

**PLATTE COUNTY R-III SCHOOL DISTRICT
PLATTE CITY, MISSOURI**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
and SUPPLEMENTARY INFORMATION**

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Platte County R-III School District
Platte City, Missouri

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and each major fund of the Platte County R-III School District, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.E.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1E 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District’s basic financial statements. The accompanying information as listed in the table of contents from pages 42-51 and 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management’s discussion and analysis but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of the School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 School 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 School District’s internal control over financial reporting and compliance.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 19, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2022

This discussion and analysis of Platte County R-III School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2022 fiscal year include:

- 1) Operating balances for the District (General Fund and Special Revenue Fund) decreased \$828,134 from \$13,365,250 to \$12,537,116.
- 2) District operating receipts decreased \$727,172 from \$53,106,465 in 2021 to \$52,379,293 in 2022.
- 3) District operating disbursements increased \$3,736,625 from \$47,502,601 in 2021 to \$51,239,226 in 2022.

Using this Annual Report

This annual report consists of two distinct series of financial statements: the government-wide reports and fund financials.

- Government-wide Financial Reports: Provide both *short-term* and *long-term* information about the District's overall financial status. Government-wide statements include the Statement of Net Position and Statement of Activities.
- Fund Financial Statements: Focus on *individual funds* of the District, reporting activities in *more detail*. These statements show how services were financed in the short-term as well as what remains for future spending.

Reporting the District as a Whole

The Statement of Net Position provides information about the District's overall financial situation taking into account all liabilities and all assets using the modified cash basis of accounting. This basis of accounting considers the District's current year receipts and disbursements based upon when cash is paid or received, except for certain teacher's salaries.

As can be determined in the following chart, the District held cash and cash equivalents of \$73,017,273 for the fiscal year ended June 30, 2022. This is a significant decrease from the fiscal year ended June 30, 2021 as proceeds from a no tax increase bond issue were received just prior to June 30, 2021.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

The following chart identifies the net position of the District showing both the restricted and unrestricted position that give the long-term and short-term perspective of the District's financial position.

Table 1

	2022	2021
ASSETS		
Cash and cash equivalents	\$73,017,273	\$135,454,133
Investments	0	1,000,000
Total Assets	\$73,017,273	\$136,454,133
NET POSITION		
Restricted for:		
Student activities	\$1,130,951	\$1,087,924
Debt service	11,973,338	9,282,948
Capital outlay	48,506,819	113,805,935
Unrestricted	11,406,165	12,277,326
Total Net Position	\$73,017,273	\$136,454,133

Reporting the District's Most Significant Funds

Fund financial reports provide detailed information about the District's major funds. The District uses four major funds to account for a multitude of financial transactions. All the District's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The funds are reported using an accounting method called "modified cash accounting". The modified cash basis of accounting records receipts when collected and disbursements when paid, except for teachers' salaries as explained in Note 1.E. to the financial statements. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

Summary of District Government Funds and Balances

The District's fund balances decreased from \$13,365,250 in operating funds (General Fund and Special Revenue Fund) in 2021 to \$12,537,116 in 2022. The District's fund balance in the Capital Projects Fund decreased from \$96,758,697 in 2021 to \$48,502,375 in 2022 due to a no tax increase bond issue. The District's fund balance in the Debt Service Fund increased from \$9,282,948 in 2021 to \$11,973,338 in 2022 due to an increase in the debt service tax levy.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

A summary of the District's prior year fund balances as of June 30, 2021 is included below:

Table 2

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Receipts	\$29,025,104	\$24,081,361	\$7,478,595	\$3,702,079
Disbursements	17,965,492	29,537,109	7,719,760	7,918,476
Receipts over (under) Disbursements	11,059,612	(5,455,748)	(241,165)	(4,216,397)
Other financing sources (uses)	(7,526,310)	5,455,748	0	100,916,137
Net change in fund balance	3,533,302	0	(241,165)	96,699,740
Fund balance, beginning 6/30/2020	9,831,948	0	9,524,113	58,957
Fund balance, ending 6/30/2021	<u>\$13,365,250</u>	<u>\$0</u>	<u>\$9,282,948</u>	<u>\$96,758,697</u>

A summary of the District's fund balances as of June 30, 2022 is included below:

Table 3

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Receipts	\$29,330,947	\$23,048,346	\$10,084,079	\$4,054,428
Disbursements	20,457,025	30,782,201	7,393,689	54,292,793
Receipts over (under) Disbursements	8,873,922	(7,733,855)	2,690,390	(50,238,365)
Other financing sources (uses)	(9,702,056)	7,733,855	0	1,982,043
Net change in fund balance	(828,134)	0	2,690,390	(48,256,322)
Fund balance, beginning 6/30/2021	13,365,250	0	9,282,948	96,758,697
Fund balance, ending 6/30/2022	<u>\$12,537,116</u>	<u>\$0</u>	<u>\$11,973,338</u>	<u>\$48,502,375</u>

TRANSFERS

The District makes transfers from various funds in accordance with state law that allows appropriate disbursements to occur in those funds. During the year, the District made a transfer from the General Fund to the Special Revenue Fund to avoid deficit spending. In addition, the District purchased capital equipment and property improvements from the Capital Projects Fund and completed a transfer from the General Fund to cover a portion of capital disbursements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

GENERAL FUND BUDGETING HIGHLIGHTS

Missouri statutes are very specific regarding public school finance. These laws establish funds that must be used in the accounting process and place certain limits upon the use of revenue and expenditure transactions allowed in these funds. The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the modified cash basis. The District amended the General Fund budget during the last month of the fiscal year.

Major reasons for amendments are as follows:

- Budget must be constructed before local property tax and state revenue figures are available.
- Changes in program and/or personnel needs during the school year.

The General Fund final actual revenue was \$29,330,947 representing a \$372,877 decrease from the original budget estimate of \$29,703,824, and a \$495,057 increase over the final budget estimate of \$28,835,890. Most of the difference was due to the collection of local property taxes as well as CARES Act funding received due to COVID-19 global pandemic. General Fund disbursements were \$20,457,025, representing a \$647,778 increase from the original budget estimate of \$19,809,247. The variance is primarily due to an increase in gas and diesel as well as technology-related supplies due to the purchase of student devices with COVID-19 grant funds.

REVENUES

Excluding special items such as bond proceeds categorized as "Other Financing Sources", District revenues come from five different sources with the following percentages accounting for the amount of revenue received in the 2021-2022 school year.

Local Revenue 61.1% (\$40,633,419), County Revenue 3.2% (\$2,111,356), State Revenue 27.4% (\$18,214,803), Federal Revenue 5.9% (\$3,937,768) and Other Revenue 2.4% (\$1,620,454).

Local Revenue

Local revenue receipts were less than anticipated budgeted levels by \$937,116. The budget was developed using historical collection data. This was due to less than expected collection of food service revenue, earnings on investments, and a decrease in in-lieu of tax revenue.

County Revenue

County revenues receipts were less than the total budgeted amounts by \$73,644. This is primarily due to a decrease in State Assessed Railroad & Utilities revenue.

State Revenue

State revenue receipts were less than anticipated budgeted amounts by \$248,526. The budget was developed based on historical data as well as the best information available at the time. Decrease is due to less than anticipated Basic Formula money being received due to COVID-19.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

Federal Revenue

Federal revenue dollars received by the District were greater than the total budgeted amounts by \$1,805,122. This is primarily due to an increase in federal school lunch and school breakfast program funding due to student meals being free due to Covid-19. In addition, variances in student needs and the timing of federal reimbursement receipt.

Other Revenue

Other revenue received by the District comes largely from the tuition paid by area school districts for vocational training of students at the Northland Career Center as well as homeless transportation, Perkins cost of instruction and sale of buses, if applicable.

Receipts for the Statement of Activities are presented by program receipts and general receipts. There are three program receipt types: charges for services, operating grants and contributions, and capital grants and contributions. Below and on the following page are tables that presents receipts, program disbursements and change in net position for the 2022 and 2021 fiscal years:

Table 4

	<u>2022</u>	<u>2021</u>
RECEIPTS		
Program receipts:		
Charges for services	\$2,879,390	\$2,159,875
Operating grants and contributions	6,099,775	6,300,294
Capital grants and contributions	180,230	172,264
Total Program Receipts	<u>9,159,395</u>	<u>8,632,433</u>
General receipts:		
Property tax	32,750,019	30,868,889
Proposition C - Sales Tax	4,923,706	4,240,469
Financial Institution Tax, in lieu of tax/M&M surtax	1,125,235	1,025,619
State Assessed Railroad & Utility, County fines	2,111,355	2,181,446
Basic formula & Classroom Trust	15,939,674	16,533,044
Earnings on investments	802,864	701,821
Miscellaneous	192,651	432,645
Special item - bond proceeds	4,635,000	73,000,000
Special item - bond premium	321,461	25,845,036
Special item - sale of property	13,841	539
Total General Receipts and Special items	<u>62,815,806</u>	<u>154,829,508</u>
Total Receipts	<u>71,975,201</u>	<u>163,461,941</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

Table 4 (continued)

	<u>2022</u>	<u>2021</u>
PROGRAM DISBURSEMENTS		
Instruction	29,696,819	28,040,249
Student services	3,606,650	3,404,077
Instruction staff support	2,967,012	2,114,074
Building administration	2,553,215	2,492,863
General administration & central services	3,413,338	3,312,250
Operation of plant	5,131,040	5,400,555
Transportation	3,184,902	2,641,992
Food service	2,068,145	1,170,976
Community services	357,995	307,461
Facility acquisition and construction	49,543,545	3,225,889
Debt Service - principal, interest, fees	15,939,400	11,616,613
Special item - principal on refunding bonds	16,950,000	0
	<u>135,412,061</u>	<u>63,726,999</u>
CHANGE IN NET POSITION	(63,436,860)	99,734,942
Net position beginning of year	<u>136,454,133</u>	<u>36,719,191</u>
Net position end of year	<u>\$73,017,273</u>	<u>\$136,454,133</u>

EXPENDITURES

District operating disbursements for instruction and support increased from \$28,040,249 in 2020-2021 to \$29,696,819 in 2021-2022 for an increase of \$1,656,570 over the previous year. Total governmental activities expenses increased from \$63,726,999 in 2020-2021 to \$118,462,061 in 2021-2022 for an increase of \$54,735,062 due primarily to an increase in capital outlay due to the no tax increase bond issue. In addition, an increase in instruction-related expenditures, increase in food services cost and defeasance of debt.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

DEBT ADMINISTRATION

The District’s sustained enrollment growth has caused the District to go to its voters to get authority to issue debt to build facilities to educate our students on a regular basis. Of the total outstanding debt of \$124,837,343, all except \$27,030,000 for the Building Corporation Leasehold bonds payable, the balance of the DNR loans and Chromebook leases are paid through the Debt Service Fund with proceeds from the annual Debt Service taxes (\$1.4783 per \$100 assessed valuations in 2021-2022) collected. The following chart shows the District’s debt obligations:

	2022	2021
2012 General Obligation Refunding Bonds	\$3,350,000	\$3,350,000
2016 General Obligation Refunding Bonds	21,220,000	25,095,000
2021 General Obligation Improvement Bonds	73,000,000	73,000,000
2015 Building Corporation Leasehold Revenue Bonds	0	5,775,000
2016 Building Corporation Leasehold Revenue Bonds	3,860,000	4,140,000
2017 Building Corporation Leasehold Refunding Revenue Bonds	18,535,000	18,740,000
2022 Building Corporation Leasehold Refunding Revenue Bonds	4,635,000	0
DNR loan #NPDELQ22	0	13,266
DNR loan #CPDELZM2	0	6,142
Chromebook lease (June 2020)	0	231,473
Chromebook lease (June 2021)	237,343	365,440
	\$124,837,343	\$130,716,321
Total District's debt obligations		

Current Financial Issues and Concerns

Platte County R-III School District is financially stable. Specifically, our last Standard and Poor’s stand-alone bond rating was “AA” which means we have “very strong capacity to meet our financial commitments.” As the preceding information shows, the District heavily depends on its property taxpayers. About 65 percent of the District’s receipts generated from local and county sources.

The District enrollment is projected to continue to increase over the next five years making the need for additional classroom space a concern. The District successfully passed a no-tax-increase bond issue on April 6, 2021, that provided the necessary revenue to construct approximately \$99 million in facilities expansion and renovation. This successful passage allowed the District to carry out the next phase of the District Long Range Plan by addressing overcrowded conditions.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2022

Current Financial Issues and Concerns (continued)

In March of 2016, the District announced that MD Management gifted the District approximately 80 acres for two future schools. The District closed on the 80-acre property on July 27, 2017 which will allow the District to address short-term needs, as well as prepare for a major long-term need of another high school. The District later entered into a land swap agreement with MD Management to trade the 80 acres for 86 acres that sits just north of the original 80-acre site.

The proceeds from the no-tax-increase bond issue passed in April 2021 are currently being used to build a second middle school on the donated 80-acre property. In addition, proceeds are being used for the first phase of the Platte County High School rebuild as well as improvements to Barry and Pathfinder to convert both to Pre-Kindergarten – 5th grade buildings. The first phase of the Platte County High School rebuild is substantially complete with the District taking possession December 1, 2022. The second middle school, Platte Purchase Middle School, is set to open fall of 2023.

Additionally, the District has listed 35.82 acres of prime real estate for sale at a listing price of \$2,730,558. This revenue may provide funding for professional fees associated with future projects, acquiring additional land, or other expenses associated with managing enrollment growth.

Over the course of the past four years, Northland Career Center (NCC) in partnership with the District, has been developing a vision and plan to create a new, state-of-the-art, career center at a centralized location for its Northland consortium. Leaders have engaged various strategic partners to develop and market a future building concept. NCC's proposed new facility will cost approximately \$60M. In May of 2022, the Missouri State Legislature invested in this workforce initiative by appropriating \$30M of its FY 2023 budget to support NCC's cause to build and grow a Northland workforce in Clay and Platte Counties. The District is currently working to secure a location and raise funds for the matching portion of the grant.

The District experienced a budget surplus again this fiscal year, resulting in balances exceeding the desired range of 18-22% for the second straight year. To continue building balances, the District will continue monitoring disbursements and utilizing five-year forecasting.

In conclusion, Platte County R-III School District has a long-standing tradition of fiscal stability. The administration and Board of Education are committed to continue this level of financial excellence for the future. Aligned to the District's Strategic Plan and Long-Range Facility Plan, financial planning and budgeting will continue to strive for academic excellence while providing the patrons of the District with sound fiscal management to meet future challenges in the best interest of our students

Contacting the District's Financial Management

This report is designed to provide our patrons, taxpayers, and constituents, involved in any manner with our District, a general overview of the District's finances and to demonstrate the District's financial responsibility for the funding it receives. If you have questions about this report or need further information, contact Angie Hughes, Executive Director of Business Services, Platte County R-III School District Central Office at 816-858-5420.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2022

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>73,017,273</u>
Total Assets	<u>73,017,273</u>
 <u>NET POSITION</u>	
Restricted for:	
Student activities	1,130,951
Debt service	11,973,338
Capital projects	<u>48,506,819</u>
Total Restricted	61,611,108
Unrestricted	<u>11,406,165</u>
Total Net Position	\$ <u>73,017,273</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended June 30, 2022

<u>FUNCTIONS/PROGRAMS</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net</u>
		<u>Charges for</u> <u>Services</u> <u>& Sales</u>	<u>Operating</u> <u>Grants &</u> <u>Contributions</u>	<u>Capital</u> <u>Grants &</u> <u>Contributions</u>	<u>(Disbursements)</u> <u>Receipts and</u> <u>Change in</u> <u>Net Position</u>
Governmental Activities:					
Instruction	\$ 29,696,819	\$ 2,460,901	\$ 3,235,521	\$ 180,230	\$ (23,820,167)
Student Services	3,606,650	0	0	0	(3,606,650)
Instructional Staff Support	2,967,012	0	0	0	(2,967,012)
Board/Executive & Tech Admin	3,056,137	0	0	0	(3,056,137)
Building Administration	2,553,215	0	0	0	(2,553,215)
General Admin/Central Services	357,201	0	0	0	(357,201)
Operation of Plant	5,131,040	0	0	0	(5,131,040)
Transportation	3,184,902	23,227	611,456	0	(2,550,219)
Food Services	2,068,145	173,686	2,135,566	0	241,107
Community Services	95,378	221,576	117,232	0	243,430
Early Childhood	262,617	0	0	0	(262,617)
Capital Outlay	49,543,545	0	0	0	(49,543,545)
Debt Service-principal, interest, fees	<u>15,939,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,939,400)</u>
Total Governmental Activities	\$ <u>118,462,061</u>	\$ <u>2,879,390</u>	\$ <u>6,099,775</u>	\$ <u>180,230</u>	\$ (109,302,666)

General Receipts:

Ad Valorem Property taxes	32,750,019
Proposition C - Sales Tax	4,923,706
Financial Institution Tax, in lieu of tax/M&M surtax	1,125,235
State Assessed Railroad & Utility, County fines	2,111,355
Basic formula & Classroom Trust	15,939,674
Interest & Investment Earnings	802,864
Miscellaneous	<u>192,651</u>
Subtotal General Receipts	<u>57,845,504</u>

Excess (deficiency) of receipts over disbursements before special items (51,457,162)

Special and Other Items:

Premium on Refunding Bonds sold	321,461
Sale of Refunding Bond Proceeds	4,635,000
Principal on refunded bonds	(16,950,000)
Sale of School District property	<u>13,841</u>
Subtotal Special and Other Items	<u>(11,979,698)</u>

Change in Net Position (63,436,860)

Net Position – Beginning of year 136,454,133

Net Position – End of year \$ 73,017,273

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

BALANCE SHEET - MODIFIED CASH BASIS
- GOVERNMENTAL FUNDS
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ <u>12,537,116</u>	\$ <u>0</u>	\$ <u>11,973,338</u>	\$ <u>48,506,819</u>	\$ <u>73,017,273</u>
Total Assets	\$ <u>12,537,116</u>	\$ <u>0</u>	\$ <u>11,973,338</u>	\$ <u>48,506,819</u>	\$ <u>73,017,273</u>
 <u>FUND BALANCES</u>					
Fund Balances:					
Restricted	\$ 1,130,951	\$ 0	\$ 11,973,338	\$ 48,506,819	\$ 61,611,108
Unassigned	<u>11,406,165</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,406,165</u>
Total Fund Balances	\$ <u>12,537,116</u>	\$ <u>0</u>	\$ <u>11,973,338</u>	\$ <u>48,506,819</u>	\$ <u>73,017,273</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCES -
MODIFIED CASH BASIS - *GOVERNMENTAL FUNDS*

For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>RECEIPTS</u>					
Local	\$ 23,052,675	\$ 4,994,529	\$ 9,694,389	\$ 3,378,924	\$ 41,120,517
County	1,306,491	224,748	389,690	190,427	2,111,356
State	1,302,421	16,004,530	0	907,852	18,214,803
Federal	3,646,133	227,312	0	64,323	3,937,768
Other	<u>23,227</u>	<u>1,597,227</u>	<u>0</u>	<u>0</u>	<u>1,620,454</u>
Total Receipts	29,330,947	23,048,346	10,084,079	4,541,526	67,004,898
<u>DISBURSEMENTS</u>					
Current:					
Instruction	4,727,692	24,163,905	0	805,222	29,696,819
Student Services	1,347,519	2,259,131	0	0	3,606,650
Instructional Staff Support	1,539,309	1,414,796	0	12,907	2,967,012
Board/Executive & Tech Admin	1,777,621	1,017,032	0	261,484	3,056,137
Building Administration	763,535	1,789,680	0	0	2,553,215
General Admin/Central Services	357,201	0	0	0	357,201
Operation of Plant	5,081,854	0	0	49,186	5,131,040
Transportation	2,598,701	0	0	586,201	3,184,902
Food Services	2,043,255	0	0	24,890	2,068,145
Community Services	90,672	4,706	0	0	95,378
Early Childhood	129,666	132,951	0	0	262,617
Capital Outlay	0	0	0	49,543,545	49,543,545
Debt Service-principal, interest, fees	<u>0</u>	<u>0</u>	<u>7,393,689</u>	<u>8,545,711</u>	<u>15,939,400</u>
Total Disbursements	<u>20,457,025</u>	<u>30,782,201</u>	<u>7,393,689</u>	<u>59,829,146</u>	<u>118,462,061</u>
Excess (Deficiency) of Receipts over Disbursements	8,873,922	(7,733,855)	2,690,390	(55,287,620)	(51,457,163)
Other Financing Sources (Uses):					
Premium on Refunding Bonds	0	0	0	321,461	321,461
Proceeds from Sale of refunding bonds	0	0	0	4,635,000	4,635,000
Proceeds from Sale of District property	162	0	0	13,680	13,842
Debt service principal on refunded bonds	0	0	0	(16,950,000)	(16,950,000)
Transfers In	0	7,733,855	0	1,968,363	9,702,218
Transfers (Out)	<u>(9,702,218)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,702,218)</u>
Total Other Financing Sources (Uses)	<u>(9,702,056)</u>	<u>7,733,855</u>	<u>0</u>	<u>(10,011,496)</u>	<u>(11,979,697)</u>
Net Change in Fund Balances	(828,134)	0	2,690,390	(65,299,116)	(63,436,860)
Fund Balances – June 30, 2021	<u>13,365,250</u>	<u>0</u>	<u>9,282,948</u>	<u>113,805,935</u>	<u>136,454,133</u>
Fund Balances – June 30, 2022	\$ <u>12,537,116</u>	\$ <u>0</u>	\$ <u>11,973,338</u>	\$ <u>48,506,819</u>	\$ <u>73,017,273</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
 June 30, 2022

	<u>Private-Purpose Trust Scholarship Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,441
Certificates of deposit	<u>46,808</u>
TOTAL ASSETS	<u>52,249</u>
 <u>LIABILITIES</u>	
TOTAL LIABILITIES	<u>0</u>
 <u>NET POSITION</u>	
Restricted for Scholarships	<u>52,249</u>
TOTAL NET POSITION	<u>\$ 52,249</u>

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND

For the Year Ended June 30, 2022

	<u>Private-Purpose Trust Scholarship Fund</u>
<u>ADDITIONS</u>	
Interest income	\$ 156
Contributions received	<u>100</u>
Total Additions	<u>256</u>
 <u>DEDUCTIONS</u>	
Scholarships awarded to students	2,200
Event expenses	<u>0</u>
Total Deductions	<u>2,200</u>
Change in Net Position	(1,944)
NET POSITION – JUNE 30, 2021	<u>54,193</u>
NET POSITION – JUNE 30, 2022	<u>\$ 52,249</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity

The Platte County R-III School District (the “School District”) operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The School District provides educational services to children of the School District, early childhood through twelfth grade. The School District operates six traditional attendance centers, one early childhood center, and one area career technical school (Northland Career Center), and has approximately 4,200 students and approximately 825 employees.

B. Principles Used to Determine Scope of Entity

The School District's reporting entity includes the School District's governing board and all related organizations.

The financial statements of the School District include all organizations that raise and hold economic resources for the direct benefit of the School District. The School District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The following entity is included in the School District's financial statements, as it is part of the School District's entity based on the criteria established in GASB Statement No. 61.

Platte County R-III School District Building Corporation (“Building Corporation”): This component unit was incorporated as a not-for-profit organization whose stated purpose is to operate exclusively for the benefit of the School District. Although the School District is not legally responsible for the debt of the Building Corporation, the corporation's sole source of receipts are lease payments from the School District. The financial information presented for the Building Corporation has been blended with that of the School District. The information must be reported using the blended method since the component unit is so closely related to the primary government that the component unit, in effect, is the same as the primary unit. The separate information for the Building Corporation can be found in the supplemental information.

C. Basis of Presentation

Except for the use of the modified cash basis of accounting as discussed in Note 1.E., the exclusion of capital asset accounting as discussed in Note 1.F. and long-term debt accounting as discussed in Note 1.F., the School District conforms with accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in this and subsequent footnotes.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at year-end. The Statement of Activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program receipts include amounts paid by the recipient of 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. Receipts which are not classified as program receipts are presented as general receipts of the School District. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by fund type.

The fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts and disbursements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements (continued)

The following fund types are used by the School District:

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School District's major governmental funds.

General Fund

Accounts for general activities of the School District, including student activities, food service, and transportation fund which are not required to be accounted for in a separate fund.

Special Revenue Fund

Accounts for disbursements for certified employees involved in administration and instruction. It includes receipts restricted by the state and the local tax levy for the payment of teacher salaries and employee benefits.

Debt Service Fund

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

Capital Projects (Building) Fund

Accounts for and reports financial resources that are restricted, committed, or assigned to disbursements for capital outlay, including the acquisition or construction of capital facilities and other capital assets

Other Fund Types

Fiduciary (Scholarship) Fund: Accounts for memorial gifts received from outside parties. The fund provides the awarding of scholarships to specified individuals in accordance with the terms of scholarship trust agreements entered into with the donors.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. The government-wide statements are prepared using the economic resources measurement focus and modified cash basis of accounting. This differs from the manner in which governmental fund financial statements are prepared.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

E. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, receipts and disbursements when they result from cash transactions as designated by the School District. Salaries for teachers are recorded as disbursements paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than GAAP. The significant differences from GAAP are discussed in Note 1.F.

F. Assets, Liabilities and Equity

Cash and Cash Equivalents

Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the Executive Director of Business Services. Investments of the pooled accounts consist primarily of certificates of deposit, commercial paper and money market funds, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances. The investment pool is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the School District).

The School District maintains funds in the Missouri Securities Investment Program (“MOSIP”) which include unspent bond proceeds restricted for the purpose of capital outlay and debt service.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due, including crossover refunding bond issuance.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Capital Assets

Capital assets are recorded as disbursements in the General (Incidental) and the Capital Projects (Building) Funds at the time the disbursements are incurred. The School District has not maintained capital asset records on a historical basis; therefore, capital assets are not included in the financial statements, which does not conform to accounting principles generally accepted in the United States of America.

Accounts Payable

As a result of the modified cash basis of accounting, accounts payable are not included in these financial statements. However, the School District has an established purchase order and payables system which ensures bill payment within an adequate time frame.

Compensated Absences

Vacation time and annual leave days are considered as disbursements in the year paid. Unused vacation days at the end of the fiscal year are paid out to employees the beginning of the following year and are reimbursed at the daily rate of pay for a substitute. All eligible staff receive twelve annual leave days per year. The annual leave days will accumulate to 120 days. Annual leave days in excess of 120 days at the end of a school year will be paid at half the daily rate of pay for a substitute. As a result of the use of the modified cash basis of accounting, compensated absences are not reported in these financial statements.

Long-term Liabilities

Long-term liabilities are not included in these financial statements but long-term debt information is provided in a subsequent footnote.

OPEB Liabilities

As a result of the use of the modified cash basis of accounting, OPEB liabilities are not reported in these financial statements. The School District has not requested an estimate of this liability to be performed.

Net Position

Net position represents the difference between assets and liabilities. Net position balances are reported as restricted when there are limitations imposed on their use either (1) through the enabling legislation adopted by the School District or (2) through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District applies restricted resources first when a disbursement is incurred for purposes for which both restricted and unrestricted net position amounts are available.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Fund Balance Classification

In the fund financial statements, GASB 54 provides for two major types of fund balances which are non-spendable and a hierarchy of spendable fund balances based on spending constraints imposed on the use of these resources as follows:

Non-spendable fund balances

This classification represents amounts that cannot be spent because they are either (1) not spendable due to form; or (2) legally or contractually required to remain intact.

Spendable fund balances:

Restricted

This classification includes the constraints imposed on resources either (1) externally by creditors, grantors, contributors, or laws and regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

Represents amounts designated for a special purpose by a government using its highest level of decision-making authority, which is the Board of Education (the "Board"). The Board would make the commitment and only the Board can remove such a commitment. Further, the Board delegates the authority to assign amounts for specific purpose(s) to the Superintendent or designee.

Assigned

This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned

This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds and is not constrained for any particular purpose.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. For the Debt Service Fund, the Board may approve unrestricted or assigned balances to be spent prior to restricted balances, allowing the spending of interest prior to principal.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Fund Balance Classification (continued)

State rules for public school finance require the Teacher’s Fund (Special Revenue Fund) be used to account for receipt sources legally restricted to disbursements for the purpose of teachers’ salaries and benefits and tuition payments to other school districts as outlined by the Annual Secretary of the Board Report (ASBR). Substantial sources of receipts for the Teacher’s Fund will be through transfers from General Fund balances and the required state basic formula and Proposition C sales tax allocations. The Board established the Teacher’s Fund as a special revenue fund, and a major fund, in the financial statements.

The School District shall maintain sufficient financial reserves to provide for prudent financial management and for adequacy of cash flow to support operations. The operating fund balance is the fund balances of the General, Teacher’s and Capital Projects Funds. These reserves include elements for an operating reserve and a financial stabilization reserve. The appropriate amount for the operating reserve fund should be reviewed periodically.

As fund balances approach the 16 - 22 percent Board established minimum reserve balance, the Board may determine necessary action to include, but not be limited to, a levy election or significant budget reduction measures.

The following table shows the restrictions, commitments and assigned amounts within each element of the School District’s fund balances by fund.

	<u>General</u>	Special Revenue (Teachers)	Debt Service	Capital Projects	<u>Total</u>
<u>Restricted:</u>					
Student activities	\$ 1,130,951	\$ 0	\$ 0	\$ 0	\$ 1,130,951
Debt service	0	0	11,973,338	0	11,973,338
Capital projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,506,819</u>	<u>48,506,819</u>
Total Restricted	1,130,951	0	11,973,338	48,506,819	61,611,108
Unassigned	<u>11,406,165</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,406,165</u>
Total Fund Balances	\$ <u>12,537,116</u>	\$ <u>0</u>	\$ <u>11,973,338</u>	\$ <u>48,506,819</u>	\$ <u>73,017,273</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Retirement Plans and related Pension Liability

Financial reporting information included in the notes to the financial statements pertaining to the School District's participation in the Public School Retirement System of Missouri and 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 by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the School District's modified cash basis of accounting.

As a result of the use of the modified cash basis of accounting, member and employer contributions are recognized when paid and the School District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements. The Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psr-peers.org.

G. Receipts and Disbursements

Receipts are classified by their source as follows.

Local Revenues

Includes property taxes that are levied and collected at the county level for the School District, a percentage sales tax collected by local merchants and collections for services provided to students and patrons.

County Revenues

The county by law collects and passes through to the School District specified revenues.

State Revenues

The School District receives state aid money from the state based upon the state basic formula and for various other state educational programs.

Federal Revenues

The School District receives federal aid for various educational programs and grants in which it participates.

Investment Income

Interest earned on invested funds is a material amount annually and is distributed in accordance with assets invested.

Other Sources

The issuance of bonds (GO and refunding) and related premiums received in the year of issuance, and proceeds from the sale of School District assets and property.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Receipts and Disbursements (continued)

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

Disbursements are classified by their use as follows.

Instruction

This category includes the payment of salaries to and benefits for all instructional staff along with needed supplies and aides.

Support Services

This category includes all the services that are provided for the support of the students and/or teachers, the management team, the facilities' disbursements, and the transporting of students.

Acquisition/Construction

This category represents the disbursements of major new construction or furnishing and the upgrading of existing facilities.

Debt Service

The payment of principal and interest on bonds payable or long-term lease purchases.

H. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting, requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from these estimates.

NOTE 2: COMPLIANCE AND ACCOUNTABILITY

A. Uninsured and Uncollateralized Deposits

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. government governmental agency securities and certain state or political subdivision debt obligations. At June 30, 2022, all School District funds were covered with FDIC insurance or acceptable collateral.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: COMPLIANCE AND ACCOUNTABILITY (continued)

B. Property Tax Requirements

Property taxes attach as an enforceable lien on the property each year as of January 1. Taxes are levied on November 1 and payable by December 31. The counties of Platte and Clay each collect property tax and remit it to the School District.

The School District also receives sales tax collected by the state and remitted based on weighted average daily attendance. The School District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible property for calendar year 2021 for purposes of local taxation, including tax increment financing assessed valuation, is as follows:

Real Estate:	
Residential	\$ 433,892,394
Agricultural	2,592,198
Commercial	128,103,248
Personal Property	<u>115,225,802</u>
Total	<u>\$ 679,813,642</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was as follows:

General (Incidental) Fund	\$ 3.1539
Debt Service Fund	1.4783
Capital Projects Fund	<u>0.3871</u>
Total tax levy	<u>\$ 5.0193</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

The following information is presented to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, receipts, and disbursements.

A. Deposits and Investments

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. The funds of the School District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the School District's agent bank in an amount sufficient to protect School District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (the "FDIC") insurance.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, the School District's deposits may not be returned or the School District will not be able to recover collateral securities in the possession of an outside party. The School District's policy required deposits to be 100 percent secured by collateral valued at market less the amount covered by the FDIC. As of June 30, 2022, the School District's deposits had \$250,000 covered by FDIC insurance and the remaining amount covered with pledged collateralized securities.

Investments

Authorized Investments

The School District is authorized to invest in U.S. obligation, U.S. government agency securities and instrumentalities of government-sponsored corporations, certificates of deposit and time-open agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The School District has a formal investment policy that minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

As of June 30, 2022, the School District did not hold any investments.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS (continued)

A. Deposits and Investments (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nation's largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAAM by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The School District had \$74,561,458 invested with MOSIP at June 30, 2022 in a money market mutual fund.

Concentration of Credit Risk

Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The School District's investment policy places no limit on the amount the School District may invest in any one issuer.

Escrow Fund

The School District has established an escrow fund with proceeds from the Series 2017 Leasehold Refunding Revenue bonds for the purpose of refunding \$16,950,000 Series 2015 Leasehold Revenue bonds. The escrow fund was used to meet the debt service requirements of the refunding bonds until the "cross over" date of April 1, 2022, at which time the refunding escrow was used to retire the refunded bonds. At June 30, 2022, the escrow fund balance was \$0.

B. Long-term Liabilities

Long-term liability balances and activity for the year ended June 30, 2022, were as follows:

	Beginning Balance <u>6/30/2021</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>6/30/2022</u>	Due Within <u>One Year</u>
General Obligation Bonds Payable	\$ 101,445,000	\$ 0	\$ (3,875,000)	\$ 97,570,000	\$ 4,150,000
Leasehold Revenue Bonds Payable	45,605,000	4,635,000	(23,210,000)	27,030,000	1,575,000
DNR Note Payable	19,408	0	(19,408)	0	0
Lease Obligations Payable	<u>596,913</u>	<u>0</u>	<u>(359,570)</u>	<u>237,343</u>	<u>115,636</u>
Total Long-term Liabilities	<u>\$ 147,666,321</u>	<u>\$ 4,635,000</u>	<u>\$(27,463,978)</u>	<u>\$ 124,837,343</u>	<u>\$ 5,663,978</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS (continued)

B. Long-term Liabilities (continued)

Bonds Payable

The School District issues general obligation (GO) bonds and the Platte County R-III School District Building Corporation (“Building Corporation”) issues leasehold revenue bonds to provide for acquisition and construction of new buildings and improvements, repair and renovation of existing buildings, and furnishing and equipping the facilities. In addition, the entities issue bonds to refund previously issued bonds. In recent fiscal years, the School District has issued refunding bonds in order to take advantage of lower interest rates which saves the School District the amount of total interest paid over the life of the original issue. As a result, the crossover date for refunding is in the future. Following the payoff of Series 2015 leasehold revenue bonds with Series 2022 refunding revenue bonds, the bonds payable at June 30, 2022, consisted of the following:

School District

Series 2012 GO refunding bonds due in varying annual installments through March 1, 2024; interest of 2.00%	\$ 3,350,000
Series 2016 GO refunding bonds due in varying annual installments through March 1, 2030; interest of 2.498 to 4.00%	21,220,000
Series 2021 GO improvement bonds due in varying annual installments through March 1, 2041; interest of 5.00 to 5.25%	<u>73,000,000</u>
Total School District GO Bonds Payable	<u>97,570,000</u>

Building Corporation

Series 2016 Building Corporation leasehold revenue bonds due in varying annual installments through April 1, 2031; interest of 3.00% to 4.00%.	3,860,000
Series 2017 Building Corporation leasehold refunding revenue bonds due in varying annual installments through April 1, 2035; interest at 3.40%	18,535,000
Series 2022 Building Corporation leasehold refunding revenue bonds due in varying annual installments through April 1, 2029; interest at 4.00%	<u>4,635,000</u>
Total Building Corporation Leasehold Revenue Bonds Payable	<u>27,030,000</u>
Total Bonds Payable	\$ <u>124,600,000</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS (continued)

B. Long-term Liabilities (continued)

Bonds Payable (continued)

Debt service requirements to maturity for the School District and Building Corporation combined bonds payable as of June 30, 2022, were as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 5,725,000	\$ 5,609,605	\$ 11,334,605
2024	6,325,000	5,410,310	11,735,310
2025	4,410,000	5,242,500	9,652,500
2026	4,860,000	5,071,830	9,931,830
2027	5,365,000	4,891,050	10,256,050
2028 to 2032	32,050,000	21,003,650	53,053,650
2033 to 2037	36,665,000	12,962,650	49,627,650
2038 to 2041	<u>29,200,000</u>	<u>3,948,000</u>	<u>33,148,000</u>
Total	<u>\$ 124,600,000</u>	<u>\$ 64,139,595</u>	<u>\$ 188,739,595</u>

Bonds payable interest disbursements during the year ended June 30, 2022, was \$5,306,549.

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 taxable tangible property assessed for state or county purposes. The following calculation reflects the addition of tax increment financing (TIF) assessed valuation as well as a portion of the assessed valuation for the state assessed railroad and utility (RR&U) property located within the School District's boundaries.

Assessed Valuation as of 12/31/2021	\$ 679,813,642	
Add: Abated TIF property	<u>11,963,500</u>	
Locally Assessed Valuation including TIF	\$ 691,777,142	
Constitutional Debt Limit	\$ 103,766,571	(15% of Assessed Val.)
General Obligation Bonds Payable (District only)	(97,570,000)	
Amount Available in Debt Service Fund	<u>11,973,338</u>	
Total Legal Debt Margin	<u>\$ 18,169,909</u>	

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS (continued)

B. Long-term Liabilities (continued)

DNR Note Payable

The School District has entered into loan agreements with the Department of Natural Resources to finance District-wide lighting improvements. The note agreements were payable to the Missouri Department of Natural Resources in semi-annual installments with final installments due March 1, 2022 and April 1, 2022. As of June 30, 2022, these outstanding loans were \$0. Note interest during the year ended June 30, 2022, was \$91.

Lease Obligations Payable

Lease obligations payable at June 30, 2022, consisted of the following:

The School District approved a lease purchase agreement in June 2019 in the amount of \$695,025 with a third party to finance the cost of technology equipment. The lease is for three years, requiring annual lease payments of \$243,626 beginning in July 2019, interest charged at rate of 5.128%. The lease was paid in full during 2022.	\$ 0
The School District approved a lease purchase agreement in July 2020 in the amount of \$365,440 with a third party to finance the cost of technology equipment, which was received in May 2021. The lease is for three years, requiring annual lease payments of \$128,097 beginning in July 2021, interest charged at rate of 5.128%.	<u>237,343</u>
Total Lease Obligations Payable	\$ <u>237,343</u>

Subsequent to year-end, the School District approved a lease purchase agreement in August 2022 in the amount of \$180,292 with a third party to finance the cost of twenty school passenger buses. The lease requires lease payments of \$39,488 with implied calculated interest beginning in December 2022 and then annually beginning July 2023 and ending July 2026.

Future minimum lease payments on the above leases, including the lease approved subsequent to the fiscal year-end, are as follows:

For the Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 155,124	\$ 12,461	\$ 167,585
2024	156,344	11,241	167,585
2025	33,474	6,014	39,488
2026	35,370	4,118	39,488
2027	<u>37,324</u>	<u>2,164</u>	<u>39,488</u>
Total	\$ <u>417,636</u>	\$ <u>35,998</u>	\$ <u>453,634</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS (continued)

C. Inter-fund Transfers

Inter-fund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements. Those transfers made by the School District at June 30, 2022, and details of those transfers are as follows.

During the year, the School District transferred from the General Fund to the Special Revenue Fund \$7,733,855 to avoid deficit spending in the fund. School District also transferred from the General Fund to the Capital Projects Fund \$1,968,363. These funds allow the School District to transfer from the General Fund an amount necessary to bring a negative fund balance to zero or for repayment to funds responsible for particular disbursements.

NOTE 4: OTHER NOTES

A. Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS)

The School District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the “Systems”).

Plan Descriptions

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

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

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: OTHER NOTES (continued)

A. Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) (continued)

Benefits Provided

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

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing 5 years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55, which is calculated using a 0.8% benefit factor. 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 plans as well as additional information regarding the School District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psr-peers.org.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: OTHER NOTES (continued)

A. Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) (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.

Contributions

PSRS members were required to contribute 14.50% of their annual covered salary during fiscal years 2020, 2021, and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2020, 2021, and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The School District's contributions to PSRS and PEERS were \$3,691,207 and \$585,844 for the year ending June 30, 2022, respectively.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: OTHER NOTES (continued)

B. Risk Management

The School District is exposed to various risks of loss from torts, theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

C. Claims and Adjustments

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the district may be required to reimburse the grantor government. As of June 30, 2022, disbursements have not been audited by grantor governments, but the School District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the School District.

D. Litigation

As of June 30, 2022, the School District had claims that were unsettled. As a result of the use of the modified cash basis of accounting, no provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. The School District management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the School District.

E. Operating Leases

As of June 30, 2012, the School District renewed an earlier agreement to lease 10.02 acres for an annual lease payment calculated at \$31,500, due September 1. This lease is for 20 years ending September 2031 unless terminated by the School District or by the provision of the agreement.

On May 16, 2019, the School District entered into a 48-month lease agreement for copy machines. The lease requires monthly payments of \$8,406 beginning July 1, 2019 through June 2023.

For the year ended June 30, 2022, the School District had disbursements totaling \$132,369 related to these agreements.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: OTHER NOTES (continued)

E. Operating Leases (continued)

The future required minimum lease payments on the above leases are as follows (assuming non-cancellation):

<u>For the Year</u> <u>Ending June 30,</u>	<u>Totals</u>
2023	\$ 132,369
2024	31,500
2025	31,500
2026	31,500
2027	31,500
2028 to 2032	<u>157,500</u>
	<u>\$ 415,869</u>

F. Cooperative Agreement

On September 15, 2011, the School District entered into a limited purpose contractual relationship to cooperate in the development and operation of a competitive swimming facility with the County of Platte. The initial term of this agreement is for a twenty-year period, beginning on the date the Natatorium is opened and the School District shall have the right to renew the term of this agreement for another twenty years after the initial term. The agreement shall be deemed renewed unless the School District notifies the County in writing 60 days prior to the expiration of the initial term. The initial agreement required an annual user fee of \$25,000 for the duration of the initial twenty-year term.

On July 21, 2014, the School District entered into an amendment to the cooperative agreement. The amendment requires, in addition to the \$25,000 annual user fee, eight annual payments of \$207,604 beginning on August 21, 2014 and subsequent payments on or before August 21st of each year during the twenty-year term ending August 2034. The parties acknowledge that all such payments are subject to annual appropriation by the applicable governing body. The future required minimum payments are as follows (assuming non-cancellation):

<u>For the Year</u> <u>Ending June 30,</u>	<u>Totals</u>
2023	\$ 25,000
2024	25,000
2025	25,000
2026	25,000
2027	25,000
2028 to 2032	125,000
2033 to 2035	<u>75,000</u>
	<u>\$ 325,000</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: OTHER NOTES (continued)

G. Tax Abatement

The following governmental entities are at least partially within the boundaries of the School District and were likely to enter into tax abatement agreements with individuals or entities including the School District: City of Kansas City, City of Platte City, City of Tracy, and the Village of Ferrelview (collectively “governmental entities”).

City of Kansas City, Missouri Tax Abatement Programs

The City of Kansas City, Missouri and its component units (collectively “KCMO”) provide tax redirection through the following program: Tax Increment Financing (TIF). KCMO also provided tax abatement through six programs under the Missouri Revisor of Statutes (RSMo), as amended – Chapter 99, Chapter 100, Chapter 353, Missouri Works – Enhanced Enterprise Zones, Sale/Leaseback – Land Clearance for Redevelopment Authority (LCRA), and Sale/Leaseback – Port KC.

The School District’s property tax receipts in tax year 2021 were reduced by \$600,484 as part of the abovementioned KCMO Tax Increment Financing (TIF) program.

SUPPLEMENTARY INFORMATION

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

COMBINING BALANCE SHEET - MODIFIED CASH BASIS
- ALL CAPITAL PROJECTS FUNDS
June 30, 2021

	<u>School District</u>	<u>Building Corporation</u>	<u>Total Capital Projects Funds</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ <u>48,502,375</u>	\$ <u>4,444</u>	\$ <u>48,506,819</u>
Total Assets	\$ <u>48,502,375</u>	\$ <u>4,444</u>	\$ <u>48,506,819</u>
<u>FUND BALANCES</u>			
Fund Balances:			
Restricted	\$ <u>48,502,375</u>	\$ <u>4,444</u>	\$ <u>48,506,819</u>
Total Fund Balances	\$ <u>48,502,375</u>	\$ <u>4,444</u>	\$ <u>48,506,819</u>

See Accompanying Independent Auditor's Report.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGE IN FUND BALANCES - MODIFIED CASH BASIS
ALL CAPITAL PROJECTS FUNDS

For the Year Ended June 30, 2022

	<u>School District</u>	<u>Building Corporation</u>	<u>Combining Eliminating Entries</u>	<u>Total Capital Projects Funds</u>
<u>RECEIPTS</u>				
Local	\$ 2,891,826	\$ 7,951,145	\$(7,464,047)	\$ 3,378,924
County	190,427	0	0	190,427
State	907,852	0	0	907,852
Federal	<u>64,323</u>	<u>0</u>	<u>0</u>	<u>64,323</u>
Total Receipts	4,054,428	7,951,145	(7,464,047)	4,541,526
<u>DISBURSEMENTS</u>				
Current:				
Instruction	805,222	0	0	805,222
Instructional Staff Support	12,907	0	0	12,907
Board/Executive & Tech Admin	261,484	0	0	261,484
Operation of Plant	49,186	0	0	49,186
Transportation	586,201	0	0	586,201
Food Services	24,890	0	0	24,890
Capital Outlay	50,953,543	0	(1,409,998)	49,543,545
Debt Service-principal, interest, fees	<u>1,599,360</u>	<u>8,150,400</u>	<u>(1,204,049)</u>	<u>8,545,711</u>
Total Disbursements	<u>54,292,793</u>	<u>8,150,400</u>	<u>(2,614,047)</u>	<u>59,829,146</u>
Deficiency of Receipts over Disbursements	(50,238,365)	(199,255)	(4,850,000)	(55,287,620)
Other Financing Sources (Uses):				
Premium on Refunding Bonds	0	321,461	0	321,461
Proceeds from Sale of refunding bonds	0	4,635,000	0	4,635,000
Proceeds from Sale of District property	13,680	0	0	13,680
Debt service principal on refunded bonds	0	(21,800,000)	4,850,000	(16,950,000)
Transfers In	<u>1,968,363</u>	<u>0</u>	<u>0</u>	<u>1,968,363</u>
Total Other Financing Sources (Uses)	<u>1,982,043</u>	<u>(16,843,539)</u>	<u>4,850,000</u>	<u>(10,011,496)</u>
Net Change in Fund Balances	(48,256,322)	(17,042,794)	0	(65,299,116)
Fund Balances – June 30, 2021	<u>96,758,697</u>	<u>4,444</u>	<u>0</u>	<u>113,805,935</u>
Fund Balances – June 30, 2022	<u>\$ 48,502,375</u>	<u>\$ 4,444</u>	<u>\$ 0</u>	<u>\$ 48,506,819</u>

See Accompanying Independent Auditor's Report.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

BUDGETARY COMPARISON – MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/ (Under) Budget</u>
<u>RECEIPTS</u>				
Local	\$ 25,362,303	\$ 24,494,369	\$ 23,052,675	\$(1,441,694)
County	1,400,000	1,400,000	1,306,491	(93,509)
State	1,068,613	1,068,613	1,302,421	233,808
Federal	1,830,908	1,830,908	3,646,133	1,815,225
Other	<u>42,000</u>	<u>42,000</u>	<u>23,227</u>	<u>(18,773)</u>
Total Receipts	29,703,824	28,835,890	29,330,947	495,057
<u>DISBURSEMENTS</u>				
Instruction	4,361,117	4,583,435	4,727,692	144,257
Student Services	1,256,865	1,286,865	1,347,519	60,654
Instructional Staff Support	1,316,816	1,316,816	1,539,309	222,493
Board/Executive & Tech Admin	1,861,340	1,904,090	1,777,621	(126,469)
Building Administration	876,475	876,475	763,535	(112,940)
General Admin & Central Services	337,337	337,337	357,201	19,864
Operation of Plant	5,135,761	5,155,761	5,081,854	(73,907)
Transportation	2,641,484	2,751,484	2,598,701	(152,783)
Food Services	1,685,769	2,050,769	2,043,255	(7,514)
Community Services	187,516	187,516	90,672	(96,844)
Early Childhood	<u>148,767</u>	<u>148,767</u>	<u>129,666</u>	<u>(19,101)</u>
Total Disbursements	<u>19,809,247</u>	<u>20,599,315</u>	<u>20,457,025</u>	<u>(142,290)</u>
Excess (Deficiency) of Receipts over Disbursements	9,894,577	8,236,575	8,873,922	637,347
Other Financing Sources/(Uses):				
Proceeds from Sale of Property	0	0	162	162
Transfers Out	<u>(9,894,579)</u>	<u>(9,800,236)</u>	<u>(9,702,218)</u>	<u>98,018</u>
Total Other Financing Sources (Uses)	<u>(9,894,579)</u>	<u>(9,800,236)</u>	<u>(9,702,056)</u>	<u>98,180</u>
Net Change in Fund Balance	(2)	(1,563,661)	(828,134)	735,527
FUND BALANCE – JUNE 30, 2021	<u>13,365,250</u>	<u>13,365,250</u>	<u>13,365,250</u>	<u>0</u>
FUND BALANCE – JUNE 30, 2022	\$ <u>13,365,248</u>	\$ <u>11,801,589</u>	\$ <u>12,537,116</u>	\$ <u>735,527</u>

See Accompanying Independent Auditor's Report and Notes to the Budgetary Comparison Schedules.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

BUDGETARY COMPARISON – MODIFIED CASH BASIS
SPECIAL REVENUE FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/ (Under) Budget</u>
<u>RECEIPTS</u>				
Local	\$ 4,315,000	\$ 4,722,038	\$ 4,994,529	\$ 272,491
County	225,000	225,000	224,748	(252)
State	16,309,509	16,309,509	16,004,530	(304,979)
Federal	237,454	237,454	227,312	(10,142)
Other	<u>1,571,720</u>	<u>1,571,720</u>	<u>1,597,227</u>	<u>25,507</u>
Total Receipts	22,658,683	23,065,721	23,048,346	(17,375)
<u>DISBURSEMENTS</u>				
Instruction	24,088,254	24,350,254	24,163,905	(186,349)
Student Services	2,099,973	2,150,668	2,259,131	108,463
Instructional Staff Support	1,379,481	1,379,481	1,414,796	35,315
Board/Executive & Tech Admin	1,013,823	1,013,823	1,017,032	3,209
Building Administration	1,990,995	1,990,995	1,789,680	(201,315)
Community Services	132,314	132,314	4,706	(127,608)
Early Childhood	<u>286,208</u>	<u>286,208</u>	<u>132,951</u>	<u>(153,257)</u>
Total Disbursements	<u>30,991,048</u>	<u>31,303,743</u>	<u>30,782,201</u>	<u>(521,542)</u>
Excess (Deficiency) of Receipts over Disbursements	(8,332,365)	(8,238,022)	(7,733,855)	504,167
Other Financing Sources/(Uses): Transfers In	<u>8,332,365</u>	<u>8,238,022</u>	<u>7,733,855</u>	<u>(504,167)</u>
Net Change in Fund Balance	0	0	0	0
FUND BALANCE – JUNE 30, 2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE – JUNE 30, 2022	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See Accompanying Independent Auditor's Report and Notes to the Budgetary Comparison Schedules.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

BUDGETARY COMPARISON – MODIFIED CASH BASIS
DEBT SERVICE FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/ (Under) Budget</u>
<u>RECEIPTS</u>				
Local	\$ 7,422,726	\$ 9,690,333	\$ 9,694,389	\$ 4,056
County	<u>360,000</u>	<u>360,000</u>	<u>389,690</u>	<u>29,690</u>
Total Receipts	7,782,726	10,050,333	10,084,079	33,746
<u>DISBURSEMENTS</u>				
Debt Service-principal, interest, fees	<u>4,855,500</u>	<u>7,401,689</u>	<u>7,393,689</u>	<u>(8,000)</u>
Total Disbursements	<u>4,855,500</u>	<u>7,401,689</u>	<u>7,393,689</u>	<u>(8,000)</u>
Net Change in Fund Balance	2,927,226	2,648,644	2,690,390	41,746
FUND BALANCE – JUNE 30, 2021	<u>9,282,948</u>	<u>9,282,948</u>	<u>9,282,948</u>	<u>0</u>
FUND BALANCE – JUNE 30, 2022	\$ <u><u>12,210,174</u></u>	\$ <u><u>11,931,592</u></u>	\$ <u><u>11,973,338</u></u>	\$ <u><u>41,746</u></u>

See Accompanying Independent Auditor's Report and Notes to the Budgetary Comparison Schedules.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

BUDGETARY COMPARISON – MODIFIED CASH BASIS
CAPITAL PROJECTS FUND (SCHOOL DISTRICT)
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/ (Under) Budget</u>
<u>RECEIPTS</u>				
Local	\$ 2,753,541	\$ 2,663,795	\$ 2,891,826	\$ 228,031
County	200,000	200,000	190,427	(9,573)
State	1,085,207	1,085,207	907,852	(177,355)
Federal	<u>64,284</u>	<u>64,284</u>	<u>64,323</u>	<u>39</u>
Total Receipts	4,103,032	4,013,286	4,054,428	41,142
<u>DISBURSEMENTS</u>				
Instruction	437,178	878,178	805,222	(72,956)
Instructional Staff Support	40,050	40,050	12,907	(27,143)
Board/Executive & Tech Admin	198,400	198,400	261,484	63,084
Operation of Plant	60,000	60,000	49,186	(10,814)
Transportation	492,423	562,423	586,201	23,778
Food Services	42,000	42,000	24,890	(17,110)
Early Childhood	2,000	2,000	0	(2,000)
Capital Outlay	2,771,500	53,006,028	50,953,543	(2,052,485)
Debt Service-principal, interest, fees	<u>1,621,695</u>	<u>1,621,695</u>	<u>1,599,360</u>	<u>(22,335)</u>
Total Disbursements	<u>5,665,246</u>	<u>56,410,774</u>	<u>54,292,793</u>	<u>(2,117,981)</u>
Excess (Deficiency) of Receipts over Disbursements	(1,562,214)	(52,397,488)	(50,238,365)	2,159,123
Other Financing Sources/(Uses):				
Proceeds from Sale of District property	0	0	13,680	13,680
Transfers In	<u>1,562,214</u>	<u>1,562,214</u>	<u>1,968,363</u>	<u>406,149</u>
Total Other Financing Sources (Uses)	<u>1,562,214</u>	<u>1,562,214</u>	<u>1,982,043</u>	<u>419,829</u>
Net Change in Fund Balance	0	(50,835,274)	(48,256,322)	2,578,952
FUND BALANCE – JUNE 30, 2021	<u>96,758,697</u>	<u>96,758,697</u>	<u>96,758,697</u>	<u>0</u>
FUND BALANCE – JUNE 30, 2022	<u>\$ 95,758,697</u>	<u>\$ 45,923,423</u>	<u>\$ 48,502,375</u>	<u>\$ 2,578,952</u>

See Accompanying Independent Auditor's Report and Notes to the Budgetary Comparison Schedules.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended June 30, 2022

BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 67, RSMo, the School District adopts a budget for each fund.
2. Prior to June 30, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all School District governmental type funds. Budgeted disbursements and transfers cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. 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 final budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE – SCHOOL DISTRICT
For the Year Ended June 30, 2022

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	<u>Total</u>
<u>LOCAL</u>					
Current taxes	\$ 20,114,357	\$ 0	\$ 9,428,015	\$ 2,468,763	\$ 32,011,135
Delinquent Taxes	474,315	0	206,561	58,009	738,885
School District Trust Fund (Prop C)	0	4,923,706	0	0	4,923,706
M&M, in lieu of City & FIT	1,125,235	0	0	0	1,125,235
Tuition	0	69,218	0	0	69,218
Earnings on Investments	125,826	380	59,813	129,746	315,765
Food Services	173,686	0	0	0	173,686
Student Services	863,674	0	0	0	863,674
Community Services	79,108	0	0	0	79,108
Other	<u>96,474</u>	<u>1,225</u>	<u>0</u>	<u>235,308</u>	<u>333,007</u>
Total Local	23,052,675	4,994,529	9,694,389	2,891,826	40,633,419
<u>COUNTY</u>					
Fines, Escheats, etc.	0	224,748	0	0	224,748
State Assessed Utilities	<u>1,306,491</u>	<u>0</u>	<u>389,690</u>	<u>190,427</u>	<u>1,886,608</u>
Total County	1,306,491	224,748	389,690	190,427	2,111,356
<u>STATE</u>					
Basic Formula	0	14,195,341	0	0	14,195,341
Transportation aid	547,133	0	0	0	547,133
Early Childhood Special Ed	330,593	382,199	0	0	712,792
Classroom Trust Fund	0	1,016,711	0	727,623	1,744,334
Parents as Teachers	50,125	0	0	0	50,125
Career Education	124,816	410,279	0	180,229	715,324
Food Services	18,655	0	0	0	18,655
High Needs Fund	<u>231,099</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231,099</u>
Total State	1,302,421	16,004,530	0	907,852	18,214,803
<u>FEDERAL</u>					
Medicaid	80,742	0	0	0	80,742
ESSER & CARES Grants	123,125	0	0	64,323	187,448
Perkins Basic Grant Career Ed	180,595	0	0	0	180,595
Special Ed IDEA/ECSE	56,063	0	0	0	56,063
Food Services	2,116,911	0	0	0	2,116,911
ESEA Title I.A	67,958	145,179	0	0	213,137
ESEA Title II, Part A	0	65,701	0	0	65,701
ESEA Title IV, Student Support	26,419	0	0	0	26,419
Other	<u>994,320</u>	<u>16,432</u>	<u>0</u>	<u>0</u>	<u>1,010,752</u>
Total Federal	3,646,133	227,312	0	64,323	3,937,768

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PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE – SCHOOL DISTRICT (CONTINUED)
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>OTHER</u>					
Tuition from Other Districts	0	1,597,227	0	0	1,597,227
Transportation Other Districts	<u>23,227</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,227</u>
Total Other	23,227	1,597,227	0	0	1,620,454
<u>OTHER FINANCING SOURCES</u>					
Sale of School Buses	0	0	0	2,480	2,480
Sale of District Assets	<u>162</u>	<u>0</u>	<u>0</u>	<u>11,200</u>	<u>11,200</u>
Total Other Financing Sources	<u>162</u>	<u>0</u>	<u>0</u>	<u>13,680</u>	<u>13,680</u>
 TOTAL ALL SOURCES	 <u>\$ 29,331,109</u>	 <u>\$ 23,048,346</u>	 <u>\$ 10,084,079</u>	 <u>\$ 4,068,108</u>	 <u>\$ 66,531,642</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF DISBURSEMENTS PAID BY OBJECT – SCHOOL DISTRICT
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Salaries	\$ 8,048,137	\$ 23,821,487	\$ 0	\$ 0	\$ 31,869,624
Retirement	606,092	3,670,958	0	0	4,277,050
Payroll Taxes	580,073	368,216	0	0	948,289
Employee Insurance	1,171,455	2,235,386	0	0	3,406,841
Tuition	214,052	0	0	0	214,052
Professional, audit & legal	315,912	686,154	0	0	1,002,066
Property Services	697,662	0	0	0	697,662
Contracted Transportation	432,680	0	0	0	432,680
Insurance-property/liability	240,398	0	0	0	240,398
Other Purchased Services	3,192,746	0	0	0	3,192,746
General Supplies	3,535,148	0	0	0	3,535,148
Books & Periodicals	263,041	0	0	0	263,041
Utilities, Energy Service	1,159,629	0	0	0	1,159,629
Capital Outlay	0	0	0	52,693,434	52,693,434
Debt & related fees	<u>0</u>	<u>0</u>	<u>7,393,689</u>	<u>1,599,359</u>	<u>8,993,048</u>
Total Disbursements	<u>\$ 20,457,025</u>	<u>\$ 30,782,201</u>	<u>\$ 7,393,689</u>	<u>\$ 54,292,793</u>	<u>\$ 112,925,708</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Number	FAIN Number	Pass- Through Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	20210N109943	083-003	\$ 87,867
	10.553	20221N119943	083-003	409,274
National School Lunch Program (NSLP)	10.555	20210N109943	083-003	440,825
	10.555	20221N119943	083-003	<u>1,229,634</u>
Total Child Nutrition Cluster				<u>2,237,600</u>
Total U.S. Department of Agriculture				2,237,600
<u>Federal Communications Commission</u>				
COVID-19 – Emergency Connectivity Fund Program	32.009			<u>994,320</u>
Total Federal Communications Commission				994,320
<u>U.S. Department of Veteran Affairs</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Post-9/11 Veterans Educational Assistance	64.027		083-003	<u>932</u>
Total U.S. Department of Veteran Affairs				932
<u>U.S. Department of Education</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Title I, Grants for LEAs	84.010A	S010A210025	083-003	370,664
Career and Technical Education - Basic Grants to States	84.048A	V048A210025	083-003	180,595
COVID-19 Education Stabilization Fund (CARES Transportation)	84.425C	S2425C00016	083-003	64,323
COVID-19 Education Stabilization Fund (CRRSA CTE Equipment)	84.425C	S2425C00016	083-003	15,000
COVID-19 Education Stabilization Fund (CRRSA CTE Equipment)	84.425R	S425R210052	083-003	123,125
Special Education Cluster (IDEA):				
IDEA, Part B - Special Education	84.027A	H027A200040	083-003	5,524
IDEA, Part B - Special Education	84.027A	H027A210040	083-003	672,921
Early Childhood Special Education	84.027A	H027A200040	083-003	69,043
Early Childhood Special Education	84.173	H173A200103	083-003	<u>17,864</u>
Total Special Education Cluster				<u>765,352</u>
Total U.S. Department of Education				1,519,059
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-through Missouri Dept of Elementary & Secondary Education:</i>				
Missouri School Health Profiles	93.079	18NU87	083-003	<u>500</u>
Total U.S. Department of Health and Human Services				<u>500</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 4,752,411</u>

The accompanying notes are an integral part of this schedule.

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Platte County R-III School District (the “School District”) under programs of the federal government for the year ended June 30, 2022. 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 School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting, which is described in Note 1 to the School District’s financial statements. 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.

The Schedule presents both Type A and Type B federal assistance programs administered by the School District. The Uniform Guidance establishes the formula for determining the level of expenditures of disbursements to be used in defining Type A and Type B federal financial assistance programs. For the School District, Type A programs are those which exceed \$750,000 in disbursements, expenditures, or distributions. The determination of major and nonmajor programs is based on the risk-based approach outlined in Uniform Guidance.

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3: SUBRECIPIENTS

The School District did not provide funds to subrecipients in the current fiscal year.

NOTE 4: NONCASH ASSISTANCE

Of the federal expenditures presented in the Schedule, the School District expended \$120,689 of federal awards in the form of noncash assistance from food distribution commodities.

INTERNAL CONTROL AND COMPLIANCE SECTION

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

Board of Education
Platte County R-III School District
Platte City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Platte County R-III School District (the “School District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated December 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Education
Platte County R-III School District
Platte City, Missouri

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 19, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Platte County R-III School District
Platte City, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Platte County R-III School District's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Board of Education
Platte County R-III School District
Platte City, Missouri

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

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

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

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

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 19, 2022

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued: Unmodified Opinion

2. Internal control over financial reporting:
 - a) Material weakness(es) identified? _____ Yes X No
 - b) Significant deficiency(ies) identified? _____ Yes X None reported

3. Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

1. Internal Control over Major 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 programs: Unmodified Opinion

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) section of the Uniform Guidance. _____ Yes X No

4. The School District's major federal programs were:

<u>Federal Assistance Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
32.009	Emergency Connectivity Fund (ECF) Program

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000

6. Auditee qualified as low-risk auditee specified in Section 200.520 of the Uniform Guidance?
___ Yes X No

SECTION II: FINANCIAL STATEMENT FINDINGS

No financial statement findings were reported.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs were reported.

SECTION IV: RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS

No audit findings were noted from the prior year.

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

Board of Education
Platte County R-III School District
Platte City, Missouri

We have examined management's assertion, included in its representation letter dated December 19, 2022, that the Platte County R-III School District (the "School District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure of the School District's records of average daily 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, 2022. Management is responsible for its assertion that the School District complied with the aforementioned requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School District's compliance with specified requirements.

In our opinion, management's assertion that the Platte County R-III School District complied with the aforementioned requirements included in the Schedule of Selected Statistics for the year ended June 30, 2022, is fairly stated, in all material respects.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 19, 2022

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1050	9	12	n/a	6.8000	172	1,143.6500
3000	6	8	n/a	6.8000	172	1,143.6500
3010	5	8	n/a	6.8000	172	1,143.6500
4020	K	4	n/a	6.6000	172	1,108.2000
4030	K	5	n/a	6.6000	172	1,108.2000
4060	K	5	n/a	6.6000	172	1,108.2000

2. ATTENDANCE HOURS

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9	346,947.2600	1,080.4300	0.0000	0.0000	7,917.3500	355,945.0400
1050	10	349,690.3700	1,033.6500	0.0000	0.0000	6,110.4500	356,834.4700
1050	11	347,515.0500	281.7500	0.0000	0.0000	7,139.5000	354,936.3000
1050	12	209,162.8300	58,440.0500	0.0000	0.0000	4,909.6333	272,512.5133
3000	6	254,126.0000	1,053.4800	0.0000	0.0000	2,688.0000	257,957.4800
3000	7	235,660.1700	1,115.5700	0.0000	0.0000	307.0000	237,082.7400
3000	8	228,062.5600	55.6700	0.0000	0.0000	511.0000	228,629.2300
3010	5	112,106.1532	0.0000	0.0000	0.0000	1,794.8666	113,901.0198
3010	6	129,484.1942	0.0000	0.0000	0.0000	1,271.2667	130,755.4609
3010	7	108,332.3300	0.0000	0.0000	0.0000	1,357.3330	109,689.6630
3010	8	118,737.2264	0.0000	0.0000	0.0000	992.6667	119,729.8931
4020	K	132,204.5700	989.2000	10.0000	0.0000	4,298.8500	137,502.6200
4020	1	116,347.1200	0.0000	0.0000	0.0000	2,861.8501	119,208.9701
4020	2	116,633.9900	0.0000	0.0000	0.0000	3,789.0833	120,423.0733
4020	3	129,278.7476	0.0000	0.0000	0.0000	2,748.0010	132,026.7486
4020	4	124,488.2500	737.1500	0.0000	0.0000	2,790.2667	128,015.6667
4030	K	73,836.9800	0.0000	0.0000	0.0000	0.0000	73,836.9800
4030	1	124,297.2900	0.0000	14.5000	0.0000	0.0000	124,311.7900

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

2. ATTENDANCE HOURS (continued)

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4030	2	85,830.2600	0.0000	0.0000	0.0000	0.0000	85,830.2600
4030	3	101,584.8000	0.0000	0.0000	0.0000	0.0000	101,584.8000
4030	4	89,402.0300	0.0000	0.0000	0.0000	0.0000	89,402.0300
4030	5	112,880.5200	0.0000	0.0000	0.0000	0.0000	112,880.5200
4060	K	90,465.5400	0.0000	0.0000	0.0000	5,042.5834	95,508.1234
4060	1	92,531.9700	0.0000	0.0000	0.0000	5,894.2833	98,426.2533
4060	2	99,160.8400	0.0000	0.0000	0.0000	5,862.1002	105,022.9402
4060	3	101,394.8700	0.0000	0.0000	0.0000	4,906.2999	106,301.1699
4060	4	108,280.3300	0.0000	0.0000	0.0000	3,923.9665	112,204.2965
4060	5	106,696.2100	999.4000	0.0000	0.0000	2,764.3667	110,459.9767
	Grand Total	<u>4,245,228.4614</u>	<u>65,786.3500</u>	<u>24.5000</u>	<u>0.0000</u>	<u>79,880.7174</u>	<u>4,390,920.0288</u>

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	9	332.00	0.14	0.00	332.14
1050	10	339.00	0.14	0.00	339.14
1050	11	337.00	0.61	0.00	337.61
1050	12	273.00	25.52	0.00	298.52
3000	6	240.00	0.30	0.00	240.30
3000	7	222.00	0.30	0.00	222.30
3000	8	213.00	0.00	0.00	213.00
3010	5	105.00	0.00	0.00	105.00
3010	6	128.00	0.00	0.00	128.00
3010	7	108.00	0.00	0.00	108.00
3010	8	116.00	0.00	0.00	116.00
4020	K	129.00	0.06	0.00	129.06
4020	1	114.00	0.00	0.00	114.00

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

3. SEPTEMBER MEMBERSHIP (continued)

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	2	115.00	0.00	0.00	115.00
4020	3	128.00	0.00	0.00	128.00
4020	4	118.00	0.91	0.00	118.91
4030	K	73.00	0.00	0.00	73.00
4030	1	118.00	0.00	0.00	118.00
4030	2	85.00	0.00	0.00	85.00
4030	3	99.00	0.00	0.00	99.00
4030	4	87.00	0.00	0.00	87.00
4030	5	111.00	0.00	0.00	111.00
4060	K	87.00	0.00	0.00	87.00
4060	1	90.00	0.00	0.00	90.00
4060	2	96.00	0.00	0.00	96.00
4060	3	97.00	0.00	0.00	97.00
4060	4	104.00	0.00	0.00	104.00
4060	5	106.00	0.30	0.00	106.30
	Grand Total	<u>4,170.00</u>	<u>28.28</u>	<u>0.00</u>	<u>4,198.28</u>

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	201.11	35.91	N/A	N/A	237.02
3000	109.30	29.00	N/A	N/A	138.30
3010	126.00	6.00	N/A	N/A	132.00
4020	146.00	12.00	N/A	N/A	158.00
4030	88.00	18.00	N/A	N/A	106.00
4060	103.00	15.00	N/A	N/A	118.00
Grand Total	<u>773.41</u>	<u>115.91</u>	N/A	N/A	<u>889.32</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

5. FINANCE

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

Section	Question	Answer
5.1	The District 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	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The District 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:	<u>\$ 25,000</u>
5.6	The District’s deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

5. FINANCE (CONTINUED)

Section	Question	Answer
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.	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken.	N/A
5.10	The District published a summary of the prior year’s audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one-half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	True
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$ 278,129</u>
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

Notes:	N/A, none	
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All above “False” answers **must** be supported by a finding or management letter comment.

Finding:	None noted	
Management Letter Comment:	None noted	

PLATTE COUNTY R-III SCHOOL DISTRICT
Platte City, Missouri

SCHEDULE OF SELECTED STATISTICS
 For the Year Ended June 30, 2022

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The District's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	True
	Eligible ADT	<u>2,699.50</u>
	Ineligible ADT	<u>175.50</u>
6.4	The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total District-operated and contracted mileage for the year was:	<u>481,606</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	True
	Eligible Miles	<u>416,545</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>65,061</u>
6.7	Number of days the District operated the school transportation system during the regular school year:	<u>176</u>

Notes:	N/A, none	
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All above "False" answers **must** be supported by a finding or management letter comment.

Finding:	None noted
Management Letter Comment:	None noted