pays claims from the escrow and the District reimburses the escrow monthly for the claims. The state of Missouri also required the District to purchase a temporary letter of credit to cover risk of assessment for short-term shortfalls prior to final premium payments. In addition, the District purchases excess insurance to reduce risk. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

IX. COMMITMENTS AND CONTINGENCIES

During the course of ordinary operations, the District is subjected to various lawsuits. The District's insurance carrier and attorneys are vigorously contesting all the claims. The District believes that all lawsuits outstanding at June 30, 2021, will have no material impact on the finances of the District.

As of June 30, 2021, the District had $28,579,965.47 outstanding contract commitments for construction and repair projects. In addition, the District has unfunded retiree and sick leave benefits.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Total vested and unpaid sick leave at June 30, 2021, amounted to 49,205 days. This number is unaudited.

X. POST-EMPLOYMENT BENEFITS

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits (health, dental and/or vision) to eligible former and retired employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid by the insured monthly for the current month's coverage plus a 2% administration fee. 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. At June 30, 2021, there were 32 participants in COBRA benefits. The amount of premiums paid during the fiscal year was $155,457.60.

In addition to the pension benefits described in Note VII, the District makes available post-retirement benefits to employees who retire from the District in the form of payment for accumulated sick leave benefits at time of retirement, participation in the District healthcare plan, and an incentive for June 30, 2021, qualifying retirees.

X. POST-EMPLOYMENT BENEFITS (concluded)

Under Board Policy, retirees are paid $50 per day for their accumulated sick leave benefits at time of their retirement not to exceed 65 days. The maximum number of reimbursable days was set by a change in Board Policy on June 30, 2004. Employees who were active at June 30, 2004, with more than 65 days of accumulated sick leave have been grandfathered to reimbursable days not to exceed their accumulated sick leave benefits as of June 30, 2004. As of June 30, 2021, active employees have 49,205 days of accumulated sick leave. Retiree sick leave is considered an expenditure in the year paid. During the year ended June 30, 2021, $174,650.00 for 3,493 days was paid to retirees under this policy.

Under state law, retirees of the District can choose to participate in the District's health plan within one year of retirement. They must receive the same level of benefits, options, and rates as active employees. Retirees pay the full premium cost to participate in the District's health plan unless they qualified for a retiree supplemental rate benefit under Board Policy before June 30, 2003. If a retiree leaves the District's retiree plan, they cannot return to the plan.

Under prior Board Policy, those who retired prior to June 30, 2003, may have qualified for the District to pay a portion of the retiree's health plan premium for the rest of his or her life. Those that did not qualify for the District supplemental rate plan pay the full premium cost to participate in the District's health plan. Qualifications included: (1) served a minimum of 10 years in the District, (2) assumed retirement status with the Public School Retirement or Public Education Employee Retirement Systems of Missouri, (3) was a member of the District health insurance plan for at least one year prior to retirement and (4) accumulated 100 sick leave days at the time of retirement and chose the benefit option in lieu of cash payment for the days.

Rate caps apply to the District-paid portion dependent upon whether the retiree was 57 or younger or was 58 or older at time of retirement, current age over or under 65, and if seven years has passed since retirement. Caps include the District-paid portion of active employees at time of retirement until age 65, at age 65 converts to current plan Medicare carve-out rate until 7 years following retirement date, and thereafter, the Medicare carve-out rate at time of retirement. Medicare carve-out rates are further limited to the District-paid plan for active employees during the applicable period. District retiree benefit contributions are considered an expenditure in the year paid. During the year ended June 30, 2021, $85,865.26 was paid on behalf of 71 retirees under the above plan.

XI. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 28, 2022, the date the financial statements were available for issuance.

Jackson County issued a taxpayer refund of $1,146,883.16 to Unilever for 2017 and 2018 taxes without going through the appeals process. The District received notice July 13, 2021 of an attempt by the County to clawback the refund from future District revenue transmittals. The District has filed a lawsuit to prevent the clawback.

XII. TAX ABATEMENTS

The District is subject to tax abatement agreements entered into by the City of Independence. The City of Independence negotiates sales and property tax abatement agreements. The City has four types of tax abatement agreements within the District as of June 30, 2021:

Project	Tax Abatement Agreement Type	Amount of Taxes Abated during the Fiscal Year
Fairmount Carlisle	Chapter 353	$ 220,853.28
Midtown Truman Road Corridor	Chapter 353	338,937.48
Independence Square	Chapter 353	183,565.86
St. Clair Park	Chapter 353	2,670.91
		$ 746,027.53
Unilever – Real Estate	Chapter 100	$ 718,132.76
Unilever – Personal Property	Chapter 100	175,960.94
		$ 894,093.70
No Projects Currently	EE Zone	$ -
Tax Increment Financing – Real Estate	Local TIF	$ 1,599,841.01
Total All Projects		$ 3,239,962.24

The Chapter 353 program authorized by Section 353.110 RSMo, provides tax abatement for a period of 25 years, which begins to run when the Urban Redevelopment Corporation takes title to the property. During the first 10 years, the property is not subject to real property taxes except in the amount real property taxes assessed on the land, exclusive of improvements, during the calendar year preceding the calendar year during which the Urban Redevelopment Corporation acquired title to the real property. During the next 15 years, the real property may be assessed up to 50% of its true value. This means that the City may approve a development plan, which provides full tax abatement for 25 years. Payments in lieu of taxes (PILOTS) may be imposed on the Urban Redevelopment Corporation by contract with the City. PILOTS are paid on an annual basis to replace all or part of the real estate taxes, which are abated. The PILOTS must be allocated to each taxing district according to their proportionate share of ad valorem property taxes.

The Chapter 100 program authorized by Section 144.054 RSMo, provides a state and local sales tax and local property tax exemption on tangible personal property, which is used directly in the process or production that is leased by the Company from the City of Independence.

The Enhanced Enterprise Zone (EE Zone) program authorized by Section 135.950 to 135.973, RSMo, is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises. Currently no projects have been funded.

Local Tax Increment Financing (Local TIF) permits the use of a portion of local property and sales taxes to assist funding the redevelopment of certain designated areas within your community. Areas eligible for Local TIF must contain property classified as a “blighted”, “conservation”, or an “economic development” area, or any combination thereof, as defined by Missouri Statutes.

SUPPLEMENTARY INFORMATION

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 54,030,182.00	$ 53,314,797.01	$ 51,408,416.43	$ (1,906,380.58)
County Sources	2,545,000.00	2,561,444.55	2,531,715.34	(29,729.21)
State Sources	4,787,499.00	4,818,607.50	5,241,330.67	422,723.17
Federal Sources	19,466,289.74	20,878,561.11	21,238,874.76	360,313.65
Other	18,000.00	18,000.00	125,698.07	107,698.07
TOTAL REVENUES	**80,846,970.74**	**81,591,410.17**	**80,546,035.27**	**(1,045,374.90)**
EXPENDITURES				
Instruction	9,611,420.33	14,716,480.57	9,795,046.48	4,921,434.09
Student Services	6,987,319.95	7,054,437.49	6,646,658.09	407,779.40
Instructional Staff Support	2,673,983.26	2,862,280.15	2,081,960.02	780,320.13
Building Administration	3,072,145.16	3,080,893.27	2,851,033.69	229,859.58
General Admin. & Central Services	10,843,761.38	13,169,213.88	9,659,950.48	3,509,263.40
Operation of Plant	18,158,213.35	28,017,294.35	20,028,248.27	7,989,046.08
Transportation	9,615,102.86	9,734,942.86	7,147,195.21	2,587,747.65
Food Service	9,617,567.88	9,618,367.88	429,150.18	9,189,217.70
Community Services	13,934,431.32	10,502,291.26	15,152,429.79	(4,650,138.53)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	**84,513,945.49**	**98,756,201.71**	**73,791,672.21**	**24,964,529.50**
REVENUES OVER (UNDER) EXPENDITURES	**(3,666,974.75)**	**(17,164,791.54)**	**6,754,363.06**	**23,919,154.60**
OTHER FINANCING SOURCES (USES)				
Transfers	(1,123,798.00)	(8,344,668.92)	(7,824,625.27)	520,043.65
TOTAL OTHER FINANCING SOURCES (USES)	**(1,123,798.00)**	**(8,344,668.92)**	**(7,824,625.27)**	**520,043.65**
NET CHANGE IN FUND BALANCE	(4,790,772.75)	(25,509,460.46)	(1,070,262.21)	$ 24,439,198.25
FUND BALANCE JULY 1, 2020	33,341,592.99	33,341,592.99	33,341,592.99	
FUND BALANCE JUNE 30, 2021	**$ 28,550,820.24**	**$ 7,832,132.53**	**$ 32,271,330.78**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 15,233,379.00	$ 15,383,379.00	$ 16,166,995.89	$ 783,616.89
County Sources	75,000.00	75,000.00	48,055.82	(26,944.18)
State Sources	68,772,559.00	68,772,559.00	71,146,188.98	2,373,629.98
Federal Sources	9,418,629.34	9,484,353.15	4,648,578.36	(4,835,774.79)
Other	140,000.00	140,000.00	302,771.14	162,771.14
TOTAL REVENUES	**93,639,567.34**	**93,855,291.15**	**92,312,590.19**	**(1,542,700.96)**
EXPENDITURES				
Instruction	71,356,407.74	71,495,049.74	69,802,859.83	1,692,189.91
Student Services	5,810,249.74	5,810,248.69	5,816,343.00	(6,094.31)
Instructional Staff Support	4,708,745.37	5,383,875.87	5,226,100.02	157,775.85
Building Administration	7,317,442.03	7,169,999.07	6,947,530.82	222,468.25
General Admin. & Central Services	2,573,706.83	2,573,706.83	2,603,060.14	(29,353.31)
Operation of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	1,996,835.58	2,066,274.55	1,704,305.40	361,969.15
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
TOTAL EXPENDITURES	**93,763,387.29**	**94,499,154.75**	**92,100,199.21**	**2,398,955.54**
REVENUES OVER (UNDER) EXPENDITURES	(123,819.95)	(643,863.60)	212,390.98	856,254.58
OTHER FINANCING SOURCES (USES)				
Transfers	123,798.00	520,043.65	-	(520,043.65)
TOTAL OTHER FINANCING SOURCES (USES)	**123,798.00**	**520,043.65**	**-**	**(520,043.65)**
NET CHANGE IN FUND BALANCE	(21.95)	(123,819.95)	212,390.98	$ 336,210.93
FUND BALANCE JULY 1, 2020	463,791.20	463,791.20	463,791.20	
FUND BALANCE JUNE 30, 2021	**$ 463,769.25**	**$ 339,971.25**	**$ 676,182.18**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Local Sources	$ 15,939,606.00	$ 14,539,606.00	$ 13,105,299.98	$ (1,434,306.02)
County Sources	675,000.00	675,000.00	668,371.82	(6,628.18)
State Sources	-	-	-	-
Federal Sources	-	300,000.00	-	(300,000.00)
Other	-	-	-	-
TOTAL REVENUES	**16,614,606.00**	**15,514,606.00**	**13,773,671.80**	**(1,740,934.20)**
EXPENDITURES				
Instruction	-	-	-	-
Student Services	-	-	-	-
Instructional Staff Support	-	-	-	-
Building Administration	-	-	-	-
General Admin. & Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	35,895,000.00	35,895,000.00	35,895,000.00	-
Interest and Charges	7,600,105.26	7,600,105.26	7,294,903.03	305,202.23
TOTAL EXPENDITURES	**43,495,105.26**	**43,495,105.26**	**43,189,903.03**	**305,202.23**
REVENUES OVER (UNDER) EXPENDITURES	**(26,880,499.26)**	**(27,980,499.26)**	**(29,416,231.23)**	**(1,435,731.97)**
OTHER FINANCING SOURCES (USES)				
Sale Of Bonds	-	-	-	-
Transfers	(1,080,000.00)	(1,080,000.00)	(1,077,850.00)	2,150.00
TOTAL OTHER FINANCING SOURCES (USES)	**(1,080,000.00)**	**(1,080,000.00)**	**(1,077,850.00)**	**2,150.00**
NET CHANGE IN FUND BALANCE	(27,960,499.26)	(29,060,499.26)	(30,494,081.23)	$ (1,433,581.97)
FUND BALANCE JULY 1, 2020	42,965,768.28	42,965,768.28	42,965,768.28	
FUND BALANCE JUNE 30, 2021	**$ 15,005,269.02**	**$ 13,905,269.02**	**$ 12,471,687.05**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	$ 2,365,750.00	$ 2,410,750.00	$ 3,260,839.92	$ 850,089.92
County Sources	-	-	-	-
State Sources	4,700,000.00	4,795,266.50	4,160,505.88	(634,760.62)
Federal Sources	63,974.99	774,259.99	595,856.72	(178,403.27)
Other	-	-	35,527.90	35,527.90
TOTAL REVENUES	**7,129,724.99**	**7,980,276.49**	**8,052,730.42**	**72,453.93**
EXPENDITURES				
Instruction	125,628.99	469,699.49	355,995.23	113,704.26
Student Services	-	423,800.00	423,800.00	-
Instructional Staff Support	-	-	1,834.50	(1,834.50)
Building Administration	-	-	3,935.00	(3,935.00)
General Admin. & Central Services	234,810.00	358,690.00	525,390.26	(166,700.26)
Operation of Plant	3,341,350.00	3,341,850.00	2,128,021.35	1,213,828.65
Transportation	865,000.00	1,595,750.00	87,070.80	1,508,679.20
Food Service	125,000.00	125,000.00	61,445.08	63,554.92
Community Services	8,500.00	9,500.00	17,940.78	(8,440.78)
Facility Projects	1,595,000.00	4,587,500.00	2,214,061.78	2,373,438.22
Capital Outlay	-	-	-	-
Debt Service:				-
Principal	-	-	-	-
Interest and Charges	595,925.00	916,375.00	850,611.67	65,763.33
TOTAL EXPENDITURES	**6,891,213.99**	**11,828,164.49**	**6,670,106.45**	**5,158,058.04**
REVENUES OVER (UNDER) EXPENDITURES	**238,511.00**	**(3,847,888.00)**	**1,382,623.97**	**5,230,511.97**
OTHER FINANCING SOURCES (USES)				
Transfers	2,080,000.00	2,270,000.00	8,902,475.27	6,632,475.27
Sale Of Bonds	-	43,000,000.00	43,000,000.00	-
Premium On Bonds Sold	-	9,842,148.95	9,842,148.95	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,080,000.00**	**55,112,148.95**	**61,744,624.22**	**6,632,475.27**
NET CHANGE IN FUND BALANCE	2,318,511.00	51,264,260.95	63,127,248.19	$ 11,862,987.24
FUND BALANCE JULY 1, 2020	13,270,475.15	13,270,475.15	13,270,475.15	
FUND BALANCE JUNE 30, 2021	**$ 15,588,986.15**	**$ 64,534,736.10**	**$ 76,397,723.34**	

INDEPENDENCE 30 SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
MODIFIED CASH BASIS - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	$ 87,568,917.00	$ 85,648,532.01	$ 83,941,552.22	$ (1,706,979.79)
County Sources	3,295,000.00	3,311,444.55	3,248,142.98	(63,301.57)
State Sources	78,260,058.00	78,386,433.00	80,548,025.53	2,161,592.53
Federal Sources	28,948,894.07	31,437,174.25	26,483,309.84	(4,953,864.41)
Other	158,000.00	158,000.00	463,997.11	305,997.11
TOTAL REVENUES	**198,230,869.07**	**198,941,583.81**	**194,685,027.68**	**(4,256,556.13)**
EXPENDITURES				
Instruction	81,093,457.06	86,681,229.80	79,953,901.54	6,727,328.26
Student Services	12,797,569.69	13,288,486.18	12,886,801.09	401,685.09
Instructional Staff Support	7,382,728.63	8,246,156.02	7,309,894.54	936,261.48
Building Administration	10,389,587.19	10,250,892.34	9,802,499.51	448,392.83
General Admin. & Central Services	13,652,278.21	16,101,610.71	12,788,400.88	3,313,209.83
Operation of Plant	21,499,563.35	31,359,144.35	22,156,269.62	9,202,874.73
Transportation	10,480,102.86	11,330,692.86	7,234,266.01	4,096,426.85
Food Service	9,742,567.88	9,743,367.88	490,595.26	9,252,772.62
Community Services	15,939,766.90	12,578,065.81	16,874,675.97	(4,296,610.16)
Facility Projects	1,595,000.00	4,587,500.00	2,214,061.78	2,373,438.22
Capital Outlay	-	-	-	-
Debt Service:				
Principal	35,895,000.00	35,895,000.00	35,895,000.00	-
Interest and Charges	8,196,030.26	8,516,480.26	8,145,514.70	370,965.56
TOTAL EXPENDITURES	**228,663,652.03**	**248,578,626.21**	**215,751,880.90**	**32,826,745.31**
REVENUES OVER (UNDER) EXPENDITURES	**(30,432,782.96)**	**(49,637,042.40)**	**(21,066,853.22)**	**28,570,189.18**
OTHER FINANCING SOURCES (USES)				
Transfers	-	(6,634,625.27)	-	6,634,625.27
Sale of Bonds	-	43,000,000.00	43,000,000.00	-
Premium on Bonds Sold	-	9,842,148.95	9,842,148.95	-
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**46,207,523.68**	**52,842,148.95**	**6,634,625.27**
NET CHANGE IN FUND BALANCES	(30,432,782.96)	(3,429,518.72)	31,775,295.73	$ 35,204,814.45
FUND BALANCES JULY 1, 2020	90,041,627.62	90,041,627.62	90,041,627.62	
FUND BALANCES JUNE 30, 2021	**$ 59,608,844.66**	**$ 86,612,108.90**	**$ 121,816,923.35**	

BUDGETS AND BUDGETARY ACCOUNTING

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund of the political subdivision.

- 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 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.

- 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.

- The budget was legally enacted by a vote of the Board of Education on June 30, 2020.

- 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.

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

OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note VII, the District allows employees who retire from the District to participate in the District's medical insurance plan. Upon meeting the retirement requirements of PSRS and PEERS, the employees can elect to participate in the District's plan. Refer to Note X for additional details.

STATE COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the Board of Education
Independence 30 School District

Report on Compliance with State Requirements

We have examined management's assertions that the Independence 30 School District (District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of pupil attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for the District's compliance with the aforementioned requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination. Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on as test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

Opinion on Compliance with State Requirements

Except as made known to you in the Schedule of State Findings, in our opinion, management's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2021, are fairly stated, in all material respects.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 28, 2022

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INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
COUNTY DISTRICT NUMBER 048-077
FOR THE YEAR ENDED JUNE 30, 2021

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

Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours In Session
PK	PK	-	6.7667	167	1,130.0389
K	K	-	6.7667	167	1,130.0389
1	5	-	6.7667	167	1,130.0389
6	8	-	6.7167	167	1,121.6889
9	12	-	6.7167	167	1,102.4389

2. ATTENDANCE HOURS

Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
PK	144,798.0889	-	-	-	-	144,798.0889
K	1,104,726.1318	-	62.8200	-	35,559.0567	1,140,348.0085
1-5	5,504,325.2645	-	6,225.9700	-	175,305.4235	5,685,856.6580
6-8	3,183,633.0300	830.9933	394.6800	-	80,144.3154	3,265,003.0187
9-12	3,699,761.0399	195,169.9175	1,649.4500	-	81,884.9757	3,978,465.3831
Total	13,637,243.5551	196,000.9108	8,332.9200	-	372,893.7713	14,214,471.1572

3. SEPTEMBER MEMBERSHIP

Grade Level	Full-Time	Part-Time	Other	Total
PK	121.00	-	-	121.00
K	1,051.00	-	-	1,051.00
1-5	5,272.00	-	-	5,272.00
6-8	3,293.00	0.11	-	3,293.11
9-12	4,048.00	49.01	-	4,097.01
	13,785.00	49.12	-	13,834.12

4. Free and reduced priced lunch FTE count (Section 163.011(6), RSMO)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
Res II	5.00	-	-	-	5.00
1050	533.50	140.71	-	-	674.21
1075	731.87	132.23	-	-	864.10
1090	628.83	90.22	-	-	719.05
3000	506.00	78.00	-	-	584.00
3050	424.00	71.00	-	-	495.00
3060	636.00	72.00	-	-	708.00
3070	353.00	93.00	-	-	446.00
4040	299.00	32.00	-	-	331.00
4060	140.00	28.00	-	-	168.00
4080	134.00	20.00	-	-	154.00
4090	209.00	42.00	-	-	251.00
4100	206.00	19.00	-	-	225.00
5010	205.00	34.00	-	-	239.00
5040	171.00	23.00	-	-	194.00
5070	152.00	19.00	-	-	171.00
5100	279.00	30.00	-	-	309.00
6020	221.00	46.00	-	-	267.00
6030	141.00	24.00	-	-	165.00
6040	218.00	19.00	-	-	237.00
6050	191.00	30.00	-	-	221.00
6060	212.00	36.00	-	-	248.00
6070	157.00	19.00	-	-	176.00
6080	89.00	13.00	-	-	102.00
6090	212.00	41.00	-	-	253.00
6100	199.00	33.00	-	-	232.00
6120	122.00	17.00	-	-	139.00
6130	193.00	27.00	-	-	220.00
Total	7,568.20	1,229.16	-	-	8,797.36

5. FINANCE

5.1	The District maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
5.2	The District maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	TRUE
	Academic Programs Off-Campus	TRUE
	Career Exploration Program – Off Campus	TRUE
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	TRUE
	Dual Enrollment	TRUE
	Homebound Instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	TRUE
	Remediation	TRUE
	Sheltered Workshop participation	TRUE
	Students participating in the school flex program	TRUE
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE
5.3	The District maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
5.4	The District maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of:	$25,000
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	TRUE
5.7	The District maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	TRUE

5. FINANCE (Concluded)

5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	TRUE
5.9	If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board 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)	TRUE
5.10	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
5.11	The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	$438,621.09
5.13	The District 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

6. TRANSPORTATION (SECTION 163.161, RSMO)

6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid	TRUE
6.2	The District's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported	TRUE
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	4,955.00
	Ineligible ADT	949.00
6.4	The District's transportation odometer mileage records are maintained in a manner as to accurately disclose in all material respects the eligible and ineligible mileage for the year	TRUE
6.5	Actual odometer records show the total District-operated and contracted mileage for the year was:	1,186,522
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles (including food/instructional delivery miles 2020-21)	893,364
	Ineligible Miles (Non-Route/Disapproved)	293,158
6.7	Number of days the District operated the school transportation system during the regular school year:	167

I. CHAPTER 67 RSMO (BUDGET STATUTE)

Chapter 67 RSMO requires that each political subdivision of the State of Missouri adopt an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no state budget findings noted for the year ended June 30, 2021.

II. STATE FINDINGS

2021-001 The District shall not obtain investments with maturities greater than 5 years. The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement. Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

FEDERAL COMPLIANCE SECTION

Daniel Jones
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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
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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*

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Independence 30 School District

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 blended component unit and each major fund of Independence 30 School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 28, 2022

Daniel Jones & Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Independence 30 School District

Report on Compliance for Each Major Federal Program

We have audited Independence 30 School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2021.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

February 28, 2022

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. Department of Education				
Passed through Missouri Department of Elementary and Secondary Education				
Special Education Cluster				
Special Education-Grants to States-IDEA, Part B	84.027	048-077	$ -	$ 4,584,089.59
Special Education-Grants to States-IDEA - Assistive Technology Reimbursement	84.027	048-077	-	12,376.53
Special Education-Grants to States-IDEA - Early Childhood	84.027	048-077	-	232,985.00
Special Education-Grants to States-IDEA - High Needs Fund	84.027	048-077	-	46,196.22
Total Special Education-Grants to States			-	4,875,647.34
Special Education-Preschool Grants-IDEA - Early Childhood	84.173	048-077	-	78,913.50
Total Special Education Cluster			-	4,954,560.84
Title I Grants to Local Educational Agencies	84.010	048-077	-	493,974.19
Title I Grants to Local Educational Agencies - SWP	84.010	048-077	-	3,735,673.88
Total for Title I Grants to Local Educational Agencies			-	4,229,648.07
Career and Technical Education-Basic Grants to States	84.048	048-077	-	275,193.04
Education of Homeless Children and Youth	84.196	048-077	-	158,967.98
English Language Acquisition Grants - Title III - LEP	84.365	048-077	-	35,054.45
English Language Acquisition Grants - Title III, Immigrant	84.365	048-077	-	2,002.72
Total English Language Acquisition Grants			-	37,057.17
Adult Basic Education - Basic Grant ISD 30	84.002	048-077	-	158,493.70
Education Stabilization Fund				
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	048-077	-	1,732,683.55
COVID-19: Elementary and Secondary School Emergency Relief Fund-Student Connectivity	84.425D	048-077	-	321,147.79
COVID-19: Governor's Emergency Education Relief Fund-Student Connectivity	84.425C	048-077	-	305,092.21
COVID-19: Governor's Emergency Education Relief Fund-Transportation Supplement	84.425C	048-077	-	200,185.00
Total Education Stabilization Fund			-	2,559,108.55
Total U.S. Department of Education			-	12,373,029.35
U.S. Department of Agriculture				
Child Nutrition Cluster:				
Passed through Missouri Department of Elementary and Secondary Education				
COVID-19: School Breakfast Program	10.553	048-077	-	38,427.78
COVID-19: National School Lunch Program	10.555	048-077	-	71,718.08
School Snack Program	10.555	048-077	-	40,602.24
COVID-19: School Snack Program	10.555	048-077	-	8,699.52
Commodities - Non-Cash Assistance	10.555	048-077	-	373,922.34
Subtotal National School Lunch Program			-	494,942.18

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
Passed through Missouri Department of Health and Senior Services				
Summer Food Service Program for Children	10.559	ERS0462060S	-	5,898,449.57
COVID-19: CARES Act - Summer Food Service Program for Children	10.559	ERS0462060S	-	862,132.32
Total Summer Food Service Program			-	6,760,581.89
Total Child Nutrition Cluster			-	7,293,951.85
Passed through Missouri Department of Health and Senior Services				
Child and Adult Care Food Program - Head Start Feeding Program	10.558	ERS46112086	-	113,854.68
Total U.S. Department of Agriculture			-	7,407,806.53
U.S. Department of Health and Human Services				
Passed through Mid-America Regional Council				
Head Start Cluster				
Early Head Start-Permanent COLA Funds (GY20)	93.600	07CH010610	-	4,480.00
Early Head Start (GY20)	93.600	07CH010610	-	134,865.19
Early Head Start (GY21)	93.600	07CH010610	-	384,860.89
COVID-19: Head Start (GY20)	93.600	07CH010610	-	874.41
Early Head Start-Quality Improvement (GY20)	93.600	07CH010610	-	1,245.07
Head Start-Permanent COLA Funds (GY20)	93.600	07CH010610	-	36,345.00
Head Start (GY20)	93.600	07CH010610	-	617,183.06
Head Start (GY21)	93.600	07CH010610	-	1,852,053.70
Head Start-Quality Improvement (GY20)	93.600	07CH010610	-	3,569.28
Total Head Start Cluster			-	3,035,476.60
Total U.S. Department of Health and Human Services			-	3,035,476.60
U.S. Department of Defense				
Direct Program				
Junior ROTC - Minimum Instructor Pay	12.000	MO07-1183/MO251755	-	131,826.85
Total U.S. Department of Defense			-	131,826.85
U.S. Department of Treasury				
Passed through Missouri Department of Elementary and Secondary Education				
COVID-19: Coronavirus Relief Fund - K12 Support	21.019	048-077	-	997,832.00
COVID-19: Coronavirus Relief Fund - PPE/Medical/Sanitation	21.019	048-077	-	156,753.82
COVID-19: Coronavirus Relief Fund - Student Access	21.019	048-077	-	115,907.00
Passed through Jackson County, Missouri:				
COVID-19: Coronavirus Relief Fund	21.019	O5398	-	845,334.02
Total U.S. Department of Treasury			-	2,115,826.84
Total Schedule of Expenditures of Federal Awards			$ -	$ 25,063,966.17

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Independence 30 School District (District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The District uses the Missouri Department of Elementary and Secondary Education indirect cost rate calculation unless the grantor has a different required rate.

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

Federal Sources	
General Fund	$ 21,238,874.76
Special Revenue Fund	4,648,578.36
Capital Projects Fund	595,856.72
	$ 26,483,309.84

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with the modified cash basis of accounting.

NOTE 6 -MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 - NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 8 – DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

The District received approximately $149,575 in personal protective equipment during the fiscal year ended June 30, 2021.

INDEPENDENCE 30 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified - Modified Cash Basis

2. Internal control over financial reporting:

   a. Material weakness(es) identified? ____ Yes _X_ No

   b. Significant deficiency(ies) identified? _X_ Yes ____ None Reported

3. Noncompliance material to financial statements noted? ____ Yes _X_ No

B. Federal Awards

1. Internal control over major federal programs:

   a. Material weakness(es) identified? ____ Yes _X_ No

   b. Significant deficiency(ies) identified? ____ Yes _X_ None Reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes _X_ No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster
84.425C, 84.425D	COVID-19: Education Stabilization Fund
21.019	COVID-19: Coronavirus Relief Fund
93.600	Head Start Cluster

5. Dollar threshold used to distinguish between type A and type B programs: $ 751,919

6. Auditee qualified as low-risk auditee? ____ Yes _X_ No

II. FINANCIAL STATEMENT FINDINGS

2021-001 Criteria: The District shall not obtain investments with maturities greater than 5 years.

Condition: The District is not in compliance with state investment statutes.

Context: During the course of our audit, we noted that the District obtained investments with maturities greater than the 5 year maximum established by state statutes.

Effect: Due to a donor's investment requirement, the District is not in compliance with state statute investment policies.

Cause: The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement.

Recommendation: We recommend the District discuss the state statute requirements with the donor as a means to possibly invest in other government securities to be in state compliance.

Views of responsible officials and planned corrective actions: Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs for the year ended June 30, 2021.

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

2020-001 Criteria: The District shall not obtain investments with maturities greater than 5 years.

Condition: The District is not in compliance with state investment statutes.

Context: During the course of our audit, we noted that the District obtained investments with maturities greater than the 5 year maximum established by state statutes.

Effect: Due to a donor's investment requirement, the District is not in compliance with state statute investment policies.

Cause: The District invested in two Tennessee Valley Authority bonds with maturity dates greater than 5 years due to a donor requirement.

Recommendation: We recommend the District discuss the state statute requirements with the donor as a means to possibly invest in other government securities to be in state compliance.

Views of responsible officials and planned corrective actions: Investing in the TVA bonds was the donor's requirement. If changed, the donor's future scholarship contributions will be lost.

Status: This finding has not been corrected and is repeated in the current year as finding 2021-001.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no federal award findings or questioned costs for the year ended June 30, 2020.