

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

**FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

**PLATTE COUNTY R-III SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Platte County R-III School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Platte County R-III School District as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Platte County R-III School District as of June 30, 2023 and the respective changes in modified cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Platte County R-III 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 A of the financial statements that 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 A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, on pages 4 through 9, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Platte County R-III School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should review the basic financial statements, notes to the basic financial statements and other supplemental information to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for the 2023 fiscal year are as follows:

- 1) Operating fund balances for the School District (General Fund and Special Revenue Fund) increased by \$2,102,448 from \$12,537,116 to \$14,639,564.
- 2) District operating fund revenues increased by \$4,748,830, from \$52,379,293 to \$57,128,123.
- 3) District operating fund expenditures increased by \$2,786,449 from \$51,239,226 to \$54,025,675.

Using this Annual Report

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

- District-wide Financial Reports: Provide both *short-term* and *long-term* information about the District's overall financial status. District-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

Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the questions, “Are we in a better financial position this year than last?” and “Why” or “Why not.” The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *modified-cash basis of accounting*.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The financial statements are presented on the modified cash basis of accounting, under which revenues are recorded when received rather than when susceptible to accrual, and expenditures are recorded when paid rather than when the fund liability is incurred.

These two statements report the District’s *net position* and the change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District’s property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities.

Reporting the District’s Most Significant Funds

Fund financial reports provide detailed information about the District’s major funds. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. 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. The following fund types are used by the District:

Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Fund:

Nonexpendable Trust (Scholarship) Fund: Accounts for assets held on behalf of outside parties. The fund maintains the awarding of scholarships to specific individuals in accordance with the terms of scholarship agreements entered into with the donors.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the School District's net position for 2023 and 2022:

TABLE 1	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	<u>\$ 37,128,031</u>	<u>\$ 73,017,273</u>
NET POSITION		
Restricted for:		
Student activities	\$ -	\$ 1,130,951
Capital outlay	7,875,413	11,973,338
Debt service	14,613,054	48,506,819
Unrestricted	<u>14,639,564</u>	<u>11,406,165</u>
Total Net Position	<u>\$ 37,128,031</u>	<u>\$ 73,017,273</u>

Total assets at June 30, 2023 were \$37,128,031. The total net position decreased \$35,889,242.

Table 2 reports the change in net position for fiscal years 2023 and 2022.

TABLE 2

REVENUES:	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services	\$ 3,347,284	\$ 2,879,390
Operating grants and contributions	8,016,820	6,099,775
Capital grants and contributions	<u>2,433,150</u>	<u>180,230</u>
Total Program Revenues	<u>13,797,254</u>	<u>9,159,395</u>
General Revenues:		
Property taxes	34,999,407	32,750,019
Sales tax	5,215,710	4,923,706
Basic formula	15,839,369	15,939,674
Earnings on investments	2,088,362	315,765
M&M surtax, in lieu of tax, FIT	1,229,192	1,125,235
State assessed utilities	2,292,727	1,886,608
Fines and escheats	110,098	224,748
Other revenue	<u>358,177</u>	<u>679,749</u>
Total General Revenues	<u>62,133,042</u>	<u>57,845,504</u>
Special item - bond proceeds	-	4,635,000
Special item - bond premium	-	321,461
Special item - sale of property	<u>-</u>	<u>13,841</u>
Total General Revenues and Special items	<u>62,133,042</u>	<u>62,815,806</u>
Total Revenues	<u>\$ 75,930,296</u>	<u>\$ 71,975,201</u>

PROGRAM EXPENDITURES:

Instruction	27,760,924	29,696,819
Student activities	2,561,097	-
Student services	3,931,882	3,606,650
Instructional staff support	2,893,771	2,967,012
Building administration	2,710,758	2,553,215
General administration and central services	3,726,702	3,413,338
Operation of plant	6,254,281	5,131,040
Pupil transportation	3,115,446	3,184,902
Food service	1,492,758	2,068,145
Community services	381,707	357,995
Facility acquisition and construction	45,214,780	49,543,545
Debt service:		
Principal retirement	6,143,044	27,463,978
Interest and fees	<u>5,632,388</u>	<u>5,425,422</u>
Total Governmental Activities Expenses	<u>111,819,538</u>	<u>135,412,061</u>
CHANGE IN NET POSITION	(35,889,242)	(63,436,860)
Net position beginning of year	<u>73,017,273</u>	<u>136,454,133</u>
Net position end of year	<u>\$ 37,128,031</u>	<u>\$ 73,017,273</u>

Governmental Activities**Revenues**

General revenues totaled \$62,133,042. The three largest sources of general revenue for Platte County R-III are generated from local property taxes \$34,999,407, the State Basic Foundation Formula \$15,839,369, and Proposition C sales tax \$5,215,710.

Program specific revenues in the form of operating and capital grants totaled \$10,449,970. The largest portion of this revenue was from ARP grants. State and federal reimbursement included transportation \$1,754,978 and food service \$1,241,036.

Charges for services, mainly for food service and student activities, totaled \$3,347,284.

Expenditures

Expenditures for governmental activities totaled \$111,819,538. Only \$13,797,254 was offset by program specific charges for services, grants or contributions. General revenues; primarily property taxes, sales tax, the basic formula and to a lesser extent state assessed utilities, fines, earnings on investments and other miscellaneous sources; provided for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 27,760,924	\$ (21,659,851)	\$ 29,696,819	\$ (23,820,167)
Student activities	2,561,097	(1,738,757)	-	-
Student services	3,931,882	(3,931,882)	3,606,650	(3,606,650)
Instructional staff support	2,893,771	(2,576,443)	2,967,012	(2,967,012)
Building administration	2,710,758	(2,710,758)	2,553,215	(2,553,215)
General administration and central services	3,726,702	(3,717,580)	3,413,338	(3,413,338)
Operation of plant	6,254,281	(6,222,278)	5,131,040	(5,131,040)
Transportation	3,115,446	(1,360,468)	3,184,902	(2,550,219)
Food service	1,492,758	743,458	2,068,145	241,107
Community services	381,707	(214,117)	357,995	(19,187)
Facility acquisition and construction	45,214,780	(42,858,176)	49,543,545	(49,543,545)
Debt service:				
Principal retirement	6,143,044	(6,143,044)	27,463,978	(10,513,978)
Interest and fees	5,632,388	(5,632,388)	5,425,422	(5,425,422)
Total Governmental Activities	<u>\$ 111,819,538</u>	<u>\$ (98,022,284)</u>	<u>\$ 135,412,061</u>	<u>\$ (109,302,666)</u>

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student activities include expenditures related to activities and services associated with extracurricular activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching pupils.

Building administration includes the cost of salaries and benefits for building level principals and office support staff.

General administration and central services includes the expenditures associated with administrative and financial supervision of the District and office support staff. It also includes expenditures related to planning, research, development and evaluation of instructional and support services, as well as the reporting of this information internally and to the public.

Operation of plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services includes expenditure related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvements of grounds; construction of buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest, and other related charges for debt of the District.

The District's Funds

The District's funds are accounted for using the modified cash basis of accounting. All governmental funds had total revenues of \$75,930,296 and total expenditures of \$111,819,538 representing a total net decrease of \$35,889,242. The net changes in fund balances for the year were as follows: General Fund increased by \$2,102,448, Debt Service Fund increased by \$2,639,716, and Capital Projects Fund decreased by \$40,631,406.

General Fund Budgeting Highlights

Missouri statutes are very specific regarding public school finance. These laws establish funds which 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 most significant budgeted fund is the General Fund. During the course of the year, the District amended the General Fund budget numerous times.

Major reasons for amendments during the 2023 fiscal year are as follows:

- The preliminary budget must be constructed before the final local property assessment and tax rate data are available. In addition, at the time of the preliminary budget, state revenue projections and Federal revenue figures were not available.
- Adjustments in staff placement on the salary schedule as a result of advance graduate hours and/or changes in job responsibilities.
- Increased costs associated with special programs and district goals.
- All funds budgeted in the General, Teachers' and Capital Projects Fund were not expended or exceeded projections.

The General Fund actual revenue was \$32,622,631 representing a \$1,767,501 increase over the original budget estimate of \$30,855,130. Most of the difference was our local revenues being higher as well as an unexpected increase in federal revenues. Total actual General Fund expenditures were \$21,424,590 representing a \$532,884 decrease from the original budget estimate of \$21,957,474.

Debt Administration

At June 30, 2023, the District had \$120,232,561 in outstanding debt.

TABLE 4**Outstanding Debt**

	<u>2023</u>	<u>2022</u>
School District:		
Series 2012 General Obligation Refunding Bonds	\$ 3,350,000	\$ 3,350,000
Series 2016 General Obligation Refunding Bonds	17,070,000	21,220,000
Series 2021 General Obligation Refunding Bonds	73,000,000	73,000,000
Technology Lease	121,707	237,343
School Bus Lease	<u>1,235,854</u>	<u>-</u>
Total School District	<u>94,777,561</u>	<u>97,807,343</u>
Building Corporation:		
Series 2016 Leasehold Revenue Bonds	3,555,000	3,860,000
Series 2017 Leasehold Revenue Bonds	18,215,000	18,535,000
Series 2022 Leasehold Revenue Bonds	<u>3,685,000</u>	<u>4,635,000</u>
Total Building Corporation	<u>25,455,000</u>	<u>27,030,000</u>
Total School District and Building Corporation	<u>\$ 120,232,561</u>	<u>\$ 124,837,343</u>

Current Financial Issues and Concerns

Platte County R-III School District is financially stable, but like many school districts across the State of Missouri and nation, is facing increasing budgetary pressure. Most notable items include:

- The potential funding cliff as Federal stimulus funds diminish over the next fiscal year;
- The need for salary increases in order to be competitive with surrounding school districts and employers in attracting and retaining highly qualified staff;
- The need for additional space to handle enrollment increases and new programing;
- Continue projected increases in the cost of employee benefits;
- Inflationary costs associated with operating a school district including but not limited to, utility costs, supplies, contracted services, learning resources, and technology;
- Finally, uncertain funding from state, Federal, and local governments (i.e. SB190)

The District began the FY23 school year with 24.47% reserves in the General and Teacher’s fund and ended FY23 with 26.55% in the same funds. Approximately 65% of all revenue came from local sources; the Platte County School District continues to depend on its local taxpayers to provide the funding for its schools. In April 2024, it is anticipated the Board of Education will ask patrons to support a ballot question to approve waiving the District’s Proposition C rollback requirement along with a Fund 3 to Fund 1 levy transfer. If approved, it would allow the District to reallocate its current resources to address identified goals, including but not limited to, salary increases and reductions in class sizes. The Platte County R-III School District is appreciative and proud of the support it receives from the community.

The District enrollment is projected to continue to increase over the next five years making the need for additional classroom space a priority, which the District has addressed in a Long-Range Facility Plan. The first phase of the plan was passed by voters in April 2021. Voters passed a no-tax-rate increase General Obligation Bond valued at \$99 million to create a second middle school, make improvement at the high school, and renovate Barry Elementary to accommodate Pre-K through 5th grade programing. In addition to the Long-Range Facility Plan, the District, in partnership with Northland Career Center (NCC) 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 \$70M. 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 project is seeking public and private funding without asking for a levy increase or bond issue from any Northland School District, including the Platte County R-III School District.

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 financial report is designed to provide our patrons, taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Dr. Jay Harris, Superintendent at Platte County R-III School District, Platte City, MO 64079.

PLATTE COUNTY R-III SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	<u>\$ 37,128,031</u>
 NET POSITION	
Restricted for:	
Capital outlay	\$ 7,875,413
Debt service	14,613,054
Unrestricted	<u>14,639,564</u>
Total net position	<u>\$ 37,128,031</u>

See accompanying notes to the basic financial statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTION/PROGRAMS	Expenditures	PROGRAM REVENUES			Net (Expense) Revenue and Change in Net Position Governmental
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES:					
Instruction	\$ 27,760,924	\$ 1,440,864	\$ 4,583,663	\$ 76,546	\$ (21,659,851)
Student activities	2,561,097	822,340	-	-	(1,738,757)
Student services	3,931,882	-	-	-	(3,931,882)
Instruction staff support	2,893,771	-	317,328	-	(2,576,443)
Building administration	2,710,758	-	-	-	(2,710,758)
General administration & central services	3,726,702	-	9,122	-	(3,717,580)
Operation of plant	6,254,281	-	32,003	-	(6,222,278)
Transportation	3,115,446	-	1,754,978	-	(1,360,468)
Food service	1,492,758	995,180	1,241,036	-	743,458
Community services	381,707	88,900	78,690	-	(214,117)
Facility acquisition and construction	45,214,780	-	-	2,356,604	(42,858,176)
Debt service:					
Principal retirement	6,143,044	-	-	-	(6,143,044)
Interest and fees	5,632,388	-	-	-	(5,632,388)
Total Governmental Activities	\$ 111,819,538	\$ 3,347,284	\$ 8,016,820	\$ 2,433,150	(98,022,284)

General Revenues:

Property tax	34,999,407
Sales tax	5,215,710
Basic formula	15,839,369
Earnings on investments	2,088,362
M&M surtax	592,077
In lieu of tax	597,151
State assessed utilities	2,292,727
Fines and escheats	110,098
Financial institution tax	39,964
Other revenue	358,177

Total General Revenues 62,133,042

Change in net position (35,889,242)
Net Position, beginning 73,017,273
Net Position, ending \$ 37,128,031

See accompanying notes to the basic financial statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 14,639,564	\$ -	\$ 14,613,054	\$ 7,875,413	\$ 37,128,031
 FUND BALANCES					
Restricted	\$ -	\$ -	\$ 14,613,054	\$ 7,332,674	\$ 21,945,728
Assigned	2,400,234	-	-	542,739	2,942,973
Unassigned	12,239,330	-	-	-	12,239,330
Total fund balances	\$ 14,639,564	\$ -	\$ 14,613,054	\$ 7,875,413	\$ 37,128,031

See accompanying notes to the basic financial statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 26,027,748	\$ 5,278,688	\$ 10,892,179	\$ 3,934,861	\$ 46,133,476
County	1,469,140	110,098	563,455	260,132	2,402,825
State	2,163,630	15,509,090	-	917,412	18,590,132
Federal	2,948,265	2,225,204	-	2,234,134	7,407,603
Other	13,848	1,382,412	-	-	1,396,260
Total Revenues	32,622,631	24,505,492	11,455,634	7,346,539	75,930,296
EXPENDITURES:					
Instruction	3,277,176	24,251,866	-	231,882	27,760,924
Student activities	1,343,287	1,104,985	-	112,825	2,561,097
Student services	1,483,981	2,447,901	-	-	3,931,882
Instruction staff support	1,228,967	1,649,334	-	15,470	2,893,771
Building administration	897,719	1,813,039	-	-	2,710,758
General administration & central services	2,277,504	1,122,194	-	327,004	3,726,702
Operation of plant	6,077,559	116,467	-	60,255	6,254,281
Transportation	3,098,852	-	-	16,594	3,115,446
Food service	1,453,137	-	-	39,621	1,492,758
Community services	286,408	95,299	-	-	381,707
Facility acquisition and construction	-	-	-	45,214,780	45,214,780
Debt service:					
Principal retirement	-	-	4,150,000	1,993,044	6,143,044
Interest and fees	-	-	4,665,918	966,470	5,632,388
Total Expenditures	21,424,590	32,601,085	8,815,918	48,977,945	111,819,538
Revenues Over (Under) Expenditures	11,198,041	(8,095,593)	2,639,716	(41,631,406)	(35,889,242)
Other Financing Sources (Uses):					
Transfers	(9,095,593)	8,095,593	-	1,000,000	-
Net change in fund balance	2,102,448	-	2,639,716	(40,631,406)	(35,889,242)
Fund balance, beginning	12,537,116	-	11,973,338	48,506,819	73,017,273
Fund balance, ending	<u>\$ 14,639,564</u>	<u>\$ -</u>	<u>\$ 14,613,054</u>	<u>\$ 7,875,413</u>	<u>\$ 37,128,031</u>

See accompanying notes to the basic financial statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
JUNE 30, 2023

	<u>SCHOLARSHIP FUND</u>
ASSETS	
Cash and cash equivalents	\$ 10,431
Certificates of deposit	<u>33,980</u>
Total assets	<u>\$ 44,411</u>
NET POSITION	
Held in trust for scholarships	<u>\$ 44,411</u>

See accompanying notes to the basic financial statements.

**PLATTE COUNTY R-III SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION
MODIFIED CASH BASIS - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>SCHOLARSHIP FUND</u>
Additions	
Interest received	\$ 162
Contributions received	<u>2,000</u>
Total additions	2,162
 Deductions	
Scholarships paid to students	<u>(10,000)</u>
 Change in Net Position	 (7,838)
 Net Position Beginning of Year	 <u>52,249</u>
 Net Position End of Year	 <u>\$ 44,411</u>

See accompanying notes to the basic financial statements.

PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The 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 District's annual financial statements, as it is part of the District's entity based on the criteria established in GASB Statement No. 61.

Platte County R-III School District 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 District. Although the District is not legally responsible for the debt of the building corporation, the corporation's sole source of revenue is lease payments from the 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.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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 District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues 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. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - During the year, the District segregates transactions related to certain 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 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.

PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures 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.

Measurement Focus

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic resources measurement focus. All assets and liabilities arising from cash transactions are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Change in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Salaries for teachers are recorded as expenditures 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 accounting principles generally accepted in the United States of America.

Pooled Cash and Temporary Investments: Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the 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 District).

Paid time off: Vacation time and annual leave days are considered as expenditures 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.

Teachers' Salaries: Payroll checks for July and August 2023 written and held at June 30, 2023, in the amount of \$2,397,002 are included in the financial statements as expenditures paid in the month of June. This practice has been consistently followed in previous years.

OPEB Liabilities: As the District uses the modified cash basis of accounting, other post-employment benefits (OPEB) liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

NOTE B - CASH AND CASH EQUIVALENTS

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2023, the bank balances of the District's deposits totaled \$4,173,523. Of this amount \$283,980 was covered by FDIC insurance and \$3,438,340 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

**PLATTE COUNTY R-III SCHOOL DISTRICT
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE B - CASH AND CASH EQUIVALENTS (continued)

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nations' 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 District had \$38,309,622 invested with MOSIP at June 30, 2023.

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 District's investment policy places no limit on the amount the District may invest in any one issuer.

NOTE C - TAXES

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

The assessed valuation of the tangible taxable property for the calendar year 2022 for purposes of local taxation was:

Real Estate:	
Residential	\$ 448,378,140
Agricultural	2,589,197
Commercial	126,903,120
Personal Property	<u>132,340,257</u>
Total	<u><u>\$ 710,210,714</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.4875	\$ 3.1484
Special Revenue Fund	-	-
Debt Service Fund	1.4838	1.4838
Capital Projects Fund	<u>0.3871</u>	<u>0.3871</u>
	<u><u>\$ 5.3584</u></u>	<u><u>\$ 5.0193</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 98% of the current assessment computed on the basis of the levy as shown above.

PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE D - RETIREMENT PLAN

The Public School Retirement System of Missouri (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 member's benefits are further calculated at two-thirds the normal benefit amount. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrps-peers.org.

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for member 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrps-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2023 was \$3,899,064, equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2023 was \$19,590, equal to the required contributions.

PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

NOTE D - RETIREMENT PLAN (continued)

The District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), which 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 Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Section 169.600 – 169.715 and Sections 169.560 – 169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement Systems of Missouri. An Annual Comprehensive Financial Report (“ACFR”) can be obtained at www.psr-peers.org.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for “Rule of 80” or “30-and-out” are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS’ website at www.psr-peers.org.

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

The District's contributions to PEERS for the year ended June 30, 2023 were \$670,758 equal to the required contribution.

NOTE E - INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks. The District also maintains excess liability coverage in the amount of \$3,000,000.

NOTE F - CONSTRUCTION COMMITMENT

As of June 30, 2023, the District has entered into a contract for the construction of a new Middle School with remaining costs of \$6,017,350, all of which will be funded with bond proceeds.

**PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE G - INTERFUND TRANSFERS

During the year, the District made a \$1,000,000 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

The District also transferred \$8,095,593 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE H - TAX ABATEMENT

The School District's property tax revenues were reduced by \$678,888 under agreements provided by the City of Kansas City Missouri.

NOTE I - LEASE COMMITMENTS

As of June 30, 2012, the 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 unless terminated by the District or by the provision of the agreement.

On June 30, 2023, the District entered into a 48-month copier lease agreement. The lease requires monthly payments of \$10,415 beginning July 2023.

The future required minimum lease payments on the above leases are as follows:

Year ending, June 30,	Amount
2024	\$ 156,485
2025	156,485
2026	156,485
2027	156,485
2028	31,500
2029	31,500
2030	31,500
2031	31,500
	<u>\$ 751,940</u>

NOTE J - LONG-TERM DEBT

Changes in debt for the School District and Building Corporation combined during the fiscal year were as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Bonds payable	\$ 124,600,000	\$ -	\$ 5,725,000	\$ 118,875,000	\$ 6,325,000
Direct borrowings	237,343	1,538,262	418,044	1,357,561	403,386
Total	\$ 124,837,343	\$ 1,538,262	\$ 6,143,044	\$ 120,232,561	\$ 6,728,386

**PLATTE COUNTY R-III SCHOOL DISTRICT
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2023**

NOTE K - BONDS PAYABLE

Bonds payable at June 30, 2023, consist of:

SCHOOL DISTRICT:

Series 2012 general obligation refunding bonds due in varying annual installments through March 1, 2024; interest of 2.0%	\$ 3,350,000
Series 2016 general obligation refunding bonds due in varying annual installments through March 1, 2030; interest of 2.498 to 4.00%	17,070,000
Series 2021 general obligation improvement bonds due in varying annual installments through March 1, 2041; interest of 5.0 to 5.25%	<u>73,000,000</u>
Total School District	<u>93,420,000</u>

BUILDING CORPORATION:

Series 2016 Platte County R-III School District Building Corporation leasehold revenue bonds due in varying annual installments through April 1, 2031; interest of 3.0% to 4.0%.	3,555,000
Series 2017 Platte County R-III School District Building Corporation leasehold refunding revenue bonds due in varying annual installments through April 1, 2035; interest at 3.4%	18,215,000
Series 2022 Platte County R-III School District Building Corporation leasehold refunding revenue bonds due in varying annual installments through April 1, 2029; interest at 4.0%	<u>3,685,000</u>
Total Building Corporation	<u>25,455,000</u>
Total School District and Building Corporation	<u>\$ 118,875,000</u>

At June 30, 2023, the District had a total of \$3,550,000 of defeased Series 2016 general obligation refunding bonds that remain outstanding.

**PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE K - BONDS PAYABLE (continued)

Debt service requirements to maturity for the School District and Building Corporation combined are:

Year Ending June 30,	Principal	Interest	Total
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	6,190,000	4,691,210	10,881,210
2029	5,335,000	4,459,320	9,794,320
2030	6,235,000	4,245,920	10,480,920
2031	7,235,000	3,966,720	11,201,720
2032	7,055,000	3,640,480	10,695,480
2033	7,595,000	3,319,010	10,914,010
2034	7,955,000	2,972,780	10,927,780
2035	8,415,000	2,596,860	11,011,860
2036	6,200,000	2,199,750	8,399,750
2037	6,500,000	1,874,250	8,374,250
2038	6,700,000	1,533,000	8,233,000
2039	7,000,000	1,181,250	8,181,250
2040	7,500,000	813,750	8,313,750
2041	8,000,000	420,000	8,420,000
Total	<u>\$ 118,875,000</u>	<u>\$ 58,529,990</u>	<u>\$ 177,404,990</u>

NOTE L - DIRECT BORROWINGS

In July 2020, the District entered into a lease purchase agreement in the amount of \$365,440 with a third party to finance the cost of technology equipment. The lease is for three years, requiring annual lease payments of \$128,097 beginning in July 2021, interest at 5.1%.

In July 2022, the District entered into a lease purchase agreement in the amount of \$1,571,662 with a third party to finance the cost of school buses. The lease is for six years, requiring five annual lease payments of \$335,808 beginning August 2022 with a final payment in August 2027 of \$39,870, interest at 4.4%.

Future minimum lease payments on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 403,386	\$ 60,519	\$ 463,905
2025	291,633	44,175	335,808
2026	305,147	30,661	335,808
2027	319,241	16,567	335,808
2028	38,154	1,716	39,870
Total	<u>\$ 1,357,561</u>	<u>\$ 153,638</u>	<u>\$ 1,511,199</u>

**PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

For committed fund balances (as defined in GASB 54), the District's highest level of decision making authority is the Board of Education (the Board). Restrictions are authorized by the Board based on recommended fund placement in the original adopted budget and later revised budget, as well as by Board resolution. Further, the Board delegates the authority to assign amounts for specific purpose(s) to the Superintendent or designee.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are constrained for a specific purpose - restricted expenditure use.

Committed fund balance - Funds that are designated for a special purpose by a government using its highest level of decision making authority. The Board would make the commitment and only the Board can remove such a commitment.

Assigned fund balance - For all governmental funds other than the General Fund - the amount reported as assigned should not result in a deficit in unassigned fund balance.

Unassigned fund balance - Represents only the General Fund and all remaining fund balances not classified in the first four levels.

For all funds except the Debt Service Fund, the Board may consider the order of spending as restricted, committed, assigned, and then unassigned amounts as available. 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. The year-end audit process will establish the fund balance restriction recommendations for classifying remaining fund balances as required by GASB 54.

State rules for public school finance require Teacher's Fund (Special Revenue Fund) be used to account for revenue sources legally restricted to expenditures 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 revenue 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 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 combined 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.

**PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

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.

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted:				
Unspent bond proceeds	\$ -	\$ -	\$ -	\$ 7,332,674
Debt service	-	-	14,613,054	-
Capital projects	-	-	-	-
Total Restricted	<u>-</u>	<u>-</u>	<u>14,613,054</u>	<u>7,332,674</u>
Committed:				
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:				
Food service	984,565	-	-	-
Student activities	1,415,669	-	-	-
Capital projects	-	-	-	542,739
Total assigned	<u>2,400,234</u>	<u>-</u>	<u>-</u>	<u>542,739</u>
Unassigned	<u>12,239,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 14,639,564</u>	<u>\$ -</u>	<u>\$ 14,613,054</u>	<u>\$ 7,875,413</u>

NOTE N - LITIGATION

As of June 30, 2023, the District had unsettled claims at various stages of litigation. At this time, outcomes cannot be predicted, however, the District is vigorously defending against each claim.

SUPPLEMENTARY INFORMATION

PLATTE COUNTY R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 25,185,327	\$ 25,763,864	\$ 26,027,748	\$ 263,884
County	1,400,000	1,400,000	1,469,140	69,140
State	1,858,324	2,318,324	2,163,630	(154,694)
Federal	2,369,479	2,715,730	2,948,265	232,535
Other	42,000	42,000	13,848	(28,152)
Total Revenues	<u>30,855,130</u>	<u>32,239,918</u>	<u>32,622,631</u>	<u>382,713</u>
EXPENDITURES:				
Instruction	4,066,496	4,016,629	3,277,176	739,453
Student activities	1,074,486	1,076,986	1,343,287	(266,301)
Student services	1,320,248	1,265,610	1,483,981	(218,371)
Instruction staff support	1,490,536	1,424,286	1,228,967	195,319
Building administration	931,054	931,054	897,719	33,335
General administration & central services	2,297,801	2,228,801	2,277,504	(48,703)
Operation of plant	5,477,796	5,973,048	6,077,559	(104,511)
Transportation	3,185,080	3,237,083	3,098,852	138,231
Food service	1,895,963	1,505,963	1,453,137	52,826
Community services	218,014	298,014	286,408	11,606
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>21,957,474</u>	<u>21,957,474</u>	<u>21,424,590</u>	<u>532,884</u>
Revenues Over (Under) Expenditures	8,897,656	10,282,444	11,198,041	915,597
Other Financing Sources (Uses):				
Transfers	(9,477,888)	(9,477,888)	(9,095,593)	382,295
Net change in fund balance	(580,232)	804,556	2,102,448	1,297,892
Fund balance, beginning	<u>12,537,116</u>	<u>12,537,116</u>	<u>12,537,116</u>	<u>-</u>
Fund balance, ending	<u>\$ 11,956,884</u>	<u>\$ 13,341,672</u>	<u>\$ 14,639,564</u>	<u>\$ 1,297,892</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 5,056,026	\$ 5,350,126	\$ 5,278,688	\$ (71,438)
County	225,000	225,000	110,098	(114,902)
State	15,710,166	15,930,166	15,509,090	(421,076)
Federal	2,687,796	2,327,796	2,225,204	(102,592)
Other	1,607,980	1,497,782	1,382,412	(115,370)
Total Revenues	<u>25,286,968</u>	<u>25,330,870</u>	<u>24,505,492</u>	<u>(825,378)</u>
EXPENDITURES:				
Instruction	24,853,941	24,829,222	24,251,866	577,356
Student activities	1,088,480	1,088,480	1,104,985	(16,505)
Student services	2,227,049	2,227,049	2,447,901	(220,852)
Instruction staff support	1,465,100	1,465,100	1,649,334	(184,234)
Building administration	2,113,767	2,113,767	1,813,039	300,728
General administration & central services	1,075,791	1,100,511	1,122,194	(21,683)
Operation of plant	-	-	116,467	(116,467)
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	140,728	140,728	95,299	45,429
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>32,964,856</u>	<u>32,964,857</u>	<u>32,601,085</u>	<u>363,772</u>
Revenues Over (Under) Expenditures	(7,677,888)	(7,633,987)	(8,095,593)	(461,606)
Other Financing Sources (Uses):				
Transfers	<u>7,677,888</u>	<u>7,677,888</u>	<u>8,095,593</u>	<u>417,705</u>
Net change in fund balance	-	43,901	-	(43,901)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 43,901</u>	<u>\$ -</u>	<u>\$ (43,901)</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 10,159,144	\$ 11,059,144	\$ 10,892,179	\$ (166,965)
County	360,000	528,605	563,455	34,850
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	10,519,144	11,587,749	11,455,634	(132,115)
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
Building administration	-	-	-	-
General administration & central services	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	4,150,000	4,150,000	4,150,000	-
Interest and fees	4,667,700	4,667,700	4,665,918	1,782
Total Expenditures	8,817,700	8,817,700	8,815,918	1,782
Revenues Over (Under) Expenditures	1,701,444	2,770,049	2,639,716	(130,333)
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Net change in fund balance	1,701,444	2,770,049	2,639,716	(130,333)
Fund balance, beginning	11,973,338	11,973,338	11,973,338	-
Fund balance, ending	\$ 13,674,782	\$ 14,743,387	\$ 14,613,054	\$ (130,333)

**PLATTE COUNTY R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 2,818,835	\$ 3,041,712	\$ 3,932,999	\$ 891,287
County	200,000	200,000	260,132	60,132
State	1,040,514	3,215,514	917,412	(2,298,102)
Federal	-	-	2,234,134	2,234,134
Other	-	-	-	-
Total Revenues	<u>4,059,349</u>	<u>6,457,226</u>	<u>7,344,677</u>	<u>887,451</u>
EXPENDITURES:				
Instruction	382,119	347,119	231,882	115,237
Student activities	124,150	124,150	112,825	11,325
Student services	-	-	-	-
Instruction staff support	22,700	22,700	15,470	7,230
Building administration	-	-	-	-
General administration & central services	496,000	286,000	327,004	(41,004)
Operation of plant	60,000	60,000	60,255	(255)
Transportation	38,000	38,000	16,594	21,406
Food service	42,000	42,000	39,621	2,379
Community services	-	-	-	-
Facility acquisition and construction	3,026,500	46,693,257	46,789,780	(96,523)
Debt service:				
Principal retirement	115,757	115,757	418,044	(302,287)
Interest and fees	971,891	971,891	961,808	10,083
Total Expenditures	<u>5,279,117</u>	<u>48,700,874</u>	<u>48,973,283</u>	<u>(272,409)</u>
Revenues Over (Under) Expenditures	(1,219,768)	(42,243,648)	(41,628,606)	615,042
Other Financing Sources (Uses):				
Transfers	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,000,000</u>	<u>(800,000)</u>
Net change in fund balance	580,232	(40,443,648)	(40,628,606)	(184,958)
Fund balance, beginning	<u>48,502,375</u>	<u>48,502,375</u>	<u>48,502,375</u>	<u>-</u>
Fund balance, ending	<u>\$ 49,082,607</u>	<u>\$ 8,058,727</u>	<u>\$ 7,873,769</u>	<u>\$ (184,958)</u>

**PLATTE COUNTY R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

Budgetary Process

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
4. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the final budget information included in the financial statements.
5. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid, except for teachers' salaries.

PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE - SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 21,982,752	\$ -	\$ 10,315,970	\$ 2,700,685	\$ 34,999,407
Sales tax	-	5,215,710	-	-	5,215,710
Financial institution tax	39,772	-	152	40	39,964
M & M surtax	592,077	-	-	-	592,077
In lieu of tax	597,151	-	-	-	597,151
Tuition	-	58,452	-	-	58,452
Earnings on investments	698,172	307	576,057	811,964	2,086,500
Food service	995,180	-	-	-	995,180
Student activities	822,340	-	-	-	822,340
Community services	88,900	-	-	-	88,900
Other local revenue	211,404	4,219	-	420,310	635,933
Total Local	<u>26,027,748</u>	<u>5,278,688</u>	<u>10,892,179</u>	<u>3,932,999</u>	<u>46,131,614</u>
COUNTY:					
Fines and escheats	-	110,098	-	-	110,098
State assessed utilities	1,469,140	-	563,455	260,132	2,292,727
Total County	<u>1,469,140</u>	<u>110,098</u>	<u>563,455</u>	<u>260,132</u>	<u>2,402,825</u>
STATE:					
Basic formula	-	14,255,656	-	-	14,255,656
Transportation	1,754,978	-	-	-	1,754,978
Basic formula - classroom trust	-	826,270	-	900,000	1,726,270
Career education	155,997	427,164	-	17,412	600,573
Food service	8,242	-	-	-	8,242
Educational screening	72,279	-	-	-	72,279
High need fund	172,134	-	-	-	172,134
Total State	<u>2,163,630</u>	<u>15,509,090</u>	<u>-</u>	<u>917,412</u>	<u>18,590,132</u>
FEDERAL:					
Title I	-	331,640	-	-	331,640
Title II A	-	77,648	-	-	77,648
Title IV	-	30,298	-	-	30,298
Individuals with Disabilities	1,080,756	-	-	-	1,080,756
IDEA grants	3,170	-	-	-	3,170
Medicaid	93,683	-	-	-	93,683
Child Nutrition	1,232,794	-	-	-	1,232,794
Perkins	258,662	-	-	-	258,662
ARP - ESSER III	-	1,751,687	-	-	1,751,687
Early Childhood Special Ed.	116,491	-	-	-	116,491
CRRSA - GEER II	-	-	-	11,634	11,634
ARP - IDEA 611 Entitlement Funds	152,263	-	-	-	152,263
CARES - ESSER Fund	4,564	1,296	-	-	5,860
CRRSA - ESSER II	5,882	32,635	-	-	38,517
Other federal revenue	-	-	-	2,222,500	2,222,500
Total Federal	<u>2,948,265</u>	<u>2,225,204</u>	<u>-</u>	<u>2,234,134</u>	<u>7,407,603</u>
OTHER:					
Proceeds from sale of property	13,848	-	-	-	13,848
Area vocational fees	-	1,382,412	-	-	1,382,412
Total Other	<u>13,848</u>	<u>1,382,412</u>	<u>-</u>	<u>-</u>	<u>1,396,260</u>
Total Revenues Collected	<u>\$ 32,622,631</u>	<u>\$ 24,505,492</u>	<u>\$ 11,455,634</u>	<u>\$ 7,344,677</u>	<u>\$ 75,928,434</u>

**PLATTE COUNTY R-III SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
MODIFIED CASH BASIS - SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
REVENUES	\$ 32,622,631	\$ 24,505,492	\$ 11,455,634	\$ 7,344,677	\$ 75,928,434
EXPENDITURES	<u>21,424,590</u>	<u>32,601,085</u>	<u>8,815,918</u>	<u>48,973,283</u>	<u>111,814,876</u>
Revenues Over (Under) Expenditures	11,198,041	(8,095,593)	2,639,716	(41,628,606)	(35,886,442)
Other Financing Sources (Uses)	<u>(9,095,593)</u>	<u>8,095,593</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	2,102,448	-	2,639,716	(40,628,606)	(35,886,442)
Fund balance, beginning	<u>12,537,116</u>	<u>-</u>	<u>11,973,338</u>	<u>48,502,375</u>	<u>73,012,829</u>
Fund balance, ending	<u>\$ 14,639,564</u>	<u>\$ -</u>	<u>\$ 14,613,054</u>	<u>\$ 7,873,769</u>	<u>\$ 37,126,387</u>

**PLATTE COUNTY R-III SCHOOL DISTRICT
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 MODIFIED CASH BASIS - ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2023**

	SCHOOL DISTRICT	BUILDING CORPORATION	TOTALS
ASSETS			
Cash and cash equivalents	<u>\$ 7,873,769</u>	<u>\$ 1,644</u>	<u>\$ 7,875,413</u>
FUND BALANCES			
Restricted	\$ 7,332,674	\$ -	\$ 7,332,674
Assigned	<u>541,095</u>	<u>1,644</u>	<u>542,739</u>
Total fund balances	<u>\$ 7,873,769</u>	<u>\$ 1,644</u>	<u>\$ 7,875,413</u>

PLATTE COUNTY R-III SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - MODIFIED CASH BASIS - ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	SCHOOL DISTRICT	BUILDING CORPORATION	COMBINING/ ELIMINATING ENTRIES	TOTALS
REVENUES:				
Local	\$ 3,932,999	\$ 2,520,105	\$ (2,518,243)	\$ 3,934,861
County	260,132	-	-	260,132
State	917,412	-	-	917,412
Federal	2,234,134	-	-	2,234,134
Other	-	-	-	-
Total Revenues	<u>7,344,677</u>	<u>2,520,105</u>	<u>(2,518,243)</u>	<u>7,346,539</u>
EXPENDITURES:				
Instruction	231,882	-	-	231,882
Student activities	112,825	-	-	112,825
Student services	-	-	-	-
Instruction staff support	15,470	-	-	15,470
General administration & central services	327,004	-	-	327,004
Operation of plant	60,255	-	-	60,255
Transportation	16,594	-	-	16,594
Food service	39,621	-	-	39,621
Community services	-	-	-	-
Facility acquisition and construction	46,789,780	-	(1,575,000)	45,214,780
Debt service:				
Principal	418,044	1,575,000	-	1,993,044
Interest and fees	961,808	947,905	(943,243)	966,470
Total Expenditures	<u>48,973,283</u>	<u>2,522,905</u>	<u>(2,518,243)</u>	<u>48,977,945</u>
Revenues Over (Under) Expenditures	(41,628,606)	(2,800)	-	(41,631,406)
Other Financing Sources (Uses):				
Transfers	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balance	(40,628,606)	(2,800)	-	(40,631,406)
Fund balance, beginning	<u>48,502,375</u>	<u>4,444</u>	<u>-</u>	<u>48,506,819</u>
Fund balance, ending	<u>\$ 7,873,769</u>	<u>\$ 1,644</u>	<u>\$ -</u>	<u>\$ 7,875,413</u>

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	083-003	\$ 176,942
National School Lunch Program	10.555	083-003	856,480
Non-Cash: Food Distribution	10.555	083-003	<u>141,823</u>
Total Child Nutrition Cluster			<u>1,175,245</u>
<u>U.S. Department of the Treasury</u>			
Passed-through the State of Missouri:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>2,187,500</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	083-003	751,532
COVID-19 - Special Education - Grants to States	84.027X	083-003	191,929
Special Education - Preschool Grants	84.173	083-003	16,532
COVID-19 - Special Education - Preschool Grants	84.173X	083-003	<u>13,448</u>
Total Special Education Cluster			<u>973,441</u>
Title I - Grants to Local Educational Agencies	84.010	083-003	417,218
Career and Technical Education - Basic Grants to States	84.048	083-003	230,565
Improving Teacher Quality State Grants	84.367	083-003	9,122
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (GEER) Fund	84.425C	083-003	7,359
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	083-003	39,412
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	083-003	<u>1,790,439</u>
Total Education Stabilization Fund			<u>1,837,210</u>
Total U.S. Department of Education			<u>3,467,556</u>
Total Expenditures of Federal Awards			<u>\$ 6,830,301</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Platte County R-III School District under programs of the federal government for the year ended June 30, 2023. 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 Platte County R-III School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Platte County R-III School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Platte County R-III School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE

**INDEPENDENT ACCOUNTANTS' REPORT ON THE ADMINISTRATION'S
ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Board of Education
Platte County R-III School District

We have examined the administration's assertion, included in its representation letter dated November 27, 2023 that Platte County R-III School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2022 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2023; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2023. As discussed in that representation letter, the administration is responsible for the District's assertion. Our responsibility is to express an opinion on the administration's assertion about the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the administration'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 examination engagement.

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

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2023, is fairly stated, in all material respects.

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

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2023

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 083-003

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	4	N/A	6.6000	173	1,112.80
4030	K	5	N/A	6.6000	173	1,112.80
4060	K	5	N/A	6.6000	173	1,112.80
3000	6	8	N/A	6.8000	173	1,148.45
3010	5	8	N/A	6.8000	173	1,149.95
1050	9	12	N/A	6.8000	173	1,148.45

2. AVERAGE DAILY ATTENDANCE (ADA)

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	K-4	612,668.28	935.80	24.75		16,354.98	629,983.81
4030	K-5	609,940.95	455.90	32.67			610,429.52
4060	K-5	564,928.28	705.68			23,002.80	588,636.76
3000	6-8	731,258.05	3,915.62			1,948.00	737,121.67
3010	5-8	468,649.18				5,198.72	473,847.90
1050	9-12	1,263,042.79	78,705.00			27,439.08	1,369,186.87
Grand Total		4,250,487.53	84,718.00	57.42		73,943.58	4,409,206.53

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
4020	K-4	599.00	0.66		599.66
4030	K-5	585.00	0.06		585.06
4060	K-5	553.00			553.00

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 083-003

3000	6-8	682.00	1.47		683.47
3010	5-8	452.00			452.00
1050	9-12	1,275.00	38.26		1,313.26
Grand Total		4,146.00	40.45		4,186.45

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
4020	151.06	33.00			184.06
4030	88.00	24.00			112.00
4060	82.00	22.00			104.00
3000	87.00	22.00			109.00
3010	122.00	24.00			146.00
1050	152.43	41.21			192.64
Grand Total	682.49	166.21			848.70

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/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	True
	Career Exploration Program - Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 083-003

	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	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)	N/A
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$25,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 083-003

5.12	The amount spent for approved professional development committee plan activities was:	\$290,584
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

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/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	2,636.0
	Ineligible ADT	192.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	520,420
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	441,410
	Ineligible Miles (Non-Route/Disapproved)	79,010
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	173

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

To the Board of Education
Platte County R-III School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Platte County R-III School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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*.

District's Response to Findings

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

Purpose of this Report

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

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Platte County R-III School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Platte County R-III School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Platte County R-III 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, 2023.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Platte County R-III 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 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 District's federal programs.

Auditors' 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 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
November 27, 2023

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

- Coronavirus State and Local Fiscal Recovery Funds AL No. 21.027
- Education Stabilization Fund AL No. 84.425

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes X No

**PLATTE COUNTY R-III SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2023-001 CASH DISBURSEMENTS

Condition: The bookkeeper, who inputs all accounts payable checks, has the ability to print a check and electronically sign the check without approval or a purchase order.

Criteria: Safeguards should be in place so that a transaction cannot be electronically signed without proper approval.

Cause: The District has not properly segregated accounts payable duties.

Effect: Inadequate controls could allow for fraud to occur.

Recommendation: We recommend the District modify controls as needed and consideration be given to reassigning duties so that the same person who prepares the checks cannot initiate the electronic signing.

Auditee's Response: The District has implemented mitigating controls to have an employee with no check writing permissions to review the bank statement and images while performing the monthly bank reconciliation.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None