

MEHLVILLE R-IX SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2021

**MEHLVILLE R-IX SCHOOL DISTRICT
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	<u>PAGE</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
 <u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	13
Statement of Activities - Modified Cash Basis	14
Fund Financial Statements:	
Balance Sheet - Modified Cash Basis - All Governmental Funds - Including Component Unit	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - All Governmental Funds - Including Component Unit	16
Reconciliation of the Governmental Funds Balance Sheet With the Government-Wide Statement of Net Position - Modified Cash Basis	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis	18
Proprietary Fund Statements:	
Statement of Net Position – Modified Cash Basis – Proprietary Fund	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Modified Cash Basis – Proprietary Fund	20
Statement of Cash Flows - Modified Cash Basis - Proprietary Fund	21
Fiduciary Fund Statements:	
Statement of Fiduciary Net Position - Modified Cash Basis - Fiduciary (Agency) Fund	22
Notes to the Basic Financial Statements	23-47

**MEHLVILLE R-IX SCHOOL DISTRICT
TABLE OF CONTENTS**

<u>SUPPLEMENTARY INFORMATION</u>	PAGE
Budgetary Comparison Schedule - Modified Cash Basis – General Fund.....	48
Budgetary Comparison Schedule - Modified Cash Basis - Special Revenue Fund.....	49
Budgetary Comparison Schedule - Modified Cash Basis - Debt Service Fund.....	50
Budgetary Comparison Schedule - Modified Cash Basis - Capital Projects Fund - Excluding Component Unit.....	51
Budgetary Comparison Schedule - Modified Cash Basis - All Governmental Funds - Excluding Component Unit.....	52
Notes to the Budgetary Comparison Schedules.....	53
Other Post-Employment Benefits.....	54
Comparative Tax Levies, Tax Collection Rates and Enrollment.....	55
 <u>STATE COMPLIANCE SECTION</u>	
Independent Accountant’s Report on Management’s Assertions About Compliance with Specified Requirements of Missouri State Laws and Regulations	56
Schedule of Selected Statistics.....	57-61
Schedule of State Findings.....	62
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63-64
Report on Compliance for Each Major Federal Program and Report On Internal Control Over Compliance Required by the Uniform Guidance.....	65-66
Schedule of Expenditures of Federal Awards.....	67
Notes to the Schedule of Expenditures of Federal Awards.....	68
Schedule of Findings and Questioned Costs.....	69-70
Summary Schedule of Prior Audit Findings.....	71
 <u>COMPONENT UNIT STATEMENT</u>	
Statement of Revenues, Expenditures and Changes in Fund Balances – All Capital Projects Funds - Modified Cash Basis.....	72

FINANCIAL SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Mehlville R-IX School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, the blended component unit, each major fund and remaining fund information of the District as of June 30, 2021, and the respective changes in modified cash-basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The Management's Discussion and Analysis, Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules presented on pages 48 through 52 and the Schedule of Expenditures of Federal Awards presented on page 67 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Management's Discussion and Analysis on pages 3 through 12 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

December 9, 2021

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The discussion and analysis of Mehlville School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2021, and provides a comparison to the previous fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at Mehlville School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the Mehlville School District's financial performance.

Using this Other Comprehensive Basis of Accounting Report (OCBOA)

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities on pages 13 and 14 provide information about the activities of the Mehlville School District as a whole and present a longer-term view of the School District's finances. Mehlville School District also prepares fund financial statements which start on page 15. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The view of the School District as a whole looks at all financial transactions and asks the question, "Is the School District's financial position as a whole, better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities on pages 13 and 14 answer this question. These statements include all significant assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. Like most school districts in the State of Missouri, the District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Missouri, required educational programs, student enrollment and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports on Governmental Activities. Governmental Activities are the School District's programs and services including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s major funds and begin on page 15. The School District uses several funds to account for a multitude of financial transactions. However, the fund financial statements focus on the aggregate of the School District’s four significant funds.

Governmental Funds - The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and presents the year-end balances available for spending in future periods. These statements include all significant assets and liabilities using the modified cash basis of accounting, which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. Like most school districts in the State of Missouri, the District’s policy is to prepare its financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District’s net position for the fiscal year ended June 30, 2021, and for comparison the net position of the fiscal year ended June 30, 2020:

Table 1 Net Position		
Assets	2020-21 Governmental Activities	2019-20 Governmental Activities
Cash and Cash Equivalents	\$ 82,110,531	\$ 43,241,232
Investments	9,850,266	10,240,476
Escrow Deposits for Debt Service	0	0
Escrow Deposits for Component Unit	1,611,958	537
Total Assets	\$ 93,572,755	\$ 53,482,245

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Net Position

Restricted for:

Debt Service Fund	\$	-	\$	-
Capital Projects		40,559,739		3,185,318
Future Claims		12,346,882		12,088,376
Component Unit		1,611,958		537
Unrestricted		<u>39,054,176</u>		<u>38,208,014</u>
Total Net Position	\$	<u>93,572,755</u>	\$	<u>53,482,245</u>

The School District's total net position at June 30, 2021, was \$93.6M which represents cash and investments. Total net position increased from the prior year by \$40.1M. The overall net increase resulted primarily from the following:

- 1) Capital project funds, which pay for items such as building renovations, lease payments, equipment and vehicles, increased \$37.4M due to general obligation bond proceeds from Prop S that was passed on April 6, 2021 for \$35M plus a \$2.7M premium gains.
- 2) Component unit funds increased \$1.6M due to a timing difference of collecting Certificate of Participation debt payment from the district in late FY21 and not paying the lender until FY22.
- 3) Future claims increased \$.2M due to increasing self-insurance fund reserves.
- 4) Unrestricted net assets, (the part of net assets that can be used to finance day-to-day activities without constraints), increased \$.9M from the prior year due to operating gains.

Table 2 shows the changes in net position for the fiscal year.

Table 2
Changes in Net Position- District Activities

		2019-20 Governmental Activities		2019-20 Governmental Activities
Revenues				
Operating Grants and Contributions:				
Instruction & Instructional Improvement	\$	18,588,090	\$	18,806,493
Transportation		955,480		780,280
Food Service		3,120,713		1,439,507
Charges for Services:				
Instruction		1,822,696		2,065,503
Food Service		153,051		1,760,961
Student Transportation		1,016,364		1,219,318
Student Activities		668,933		1,400,192
Other		406,444		573,624
General Revenues:				
Taxes Levied for General Purposes		21,766,263		29,810,767
Taxes Levied for Special Fund		57,394,533		49,360,364
Taxes Levied for Debt Service Fund		-		-

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Taxes Levied for Capital Project Fund	10,154,897	10,412,528
Federal, State and County – Unrestricted	5,708,900	4,935,005
Investment Income	158,265	944,190
Sale of General Obligation Bonds	37,708,737	-
Net Proceeds from COP Issues	(9,839)	(11,764)
Other	216,618	277,874
Total Revenues	159,830,145	123,774,842
Expenses		
Instruction	65,671,292	63,397,976
Support Services		
Attendance	163,001	84,738
Guidance	2,805,863	2,908,092
Health, Psych, Speech, Audio	1,365,520	1,314,031
Improvement of Instruction	1,506,234	1,513,647
Professional Development	372,096	797,021
Media Services	1,088,801	1,888,913
Board of Education Services	332,028	281,427
Executive Administration	3,753,714	3,583,849
Building Level Administration	6,077,288	5,968,830
Business, Fiscal, Internal Svc.	3,093,484	3,056,710
Operation of Plant	9,931,224	9,803,041
Security Services	440,236	612,688
Pupil Transportation	5,133,717	5,603,729
Food Service	3,299,896	3,506,962
Community Services	681,859	751,851
Facilities Acq & Construction	3,218,654	4,701,522
Principal	10,535,530	11,302,636
Interest & Fiscal Charges	269,198	489,594
TOTAL EXPENSES	119,739,635	121,567,257
Increase in Net Position	\$ 40,090,510	\$ 2,207,585

Governmental Activities

Revenues for the School District's governmental activities for FY21 are \$159.8M compared to \$123.8M in FY20. This increase of \$36.0M is explained below.

The main reason for the revenue increase is the sale of general obligation bonds that generated \$37.7M proceeds. Prop S passed on April 6, 2021 for a \$35M bond issue which also generated \$2.7M of bond premium. Related to the bond issue was \$325K cost of issuance expense.

Taxes collected for the four major funds netted a \$.3M decrease in aggregate from the prior year, due to decreases in delinquent, M&M surtax, and financial institution tax, offset partially by a sales tax increase. This is a .3% net decrease. Local taxes were similar to prior year at \$76.1M both years. Mehlville School District is reliant on St. Louis County for collection of property taxes and M&M surtaxes, and on the State of Missouri for collection of Prop C Sales Tax.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Operating grants and contributions comprise revenue received from the governments of the State of Missouri and the United States specifically identified for individual programs such as Basic Formula funding, Early Childhood Special Education, and Title I, II, III, and IV programs. Operating Grants and Contributions revenue increased by \$1.6M, or 7.8%, from the prior year. This increase includes \$2.8M received from various ESSER and CARES relief programs including \$768K from ESSER I, \$825K from ESSER II, \$126K for GEER, \$12K for Access, \$691K for K-12 support, \$114K for state & county support, \$281K for meals, and \$27K unemployment reimbursement.

Charges for services represents revenue received for tuition (Voluntary Inter-district Choice Corporation, or VICC transfer students and SCOPE students - South County Opportunity for the Purpose of Education), homeless student transportation required by the McKinney-Vento Act, student fees for school meals, community education program fees and student activity fundraisers. Charges for services decreased \$3.0M, or 42.1%, from prior year. This decrease was due to the Covid impact that reduced classroom attendance and facility rental, plus reducing student fee meals and moving to free meals reimbursed by federal funds.

Unrestricted revenue is the revenue received from the governments of St. Louis County, the State of Missouri and the United States not specifically identified for individual programs. Revenues are comprised of county fines and state assessed utilities, basic formula/classroom trust, and Medicaid. These funds increased \$.8M, or 15.7% from prior year.

Investment income decreased \$.8M, or 83%, due to significant interest rate decreases. Missouri Securities Investment (MOSIP) offered money market rates of .60% at the end of FY20. Money market rates at the end of FY21 dropped to .06% and were .04% in December, when tax collections can be invested.

Revenue by category and by year was received as follows: 14% in 2021 and 17% in 2020 from Operating Grants and Contributions, 2% in 2021 and 6% in 2020 for Charges for Services, 56% in 2021 and 72% in 2020 from Taxes Levied, 4% in 2021 and 4% in 2020 for Federal, State and County Unrestricted, 24% in 2021 and 0% in 2020 for the sale of general obligation bonds, and 0% in 2021 and 1% in 2020 for other sources. The percentages above reflect that revenue received by category would be relatively consistent were it not for the sale of obligation bonds in 2021.

Expenses for the School District's governmental activities for FY21 were \$119.7M compared to \$121.6M for FY20. The net decrease is \$1.8M, or 1.5%. Further information is given below.

Instruction expenses increased \$3.7M, or 6.0% and support services decreased \$3.1M, or 7.1%. Expenses include salaries for teachers, teacher professional development, student activity club restoration, community communications, teacher supplies, textbooks, library books, technology upgrades, technology one-to-one restoration, school bus purchases, and instructional capital costs.

Capital expense for facilities totaled \$3.2M, a decrease of \$1.5M. Key projects included roofing for Mehlville High, Bernard Middle, and district-wide asphalt maintenance. Land was acquired at Oakville High for additional parking. Also, the district replaced school furniture, 2 service vehicles, and 5 school buses.

The self-insurance fund is also part of the governmental unit reporting, however net profit of the fund is eliminated by reducing total expenses. \$148K profit was netted to reduce total expenses from \$119.8M to \$119.7M. The self-insurance fund incurred \$10.4M claims expense, which is a \$732K increase, or 7.6%, over prior year. However, these expenses are part of the insurance net profit which is then eliminated by reducing total expenses as mentioned above.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Principal and Interest & Other Charges vary from year-to-year based upon the amount of debt scheduled for repayment. Such debt expense decreased \$1.0M compared to prior year.

Expenses by program as defined by Missouri Department of Elementary and Secondary Education and by year were as follows: Instruction comprised 55% in 2021 and 51% in 2020, Support Services comprised 33% in 2021 and 35% in 2020, Facilities Acquisition and Construction comprised 3% in 2021 and 4% in 2020, and Principal, Interest and Other Fees amounted to 9% in 2021 and 10% in 2020.

The Statement of Activities shows the cost of program services and charges for services and grants that offset these services. Table 3 shows the total cost of services and net cost of services for comparing FY21 and FY20. That is, it identifies the cost of these services supported by tax revenue and other revenues.

Table 3
Governmental Activities

Functions/Programs	2020-21		2019-20	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 65,671,292	\$ 44,853,527	\$ 63,397,976	\$ 41,520,025
Support Services				
Attendance	163,001	163,001	84,738	84,738
Guidance	2,805,863	2,805,863	2,908,092	2,908,092
Hlth, Psych, Spch, Audio	1,365,520	1,365,520	1,314,031	1,314,031
Improvement of Instruction	1,506,234	1,244,280	1,513,647	1,119,410
Professional Development	372,096	372,096	797,021	797,021
Media Services	1,088,801	1,088,801	1,888,913	1,888,913
Board of Education Svc.	332,028	332,028	281,427	281,427
Executive Administration	3,753,714	3,753,714	3,583,849	3,583,849
Building Level Admin Bus, Fiscal, Internal Svc.	6,077,288	6,077,288	5,968,830	5,968,830
Operation of Plant	9,931,224	9,931,224	9,803,041	9,803,041
Security Services	440,236	440,236	612,688	612,688
Pupil Transportation	5,133,717	3,161,872	5,603,729	3,604,132
Food Service	3,299,896	26,132	3,506,961	306,493
Community Services	681,859	275,416	751,851	178,228
Facilities Acq. & Const.	3,218,654	3,218,654	4,701,522	4,701,522
Principal	10,535,530	10,535,530	11,302,636	11,302,636
Interest & Fiscal Charges	269,198	269,198	489,594	489,594
Total Expenses	\$119,739,635	\$ 93,007,864	\$121,567,257	\$ 93,521,379

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil. Program revenues in this area are from the state and federal governments as well as the Voluntary Interdistrict Choice Corporation.

Support Services include all expenses that indirectly assist, administer and sustain the teaching of pupils. Program revenues include state and federal funds associated with specific programs like transportation and food service. Also included are student fees for programs such as food service and community education services.

Facility Acquisition and Construction includes the costs of construction, equipment, vehicles and other capital items.

Debt Service (Principal and Interest) as well as Component Unit payments involve the transactions associated with the payment of principal, interest and other related debt charges and lease payments of the School District.

The dependence upon tax revenues is apparent. Over 75% of instruction and support activities are funded through taxes and other general revenues. The community, as a whole, is the primary support for the Mehlville School District.

The School District's Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the cash basis of accounting. The School District uses four major funds to account for financial activity in accordance with Chapter 165 of the Revised Statutes of the State of Missouri:

General Fund – Accounts for general operations and activities of the school district; including non-certified employees' salary and benefits, supplies, textbooks, student activities and food services.

Special Revenue Fund – Primarily accounts for revenue sources legally restricted to salary and benefit expenditures for certified employees.

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

Capital Projects Fund – Accounts for the proceeds of long-term debt, taxes and other revenues restricted for acquisition and/or construction of major capital assets and lease purchase payments of principal and interest.

All governmental funds had total revenue of \$159.8M for FY21 as compared to \$123.8M in FY20. The increase between years is summarized above.

All governmental fund expenditures for FY21 were \$119.7M as compared to \$121.6M in FY20. The increase between years is summarized above.

The net change in fund balances for the year was an increase of \$40.1M.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The School District makes fund transfers in accordance with the laws of the State of Missouri and as appropriate. For FY20, the School District transferred \$20K from the General Fund into the Capital Fund to allow for the remodeling of food service facilities. This transfer was also made in FY21 for \$120K. Additionally, \$1,750K was transferred from the General Fund into the Capital Fund for Prop R related capital projects in both FY20 and FY21. In FY21 an additional transfer of \$2.9M was made from the General Fund into the Capital Fund for the purchase of two properties. The purchase of the 5501 Milburn property was completed in FY21. The purchase of the 2900 Lemay Ferry property will be completed in FY22. Finally, \$260K was transferred in FY21 from the Certificate of Participation (COP) Fund into the Capital Fund which represented the excess funds in the COP Fund after all debt was paid off. The COP Fund now has a zero balance with no outstanding debt.

Budgeting Highlights

The School District's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. The School District continually reviews the budget throughout the fiscal year and makes several amendments during the year as necessary.

The FY22 budget for operating funds is a \$2.3M loss compared to the FY21 operating fund gain of \$.2M. FY21 cash reserves are 35.9% so the operating loss was budgeted based on utilizing reserves that are deemed appropriate for operating needs. This deficit must be short term, however, and appropriate adjustments must be made to eliminate budget deficits in the future.

Normally a forecast is presented for current year, next year and 3 additional years. The forecast is always prefaced as a document to take caution when reviewing projections beyond the budget year because of significant fluctuations that will occur. Due to unprecedented times of uncertainty, the FY22 budget has much greater chance for significant fluctuations. This makes forecast years beyond FY22 somewhat meaningless. Therefore, it is deemed to be of no value to prepare a forecast for FY22 budget.

Capital Assets

The District has chosen to exclude monies invested in land, buildings, furniture and equipment, and vehicles in the current year financial statements.

Debt Administration

The District has long and short-term debt through general obligation bonds, and no longer has debt from certificates of participation or leases. At June 30, 2021, the District has \$35M in general obligation bonds outstanding with payments due through 2041. This debt resulted from passing Prop S on April 6, 2021 which approved \$35M debt. Since the bond proceeds were issued June 3, 2021 there was no principal or interest payments in FY21.

The School District has no outstanding debt in lease certificates of participation at June 30, 2021. Principal of \$12.0M and interest of \$.3M were paid during FY21.

The District has no outstanding debt for capital leases at June 30, 2021. A five-year copier lease that was in the final year in FY21 and all debt is now paid. Principal of \$117K and interest of \$2K were paid during FY21.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Table 5 summarizes the outstanding debt.

Table 5 Outstanding Debt	
General Obligation Bonds	\$ 35,000,000
Lease Certificates of Participation	-
Capital Leases	-
 Total	 \$ 35,000,000 =====

At June 30, 2021, the School District’s overall legal debt margin was approximately \$308.5M. The legal debt margin is the amount of general obligation bond debt a district may have outstanding. Mehlville School District’s general obligation bond debt is about 11% of the maximum allowable amount. The School District could issue an additional \$273.5M in general obligation bonds debt.

Current Financial Issues and Concerns

The Mehlville School District is financially stable and continues to strive to provide quality education and adequate facilities. The School District has continued to provide educational services that are above average for a cost that is less than the state average.

Financial dashboard. There are 22 districts in St. Louis County. Based on 2019-20 DESE data (2020-21 data is not yet available), Mehlville School District is the 4th largest district in the county. Mehlville School District has the 21st lowest tax rate, 20th lowest expense per student, and 22nd lowest debt per student. Mehlville School district ranks 12th in assessed value per student, and 11th in cash reserve percentage. The District is financially prudent with spending and managing cash reserves, but has community resources available if further funding is needed.

Cash reserves are projected to be 30.1% in FY22. The district has maintained healthy cash reserves in recent years. Cash reserves have climbed steadily since 21.3% in FY15, increasing to 25.0% in FY16, 26.7% in FY17, 28.8% in FY18, 30.3% in FY19, 36.2% in FY20, and 35.9% in FY21. Having adequate cash reserves enables the district to avoid suddenly cutting education programs due to economic downturns.

ESSER funding. The district received \$2.8M in FY21 for ESSER I (Elementary and Secondary School Emergency Relief) and various CARES funding. The district has been allocated to receive \$4.1M from ESSER II funding and \$9.1M from ESSER III funding. The FY22 budget plans on spending about \$4.6M of this ESSER funding. Thus, revenues and expenses are increased above normal levels. The district is strategically spending the ESSER funds on non-recurring expenses to avoid future budget problems. The majority of these funds will be spent on learning loss instruction, reimbursing food service operating losses due to Covid, and potentially HVAC replacement.

COP Fund reallocation of 45.25 cents tax levy. Certificate of Participation (COP) debt was funded by a 45.25 cent tax levy equating to about \$9.9M per year. All COP debt was paid off in FY21 so going forward, there is \$9.9M additional annual revenue available for operations or capital. There is a strategic plan to use this revenue stream. About \$2.6M (12 cents) will be used for annual debt payments related to Prop S bonds. In FY22, \$1M will be added to the General Fund, and \$5.3M will be added to Capital Fund reserves to use for future HVAC needs. Through FY28, each year the General Fund allocation will increase by \$1M and the Capital Fund allocation will decrease by \$1M. By FY28, over \$23M will be accumulated in the Capital Fund for HVAC needs while the General Fund will receive a \$1M incremental increase every year. This plan helps both operating and non-operating funds over a 7 year span.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Self-insurance fund. The Mehlville School District maintains a self-funded medical insurance plan and provides medical, dental, vision and life insurance for employees. The dental portion of the insurance fund continues to be stable and adequately reserved. The medical fund portion declined five consecutive years from \$5.9M in 2008 to \$1.5M in 2013. Modest plan changes increased the fund balance to \$1.9M in 2014 which was still below the \$2.5M estimate to cover run out claims. More significant changes for 2015 increased the fund balance to \$4.3M in 2015, \$6.1M in 2016, \$9.4M in 2018, \$10.0M in 2019, and \$9.6M in 2020. The fund balance is now be well-funded.

VICC. A community engagement process was implemented by the District in FY05 to study the future of Mehlville School District's continued participation in the Voluntary Interdistrict Choice Corporation. Enrollment is slowly declining as the program is gradually being phased out. FY21 revenue was \$1.6M, down from \$1.75M the prior year.

Prop S. As noted earlier, Prop S bond proceeds of \$37.7M were received in FY21. Capital funds will be used for specified projects over the next few years to provide security, facility improvements, and HVAC replacement.

Finally, **Prop A** is a ten year, temporary 4 cent transfer from the Debt Service Fund to the Capital Fund that was passed April 2016 with 64% voter approval. Prop A will generate approximately \$720K revenue and will be used entirely for roofing and HVAC capital needs. Prop A revenue will end after FY2026.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the funds it receives. If you have questions about this report or need additional financial information please contact Marshall Crutcher, Chief Financial Officer at Mehlville School District, 3120 Lemay Ferry Road, St. Louis, MO 63125, 314-467-5000.

BASIC FINANCIAL STATEMENTS

Mehlville R-IX School District
Statement of Net Position - Modified Cash Basis
As of June 30, 2021

Assets	<u>Governmental Activities</u>
Current Assets:	
Cash and cash equivalents (Note II)	\$ 39,054,176.43
Investments	-
Restricted Assets:	
Cash and cash equivalents (Note II)	40,559,738.79
Investments	-
Investments in Escrow	-
Component Unit Escrow Deposits	1,611,958.36
Self Insurance Cash	2,496,616.00
Self Insurance Investments	<u>9,850,265.54</u>
Total Assets	<u>\$ 93,572,755.12</u>
Net Position	
Restricted:	
Debt Service	\$ -
Component Unit Escrow Deposits	
For Future Claims	12,346,881.54
Capital Projects Fund	-
Total Restricted	<u>12,346,881.54</u>
Unrestricted	81,225,873.58
Total Unrestricted	<u>81,225,873.58</u>
Total Net Position	<u>\$ 93,572,755.12</u>

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

Mehlville R-IX School District
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 65,330,003.89	\$ 1,814,820.35	\$ 18,326,135.72	\$ 7,875.76	\$ (45,181,172.06)
Attendance	163,000.54	-	-	-	(163,000.54)
Guidance	2,805,863.17	-	-	-	(2,805,863.17)
Health, Psych Speech and Audio	1,365,520.27	-	-	-	(1,365,520.27)
Improvement of Instruction	1,506,234.25	-	261,954.56	-	(1,244,279.69)
Professional Development	372,095.73	-	-	-	(372,095.73)
Media Services (Library)	1,088,800.66	-	-	-	(1,088,800.66)
Board of Education Services	332,028.37	-	-	-	(332,028.37)
Executive Administration	3,753,713.71	-	-	-	(3,753,713.71)
Building Level Administration	6,077,287.74	-	-	-	(6,077,287.74)
Business Central Service	3,093,484.25	-	-	-	(3,093,484.25)
Operation of Plant	9,931,224.29	-	-	-	(9,931,224.29)
Security Services	440,236.48	-	-	-	(440,236.48)
Pupil Transportation	5,133,716.69	1,016,364.02	955,480.33	-	(3,161,872.34)
Food Services	3,299,895.93	153,051.37	3,120,712.70	-	(26,131.86)
Printing & Publishing Services	121,489.37	-	-	-	(121,489.37)
Other Supporting Services	38,677.56	-	-	-	(38,677.56)
Student Activities	181,120.68	668,932.60	-	-	487,811.92
Community Services	220,515.14	406,443.54	-	-	185,928.40
Early Childhood	461,344.03	-	-	-	(461,344.03)
Capital Outlay	3,218,654.45	-	-	-	(3,218,654.45)
Debt Service:					
Principal Retirement	10,535,529.96	-	-	-	(10,535,529.96)
Interest and Fiscal Charges	269,197.64	-	-	-	(269,197.64)
					-
Total Governmental Activities	\$ 119,739,634.81	\$ 4,059,611.88	\$ 22,664,283.31	\$ 7,875.76	(93,007,863.86)
					26,731,770.95
General revenues:					
Taxes:					
Property taxes, levied for general purposes					21,766,263.31
Property taxes, levied for special revenue					57,394,532.74
Property taxes, levied for debt service					-
Property taxes, levied for capital projects					10,154,896.50
Federal, State and County aid not restricted to specific purposes					5,708,899.79
Interest and investment earnings					158,265.75
Sale of General Obligation Bonds					37,708,737.00
COP Fees					(9,839.24)
Miscellaneous					216,618.45
Subtotal, general revenues					133,098,374.30
					40,090,510.44
Changes in Net Position					
Net Position July 1, 2020					53,482,244.68
Net Position June 30, 2021					\$ 93,572,755.12

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

Mehlville R-IX School District
Balance Sheet - Modified Cash Basis -
All Governmental Funds - Including Component Unit
As of June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents (Note II)	\$ 35,212,126.15	\$ 3,842,050.28	\$ -	\$ -	\$ 39,054,176.43
Investments	-	-	-	-	-
Restricted Assets:					
Cash and Cash Equivalents (Note II)	-	-	-	40,559,738.79	40,559,738.79
Investments	-	-	-	-	-
Investments in Escrow	-	-	-	-	-
Component Unit Escrow Deposits	-	-	-	1,611,958.36	1,611,958.36
Total Assets:	<u>\$ 35,212,126.15</u>	<u>\$ 3,842,050.28</u>	<u>\$ -</u>	<u>\$ 42,171,697.15</u>	<u>\$ 81,225,873.58</u>
LIABILITIES AND FUND BALANCES					
Fund Balances:					
Restricted for:					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	-	42,171,697.15	42,171,697.15
Assigned to:					
Special Revenue Fund	-	3,842,050.28	-	-	3,842,050.28
Capital Projects Fund	-	-	-	-	-
Unassigned	35,212,126.15	-	-	-	35,212,126.15
Total Fund Balances:	<u>\$ 35,212,126.15</u>	<u>\$ 3,842,050.28</u>	<u>\$ -</u>	<u>\$ 42,171,697.15</u>	<u>\$ 81,225,873.58</u>

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

Mehlville R-IX School District
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis -
All Governmental Funds-Including Component Unit
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local Sources	\$ 24,069,740.16	\$ 57,508,129.59	\$ -	\$ 10,586,708.52	\$ 92,164,578.27
County Sources	429,682.82	1,088,932.56	-	190,181.10	1,708,796.48
State Sources	5,892,597.39	12,970,617.99	-	978,951.74	19,842,167.12
Federal Sources	6,429,309.30	605,190.36	-	-	7,034,499.66
TOTAL REVENUES	36,821,329.67	72,172,870.50	-	11,755,841.36	120,750,041.53
Expenditures					
Current					
Regular Instruction	7,181,635.02	58,267,713.28	-	153,364.58	65,602,712.88
Attendance	163,228.42	-	-	-	163,228.42
Guidance	422,218.41	2,387,567.52	-	-	2,809,785.93
Health, Psych Speech & Audio	1,291,515.31	75,914.04	-	-	1,367,429.35
Improvement of Instruction	215,334.35	1,228,693.72	-	64,311.98	1,508,340.05
Professional Development	285,081.90	87,534.04	-	-	372,615.94
Media Services	252,599.51	837,723.36	-	-	1,090,322.87
Board of Education Services	332,492.56	-	-	-	332,492.56
Executive Administration	2,742,485.39	792,364.71	-	224,111.52	3,758,961.62
Building Level Administration	1,944,573.60	4,141,210.54	-	-	6,085,784.14
Business Central Services	2,442,431.68	655,377.44	-	-	3,097,809.12
Operation of Plant	9,813,145.96	-	-	131,962.75	9,945,108.71
Security Services	440,851.96	-	-	-	440,851.96
Pupil Transportation	4,634,539.20	-	-	506,354.72	5,140,893.92
Food Service	3,184,335.37	-	-	120,174.00	3,304,509.37
Printing & Publishing Services	121,659.22	-	-	-	121,659.22
Other Supporting Services	-	-	-	38,731.63	38,731.63
Community Services	216,806.08	4,017.35	-	-	220,823.43
Early Childhood	124,769.66	337,219.36	-	-	461,989.02
Capital Outlay	-	-	-	3,218,654.45	3,218,654.45
Debt Service:					
Principal	-	-	-	10,535,529.96	10,535,529.96
Interest and Charges	-	-	-	269,197.64	269,197.64
Total Support Services	35,809,703.60	68,815,335.36	-	15,262,393.23	119,887,432.19
Excess (Deficiency) of Revenues Over Expenditures	1,011,626.07	3,357,535.14	-	(3,506,551.87)	862,609.34
Other Financing Sources (Uses):					
Transfers	(4,770,174.00)	-	-	4,770,174.00	-
Tuition from other Districts	-	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-	-
Sale of Bonds	-	-	-	37,708,737.00	37,708,737.00
Sale of Other Property	147.00	-	-	23,322.35	23,469.35
COP'S issued(2013, 2014A, 2014B, 2014C)	-	-	-	-	-
Debt Retired from Refinancing (2004, 2010, 2011)	-	-	-	-	-
Cost of Issuance	-	-	-	(9,839.24)	(9,839.24)
Contracted Educational Services	241,360.00	-	-	-	241,360.00
Transportation From Other LEA's for Non Disabled Route	53,409.17	-	-	-	53,409.17
Trans. Amounts from other LEA's for K-12 Disabled Students	952,259.15	-	-	-	952,259.15
Total Other Financing Sources (Uses)	(3,522,998.68)	-	-	42,492,394.11	38,969,395.43
NET CHANGE IN FUND BALANCES	(2,511,372.61)	3,357,535.14	-	38,985,842.24	39,832,004.77
Fund Balances July 1, 2020	37,723,498.76	484,515.14	-	3,185,854.91	41,393,868.81
Fund Balances June 30, 2021	\$ 35,212,126.15	\$ 3,842,050.28	\$ -	\$ 42,171,697.15	\$ 81,225,873.58

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

Mehlville R-IX School District
Reconciliation of the Governmental Funds Balance Sheet
with the Government-Wide Statement of Net Position - Modified Cash Basis
As of June 30, 2021

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

Total Fund Balance - Governmental Funds	\$ 81,225,873.58
Total Net Position - Self-Insurance	12,346,881.54
	<hr/>
Total Net Position - Governmental Activities	<u>\$ 93,572,755.12</u>

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

Mehlville R-IX School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds	\$ 39,832,004.77
Total net change in net position - self-insurance	258,505.67
	<hr/>
Change in net position of statement of activities	<u><u>\$ 40,090,510.44</u></u>

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

**Mehlville R-IX School District
Statement of Net Position
Modified Cash Basis - Proprietary Fund
As of June 30, 2021**

	<u>Self Insurance Fund</u>
ASSETS	
Restricted:	
Cash and Cash Equivalents	\$ 2,496,616.00
Investments	<u>9,850,265.54</u>
Total Assets	<u><u>\$ 12,346,881.54</u></u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	<u>\$ -</u>
Total Liabilities	<u><u>\$ -</u></u>
NET POSITION	
Restricted for Future Claims	\$ 12,346,881.54
Unrestricted	<u>-</u>
Total Net Position	<u><u>\$ 12,346,881.54</u></u>

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

**Mehlville R-IX School District
Statement of Revenues, Expenses and
Changes in Fund Net Position -
Modified Cash Basis - Proprietary Fund
As of June 30, 2021**

OPERATING REVENUES	
Self-Insurance Premiums	\$ 11,931,388.11
Total Operating Revenues	<u>11,931,388.11</u>
 OPERATING EXPENSES	
Claims	10,367,736.42
Administration Fees	1,415,854.31
Total Operating Expenses	<u>11,783,590.73</u>
 Operating Income (Loss)	 147,797.38
 NON-OPERATING REVENUES (EXPENSES)	
Interest Income	110,708.29
Total Non-Operating Revenues (Expenses)	<u>110,708.29</u>
 Income (Loss) Before Capital Contributions	 258,505.67
 Capital Contributions	 <u>-</u>
 Change in Net Position	 258,505.67
 Total Net Position - July 1, 2020	 <u>12,088,375.87</u>
 Total Net Position - June 30, 2021	 <u><u>\$ 12,346,881.54</u></u>

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

**Mehlville R-IX School District
Statement of Cash Flows
Modified Cash Basis - Proprietary Fund
As of June 30, 2021**

	Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	\$ 11,931,388.11
Cash Payments for Insurance Claims and Fees	(11,783,590.73)
Net Cash Provided (Used) by Operating Activities	147,797.38
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments (including matured investments)	110,708.29
Net Increase (Decrease) in Cash and Cash Equivalents	258,505.67
Cash and Cash Equivalents - July 1, 2020	12,088,375.87
Cash and Cash Equivalents - June 30, 2021	12,346,881.54
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	147,797.38
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 147,797.38

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

Mehlville R-IX School District
Statement of Fiduciary Net Position
Modified Cash Basis - Fiduciary (Agency) Fund
As of June 30, 2021

	<u>Flex Spending Account</u>
Assets	
Cash and Cash Equivalents	\$ 37,855.98
Total Assets	37,855.98
 Liabilities	
Reserved for Future Claims	37,855.98
Total Liabilities	\$ 37,855.98
 Net Position	
Net Investment in Capital Assets	\$ -
Restricted	-
Unrestricted	-
Total Net Position	\$ -

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of Mehlville R-IX School District have been prepared on the modified cash basis of accounting, which is a special purpose framework that differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. A decision whether to include a potential component unit in the reporting entity would be made by applying criteria set forth in GAAP. One of the criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has determined that no other outside agency meets the above criteria and therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of the entity. The following is a brief review of each potential component unit addressed in defining the District's reporting entity.

Included in the reporting entity:

Mehlville R-IX School District Public Facilities Authority: 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 Public Facilities Authority, the corporation's sole source of revenue is lease payments from the District. The financial information presented for the Public Facilities Authority has been blended with that of the District.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excluded from the reporting entity:

Public School Retirement System of Missouri, Non-Teacher School Employee Retirement System and Missouri United School Insurance Council (MUSIC). The participating School District's governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

The Mehlville-Oakville School District Foundation is an independent unit that provides financial support to the District by funding educational activities not included in the District budget.

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 District, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and modified cash basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues of the District and for each program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or drawing from the District's general revenues.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Fund Accounting

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, and fund balances arising from revenues and expenditures. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The District uses the following funds:

General (Incidental) Fund: This fund is the general operating fund of the District, and it accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund: A special revenue fund is required to be established by state law, which accounts for expenditures for certified employees involved in instruction and administration, and includes revenues restricted by the state and local tax levy allocations for teacher salaries and certain benefits.

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

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

Proprietary funds include enterprise and internal service funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net position. Internal service funds are established to account for services furnished by a district department to other departments on a cost reimbursement basis. The District's proprietary fund includes the activity of the District's self-insured medical benefits account.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses normally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are District and employee contributions. Operating services of this internal service fund include benefit payments, insurance premiums and administrative costs. Investment income is reported as non-operating revenue.

Fiduciary Funds

The Statement of Fiduciary Net Position (Agency Fund) accounts for assets held by the District in a trustee capacity to pay for flex spending claims and contributions deducted from employees' paychecks.

Cash and Cash Equivalents

The District considers all liquid investments with original maturities of three months or less to be cash equivalents.

Basis of Accounting

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

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (concluded)

In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and post-employment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

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

Fiduciary Funds are maintained on the cash basis of accounting. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenue is recorded when received and expenditures are recorded when paid.

Revenues-Exchange and Non-Exchange Transactions

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

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

Fund Balance Classification

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

- Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact. The District did not have any nonspendable resources as of June 30, 2021.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District-held bonds and are restricted through debt covenants.

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (concluded)

- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education. Formal action must be taken prior to the end of the fiscal year, such as a vote from the Board of Education. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, the Board of Education, or a body or official, like the Superintendent, who has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.
- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The District would typically use restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer using these other classified funds.

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

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General (Incidental) Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue/ (Teacher) Fund	-	-	-	3,842,050.28
Debt Service Fund	-	-	-	-
Capital Projects Fund	-	42,171,697.15	-	-
Total	<u>\$ -</u>	<u>\$ 42,171,697.15</u>	<u>\$ -</u>	<u>\$ 3,842,050.28</u>

Post-Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. As of June 30, 2021, there was one participant in the program.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Inventories

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

Self-Insured Medical Benefits

The District is under a self-insured plan to provide medical benefits to participating employees and their families. The participating employees contribute to the self-insurance fund through payroll deductions based on their coverage election. The District's maximum liability for each employee and in the aggregate for a one-year period is limited by insurance coverage. Transactions for the self-funded insurance are recorded in the Internal Service Fund.

Flex Spending Arrangement

The District has established a *flexible spending arrangement*, which is a benefit that provides employees with coverage under which specified, incurred expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions). This arrangement allows participating employees to make pre-tax contributions to the flexible spending arrangement accounts for reimbursements of health and/or dependent care expenses.

The employee does run the risk of forfeiture of any unused contribution by the end of the maximum time period allowed under the plan. A third party administers the reimbursement for the District. The District merely acts as an agent, withholding the funds and reimbursing approved health and/or dependent care expenses.

Teachers' Salaries

The salary payment schedule of the District for the 2020-21 school year requires salaries over a 12-month period. Consequently, the July and August 2021 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of May. This practice has been consistently followed in previous years.

Compensated Absences

Vacation time, personal sick days and sick leave are considered an expenditure in the year paid. Amounts that are unpaid and vested in the employee are paid at termination. Total unused sick days at June 30, 2021, amounted to approximately \$3,193,507. This estimate has not been subjected to auditing procedures.

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

II. DEPOSITS AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law.

Governmental and Proprietary Funds

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2021, the carrying amount of the District's governmental fund deposits was \$79,613,915.22, and the carrying amount of the District's proprietary fund deposits was \$12,346,881.54. The bank balance was \$93,226,490.17. Of the bank balance, \$250,000.00 was covered by federal depository insurance, and \$92,976,490.17 was covered by collateral held at the Federal Reserve Bank and the District's safekeeping bank agent, in the District's name. The component unit amounts of \$1,611,958.36 are held by a trustee in the District's name and are invested in federal securities.

The deposits and investments held at June 30, 2021, for the governmental and proprietary funds are reported at fair market value and are as follows:

<u>TYPE</u>	<u>MATURITIES</u>	<u>FMV</u>
Governmental Funds		
Deposits:		
Demand Deposits	N/A	\$ 39,054,176.43
Restricted Cash	N/A	40,559,738.79
Component Unit Escrow Deposits	N/A	<u>1,611,958.36</u>
Subtotal Deposits		81,225,873.58
<u>TYPE</u>		
Proprietary Funds		
Restricted:		
Self Insurance Fund - Cash	N/A	<u>2,496,616.00</u>
Subtotal Deposits		<u>2,496,616.00</u>
Grand Total Deposits		<u>\$ 83,722,489.58</u>

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

II. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, the District had the following investments and maturities:

TYPE	FAIR VALUE	MATURITY LESS THAN 1 YEAR	MATURITY 1-5 YEARS
<u>Proprietary Funds</u>			
MOSIP	\$ 9,850,265.54	\$ 9,850,265.54	\$ -
Subtotal Investments	<u>9,850,265.54</u>	<u>9,850,265.54</u>	<u>-</u>
Grand Total Investments	<u>\$ 9,850,265.54</u>	<u>\$ 9,850,265.54</u>	<u>\$ -</u>

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

II. DEPOSITS AND INVESTMENTS (CONCLUDED)

Concentration of Investment Credit Risk

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

SUMMARY OF CARRYING VALUES

Included in the following fund financial statement captions:

Balance Sheet – All Governmental Funds	
Cash	\$ 39,054,176.43
Restricted:	
Cash	40,559,738.79
Investments	-
Investments in Escrow	-
Component Unit Escrow Deposits	1,611,958.36
	<u>\$ 81,225,873.58</u>
Statement of Net Position – Proprietary Fund	
Restricted:	
Cash	\$ 2,496,616.00
Investments	9,850,265.54
	<u>\$ 12,346,881.54</u>

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State, and it is remitted based on prior year weighted average daily attendance.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

III. TAXES (CONCLUDED)

The assessed valuation of the tangible taxable property (including state assessed railroad and utilities) for the calendar year 2020, for purposes of local taxation, was:

Real Estate:	
Residential	\$ 1,441,847,410
Agricultural	188,280
Commercial	338,310,570
Personal Property	<u>276,489,280</u>
TOTAL	<u>\$ 2,056,835,540</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2020-21, for purposes of local taxation, was:

	<u>UNADJUSTED</u>	<u>ADJUSTED</u>
General Fund	\$ 0.9878	\$ 0.9878
Special Revenue Fund	2.3300	2.3300
Debt Service Fund	0.0000	0.0000
Capital Projects Fund	<u>0.4878</u>	<u>0.4878</u>
TOTAL	<u>\$ 3.8056</u>	<u>\$ 3.8056</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 98.70% of the current assessment computed on the basis of the levy as shown above.

IV. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description	Beginning Balance July 1, 2020	Current Year Additions	Current Year Deletions & Payments	Ending Balance June 30, 2021	Interest Paid Current Year
General Obligation Bonds	\$ -	\$ 35,000,000.00	\$ -	\$ 35,000,000.00	\$ -
Capital Leases	\$ 12,030,000.00	\$ -	\$ 12,030,000.00	\$ -	\$ 220,405.00
Other Debt	\$ 116,933.70	\$ -	\$ 116,933.70	\$ -	\$ 2,388.90
Total	<u>\$ 12,146,933.70</u>	<u>\$ 35,000,000.00</u>	<u>\$ 12,146,933.70</u>	<u>\$ 35,000,000.00</u>	<u>\$ 222,793.90</u>

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

IV. CHANGES IN LONG-TERM DEBT (CONTINUED)

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of the district (including state-assessed railroad and utilities). The District did not exceed the legal debt margin at June 30, 2019.

GENERAL OBLIGATION BONDS

During the 2021 fiscal year, the District entered into series 2021 General Obligation Bonds, dated May 20, 2021, with a final maturity on March 1, 2041. Principal is payable on March 1, and interest is payable on September 1 and March 1. Interest rate is fixed at 3.000%. Principal payments will range from \$1,450,000 to \$2,375,000. The proceeds of the Series 2021 Bonds will be used for the purpose of acquiring, constructing, renovating, expanding, improving, furnishing and equipping school sites, buildings, and related facilities, including roof, HVAC, security and parking improvements recommended by the Facilities Steering Committee of the District.

The following schedule details the minimum requirements for the District's payments on outstanding General Obligation Bonds:

YEAR END	PRINCIPAL	INTEREST	TOTAL
2022	\$ -	\$ 781,666.67	\$ 781,666.67
2023	1,450,000.00	1,050,000.00	2,500,000.00
2024	1,500,000.00	1,006,500.00	2,506,500.00
2025	1,525,000.00	961,500.00	2,486,500.00
2026	1,550,000.00	915,750.00	2,465,750.00
2027-2031	8,325,000.00	3,858,000.00	12,183,000.00
2032-2036	9,550,000.00	2,541,750.00	12,091,750.00
2037-2041	11,100,000.00	1,019,250.00	12,119,250.00
	\$ <u>35,000,000.00</u>	\$ <u>12,134,416.67</u>	\$ <u>47,134,416.67</u>

CAPITAL LEASES

During the 2014 fiscal year, the District entered into series 2014B Lease Refunding Certificates of Participation through their component unit, Mehlville R-IX School District Public Facilities Authority, dated April 8, 2014, with a final maturity of April 15, 2021. Principal is payable on April 15, and interest is payable on October 15 and April 15. Interest rates are variable from .500% to 2.400%. The proceeds of the Series 2014B Certificates will be used for the purpose of (1) providing the District funds in an amount sufficient to refund a portion of the Principal Component of the District's Lease Refunding Certificates of Participation, Series 2010, maturing on April 15, 2015, through April 15, 2019, and the Lease Refunding Certificates of Participation Series 2011, maturing on April 15, 2020, through April 15, 2021, which was prepaid on April 15, 2014, and (2) paying the costs of delivering the Series 2014B Certificates.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

IV. CHANGES IN LONG-TERM DEBT (CONTINUED)

During the 2017 fiscal year, the District entered into series 2016A Lease Refunding Certificate of Participation dated October 13, 2016, with a final maturity of April 15, 2021. Principal is payable on April 15, and interest is payable on October 15. Interest rates are variable from .600% to 1.250%. The proceeds of the Series 2016A are for the purpose of providing the District funds to refund the outstanding principal of the Series 2014A.

During the 2017 fiscal year, the District entered into series 2016B Lease Refunding Certificate of Participation dated October 13, 2016, with a final maturity of April 15, 2021. The principal payment is payable on April 15, 2021, and interest payments are payable on April 15 and October 15. The interest rate for the Series 2016B is 1.300%. The proceeds of the Series 2016B are for the purpose of providing the District funds to refund the outstanding principal of the Series 2012A.

During the 2019 fiscal year, the District entered into series 2019 Lease Refunding Certificate of Participation dated January 16, 2019 with a final maturity of April 13, 2022. The principal payment is payable on April 14, 2020, and interest payments are payable on April 15 and October 15. The interest rate for the Series 2019 is 3.000%. The proceeds of the Series 2019 are for the purpose of providing the District funds for the base rentals. This Certificate of participation was paid off during fiscal year 2021.

OTHER DEBT

On June 25, 2016, the District entered into a lease purchase agreement with De Lage Landen Public Finance for document and network technologies in the amount of \$543,244.65. The principal and interest payments begin on July 25, 2016, and are made monthly with an interest rate of 3.75%. Payments mature on June 25, 2021.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan - PSRS

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

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan – PSRS (CONCLUDED)

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

The District's contributions to PSRS were \$8,421,441.18 for the year ended June 30, 2021.

General Information about the Pension Plan - PEERS

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

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

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psr-peers.org.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS were \$1,197,798.05 for the year ended June 30, 2021.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan – PSRS and PEERS

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

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

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

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

- If the CPI decreases, no COLA is provided.

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

Pension Liabilities and Pension Expense - PSRS

At June 30, 2021, the District recorded a liability of \$100,988,539 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$8,186,829 paid to PSRS for the year ended June 30, 2020, relative to the actual contributions of \$723,970,206 from all participating employers. At June 30, 2020, the District's proportionate share was 1.1308%.

Pension Liabilities and Pension Expense - PEERS

At June 30, 2021, the District recorded a liability of \$9,332,879 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$1,186,960 paid to PEERS for the year ended June 30, 2020, relative to the actual contributions of \$123,440,288 from all participating employers. At June 30, 2020, the District's proportionate share was 0.9616%.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021. Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2020
- Valuation Date	June 30, 2020
- Expected Return on Investments	7.50%, net of investment expenses and including 2.25% inflation
- Inflation	2.25%
- Total Payroll Growth - PSRS	2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.
- Total Payroll Growth - PEERS	3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.
- Future Salary Increases - PSRS	3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit, promotion, and seniority of 0.25% to 6.75%.
- Future Salary Increases - PEERS	4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity, and real wage growth for merit, promotion, and seniority of 0.75% to 7.75%.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (CONTINUED)

- Cost-of-Living Increases – Both The annual COLA assumed in the valuation increases from 1.35% to 1.65% over six years beginning January 1, 2022. The COLA reflected for January 1, 2021, is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

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

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

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

- If the CPI decreases, no COLA is provided.

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

- Mortality Assumption

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

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (CONTINUED)

Non-Disabled Retirees, Beneficiaries and Survivors - PSRS:	RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Non-Disabled Retirees, Beneficiaries and Survivors - PEERS:	RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Disabled Retirees - Both:	RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

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

Fiduciary Net Position

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

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (CONTINUED)

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

- Discount Rate

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

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (CONTINUED)

- Discount Rate Sensitivity

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

Discount Rate	<u>1% Decrease (6.50%)</u>	<u>Current Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
PSRS Proportionate share of the Net Pension			
Liability / (Asset)	\$171,372,145	\$100,988,539	\$42,455,547
PEERS Proportionate share of the Net Pension			
Liability / (Asset)	\$16,447,231	\$9,332,879	\$3,363,502

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

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	1.1437%	\$46,921,155	\$50,888,111	92.20%	89.34%
6/30/15	1.1550%	\$66,676,534	\$52,406,841	127.23%	85.78%
6/30/16	1.0878%	\$80,939,378	\$50,326,237	160.83%	82.18%
6/30/17	1.1103%	\$80,180,595	\$52,468,722	152.82%	83.77%
6/30/18	1.1096%	\$82,581,497	\$53,475,056	154.43%	84.06%
6/30/19	1.1222%	\$82,819,150	\$55,225,024	149.97%	84.62%
6/30/20	1.1308%	\$100,988,539	\$56,583,399	178.48%	82.01%

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

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	1.0536%	\$3,847,388	\$15,364,519	25.04%	91.33%
6/30/15	1.0539%	\$5,574,142	\$15,802,494	35.27%	88.28%
6/30/16	0.9825%	\$7,882,944	\$15,171,374	51.96%	83.32%
6/30/17	0.9454%	\$7,212,937	\$15,192,631	47.48%	85.35%
6/30/18	0.9689%	\$7,486,810	\$16,121,220	46.44%	86.06%
6/30/19	0.9755%	\$7,715,825	\$16,925,499	45.59%	86.38%
6/30/20	0.9616%	\$9,332,879	\$17,287,270	53.99%	84.06%

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

V. RETIREMENT PLAN (CONCLUDED)

Schedule of Employer Contributions - PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	\$7,097,803	\$7,097,803	\$ -	\$49,025,716	14.48%
6/30/14	7,364,951	7,364,951	-	50,888,111	14.47%
6/30/15	7,583,755	7,583,755	-	52,406,841	14.47%
6/30/16	7,286,814	7,286,814	-	50,326,237	14.48%
6/30/17	7,595,599	7,595,599	-	52,468,722	14.48%
6/30/18	7,736,184	7,736,184	-	53,475,056	14.47%
6/30/19	7,987,345	7,987,345	-	55,225,024	14.46%
6/30/20	8,186,829	8,186,829	-	56,583,399	14.47%

Schedule of Employer Contributions - PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	\$1,004,540	\$1,004,540	\$ -	\$14,643,429	6.86%
6/30/14	1,054,006	1,054,006	-	15,364,519	6.86%
6/30/15	1,084,051	1,084,051	-	15,802,494	6.86%
6/30/16	1,040,758	1,040,758	-	15,171,374	6.86%
6/30/17	1,042,216	1,042,216	-	15,192,631	6.86%
6/30/18	1,105,916	1,105,916	-	16,121,220	6.86%
6/30/19	1,161,677	1,161,677	-	16,925,499	6.86%
6/30/20	1,186,960	1,186,960	-	17,287,270	6.86%

VI. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all district employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In accordance with Internal Revenue Code Section 457, the deferred compensation is put in accounts under the participating employee's name. The plans are administered by independent plan administrators through administrative service agreements. The District's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. The assets will not be diverted to any other purpose. Therefore, the financial activity of these plans is no longer reported in the District's Agency Fund.

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

VII. EMPLOYEE BENEFIT PLAN

The District offers its employees tax sheltered investment programs created in accordance with Internal Revenue Service Code Section 403(b). The plan is available to all District employees and permits them to accumulate funds through salary deferral on a tax-free basis until such funds are withdrawn from the plan.

VIII. SELF-INSURED AND POST-RETIREMENT MEDICAL BENEFITS

The District generally retains the risks related to its obligations to provide medical benefits to participating employees. These employees contribute to the self-insurance fund through payroll deductions based on their coverage election. However, the District's maximum liability for each employee or in the aggregate for a one-year period is limited by excess insurance coverage.

The District permits its retirees, both classified and certified, to participate in the medical insurance programs offered to current employees, including the District's self-insurance program. Retirees pay 100% of the insurance premiums or applicable contributory amounts in the case of the self-insurance program. The amount of medical benefits paid through the self-insurance program during 2020-2021 for retirees, in excess of their contributions, is not readily determinable.

IX. ST. LOUIS DESEGREGATION PROGRAM

The District was a party to, and bound by, the terms of the Settlement Agreement negotiated in 1983 regarding the St. Louis desegregation case. On October 1, 1991, the District filed a motion for final judgment notifying the court that it met the required plan ration in September 1991. On November 4, 1991, the District received a final judgment from the U.S. District Court stating that the District had satisfied its inter-district pupil desegregation obligations. The District remains under a voluntary obligation to comply with all terms of the new settlement agreement negotiated in 1999. The Voluntary Interdistrict Choice Corporation currently administers the St. Louis voluntary inter-district transfer plan. The District has approved a plan to reduce its desegregation student enrollment each year beginning with the 2005-2006 school year. Desegregation aid received for the year ended June 30, 2021, was approximately \$1,573,460.35.

X. INTERFUND TRANSFERS

During 2021, transfers were made to the Capital Projects Fund from the General Fund. The transfers to the Capital Projects Fund from General Fund consisted of \$350,000.00 for transportation calc cost, \$120,714.00 for food service, and \$4,300,000.00 for a \$162,326 or 7% x SATxWADA transfer.

Interfund transfers for the year ended June 30, 2021, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 4,770,174.00
Capital Projects Fund	4,770,174.00	-
	\$ 4,770,174.00	\$ 4,770,174.00

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

XI. PARTICIPATION IN PUBLIC ENTITY RISK POOL – (MUSIC)

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, and therefore, it joined together with approximately 482 other Missouri Public School Districts and Junior College Districts to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2021 assessment was \$1,414,229. The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

XII. CONTINGENCIES

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

Litigation – At this time, the District is involved in pending litigation. No provision has been made in the financial statements for any loss that might arise in the involvement of an unfavorable outcome of these matters. The District is likely to vigorously contest the case, but no evaluation of likelihood of an unfavorable outcome or an estimate of the amount or range of potential loss has been made.

XIII. POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note I and V, the District allows employees who retire from the District to participate in the District's medical, dental and vision insurance plans. Upon meeting the retirement requirements of PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate.

The premiums are based on a single-blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand-alone financial report is not available for the plan.

The District allows retirees to participate in medical, dental and vision benefits. During the year ended June 30, 2021, 97 retirees contributed to health insurance, 536 retirees contributed to dental insurance and 466 retirees contributed to vision benefits. Total contributions made by retirees for post-employment benefits for the fiscal year ended June 30, 2021, amounted to \$1,196,947.31.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

- XIV. The District is involved, through St. Louis County, in a tax abatement agreement with local businesses under the Industrial Development Bonds under ART. VI, § 27(b); §§ 100.010-100.200 RSMO. Under this program, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purpose of financing industrial development projects for private corporations, partnerships and individuals.

For the year ended June 30, 2021, the District did not have any abated property taxes.

The District is involved, through the state of Missouri, in property tax surcharge receipts. The property tax surcharge was established in 1985 under the Missouri Constitution Article X, Section 6. This is a replacement for revenues lost when tangible personal property merchants' and manufacturers' inventory was exempted from property assessment. These receipts are put into a "Surcharge Pool" and are allocated to each taxing entity within a County. When certain entities enter into tax abatement agreements, these surcharge amounts become abated as well.

For the year ended June 30, 2021, the District had abated surcharge taxes totaling \$80,426.71 under this program, under several surcharge abatements throughout St. Louis County.

- XV. SUBSEQUENT EVENTS

There were no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY INFORMATION

**Mehlville R-IX School District
Budgetary Comparison Schedule -
Modified Cash Basis - General Fund
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variances-- Over(Under)
	Working	Final		Final to Actual
Revenues				
Local Sources	\$ 24,246,710.00	\$ 24,069,740.16	\$ 24,069,740.16	\$ -
County Sources	587,492.00	429,682.82	429,682.82	-
State Sources	5,673,187.00	5,892,597.39	5,892,597.39	-
Federal Sources	6,531,284.50	6,429,309.30	6,429,309.30	-
TOTAL REVENUES	37,038,673.50	36,821,329.67	36,821,329.67	-
Expenditures				
Current				
Instruction	3,965,489.51	7,181,635.02	7,181,635.02	-
Attendance	9,600.00	163,228.42	163,228.42	-
Guidance	251,108.00	422,218.41	422,218.41	-
Health, Psych Speech & Audio	47,450.00	1,291,515.31	1,291,515.31	-
Improvement of Instruction	161,814.02	215,334.35	215,334.35	-
Professional Development	289,000.00	285,081.90	285,081.90	-
Media Services	1,039,250.00	252,599.51	252,599.51	-
Board of Education Services	653,137.00	332,492.56	332,492.56	-
Executive Administration	1,241,546.00	2,742,485.39	2,742,485.39	-
Building Level Administration	21,817.00	1,944,573.60	1,944,573.60	-
Business Central Services	17,390,674.25	2,442,431.68	2,442,431.68	-
Operation of Plant	3,428,045.75	9,813,145.96	9,813,145.96	-
Security Services	324,000.00	440,851.96	440,851.96	-
Pupil Transportation	956,666.00	4,634,539.20	4,634,539.20	-
Food Service	3,071,749.00	3,184,335.37	3,184,335.37	-
Printing & Publishing Services	128,300.00	121,659.22	121,659.22	-
Other Supporting Services	-	-	-	-
Community Services	147,771.00	216,806.08	216,806.08	-
Early Childhood	48,270.00	124,769.66	124,769.66	-
Capital Outlay	-	-	-	-
Debt Service:	-	-	-	-
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	33,175,687.53	35,809,703.60	35,809,703.60	-
Revenues Over (Under)				
Expenditures	3,862,985.97	1,011,626.07	1,011,626.07	-
Other Financing Sources (Uses):				
Transfers	-	(4,770,174.00)	(4,770,174.00)	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	-	-	-	-
Sale of Other Property	-	147.00	147.00	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	241,000.00	241,360.00	241,360.00	-
Transportation From Other LEA's for Non Disabled Route	60,000.00	53,409.17	53,409.17	-
Trans. Amounts from other LEA's for K-12 Disabled Students	920,000.00	952,259.15	952,259.15	-
Total Other Financing Sources (Uses)	1,221,000.00	(3,522,998.68)	(3,522,998.68)	-
NET CHANGE IN FUND BALANCE	5,083,985.97	(2,511,372.61)	(2,511,372.61)	\$ -
Fund Balance July 1, 2020	37,723,498.76	37,723,498.76	37,723,498.76	
Fund Balance June 30, 2021	\$ 42,807,484.73	\$ 35,212,126.15	\$ 35,212,126.15	

**Mehlville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - Special Revenue Fund
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variances--
	Original	Final		Over (Under)
				Final to Actual
Revenues				
Local Sources	\$ 55,676,204.00	\$ 57,508,129.59	\$ 57,508,129.59	\$ -
County Sources	910,021.00	1,088,932.56	1,088,932.56	-
State Sources	13,169,000.00	12,970,617.99	12,970,617.99	-
Federal Sources	836,563.50	605,190.36	605,190.36	-
TOTAL REVENUES	70,591,788.50	72,172,870.50	72,172,870.50	-
Expenditures				
Current				
Instruction	1,080,138.00	58,267,713.28	58,267,713.28	-
Attendance	-	-	-	-
Guidance	-	2,387,567.52	2,387,567.52	-
Health, Psych Speech & Audio	-	75,914.04	75,914.04	-
Improvement of Instruction	103,443.00	1,228,693.72	1,228,693.72	-
Professional Development	107,250.00	87,534.04	87,534.04	-
Media Services	-	837,723.36	837,723.36	-
Board of Education Services	-	-	-	-
Executive Administration	-	792,364.71	792,364.71	-
Building Level Administration	-	4,141,210.54	4,141,210.54	-
Business Central Services	71,057,243.00	655,377.44	655,377.44	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Printing & Publishing Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	1,000.00	4,017.35	4,017.35	-
Early Childhood	-	337,219.36	337,219.36	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Support Services	72,349,074.00	68,815,335.36	68,815,335.36	-
Revenues Over (Under)				
Expenditures	(1,757,285.50)	3,357,535.14	3,357,535.14	-
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Trans. Amounts from other LEA's for K-12 Disabled Students	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,757,285.50)	3,357,535.14	3,357,535.14	\$ -
Fund Balance July 1, 2020	484,515.14	484,515.14	484,515.14	
Fund Balance June 30, 2021	\$ (1,272,770.36)	\$ 3,842,050.28	\$ 3,842,050.28	

Mehville R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis - Debt Service Fund
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances-- Over(Under)
	Working	Final		Final to Actual
Revenues				
Local Sources	\$ -	\$ -	\$ -	\$ -
County Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Printing & Publishing Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	-	-	-	-
Early Childhood	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under)				
Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Trans. Amounts from other LEA's for K-12 Disabled Students	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	<u>\$ -</u>
Fund Balance July 1, 2020	-	-	-	
Fund Balance June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Mehlville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - Capital Projects Fund - Excluding Component Unit
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances--</u>
	<u>Working</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Local Sources	\$ 10,395,086.00	\$ 10,586,690.92	\$ 10,586,690.92	\$ -
County Sources	210,487.00	190,181.10	190,181.10	-
State Sources	930,116.00	978,951.74	978,951.74	-
Federal Sources	(630.00)	-	-	-
TOTAL REVENUES	11,535,059.00	11,755,823.76	11,755,823.76	-
Expenditures				
Current				
Instruction	135,044.84	153,364.58	153,364.58	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	64,312.00	64,311.98	64,311.98	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	225,000.00	224,111.52	224,111.52	-
Building Level Administration	-	-	-	-
Business Central Services	25,000.00	-	-	-
Operation of Plant	132,663.00	131,962.75	131,962.75	-
Security Services	-	-	-	-
Pupil Transportation	513,486.00	506,354.72	506,354.72	-
Food Service	120,174.00	120,174.00	120,174.00	-
Printing & Publishing Services	-	-	-	-
Other Supporting Services	38,731.63	38,731.63	38,731.63	-
Community Services	-	-	-	-
Early Childhood	-	-	-	-
Capital Outlay	3,150,000.00	3,218,654.45	3,218,654.45	-
Debt Service:				
Principal	12,146,934.00	12,146,933.70	12,146,933.70	-
Interest and Charges	279,634.00	279,036.88	279,036.88	-
Total Support Services	16,830,979.47	16,883,636.21	16,883,636.21	-
Revenues Over (Under)				
Expenditures	(5,295,920.47)	(5,127,812.45)	(5,127,812.45)	-
Other Financing Sources (Uses):				
Transfers	-	4,770,174.00	4,770,174.00	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	37,709,000.00	37,708,737.00	37,708,737.00	-
Sale of Other Property	12,000.00	23,322.35	23,322.35	-
Sale of School Buses	11,000.00	-	-	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Trans. Amounts from other LEA's for K-12 Disabled Students	-	-	-	-
Total Other Financing Sources (Uses)	37,732,000.00	42,502,233.35	42,502,233.35	-
NET CHANGE IN FUND BALANCE	32,436,079.53	37,374,420.90	37,374,420.90	\$ -
Fund Balance July 1, 2020	3,185,317.89	3,185,317.89	3,185,317.89	
Fund Balance June 30, 2021	\$ 35,621,397.42	\$ 40,559,738.79	\$ 40,559,738.79	

Mehville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - All Governmental Funds - Excluding Component Unit
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variances--
				Over(Under)
	Working	Final		Final to Actual
Revenues				
Local Sources	\$ 90,318,000.00	\$ 92,164,560.67	\$ 92,164,560.67	\$ -
County Sources	1,708,000.00	1,708,796.48	1,708,796.48	-
State Sources	19,772,303.00	19,842,167.12	19,842,167.12	-
Federal Sources	7,367,218.00	7,034,499.66	7,034,499.66	-
TOTAL REVENUES	119,165,521.00	120,750,023.93	120,750,023.93	-
Expenditures				
Current				
Instruction	5,180,672.35	65,602,712.88	65,602,712.88	-
Attendance	9,600.00	163,228.42	163,228.42	-
Guidance	251,108.00	2,809,785.93	2,809,785.93	-
Health, Psych Speech & Audio	47,450.00	1,367,429.35	1,367,429.35	-
Improvement of Instruction	329,569.02	1,508,340.05	1,508,340.05	-
Professional Development	396,250.00	372,615.94	372,615.94	-
Media Services	1,039,250.00	1,090,322.87	1,090,322.87	-
Board of Education Services	653,137.00	332,492.56	332,492.56	-
Executive Administration	1,466,546.00	3,758,961.62	3,758,961.62	-
Building Level Administration	21,817.00	6,085,784.14	6,085,784.14	-
Business Central Services	88,472,917.25	3,097,809.12	3,097,809.12	-
Operation of Plant	3,560,708.75	9,945,108.71	9,945,108.71	-
Security Services	324,000.00	440,851.96	440,851.96	-
Pupil Transportation	1,470,152.00	5,140,893.92	5,140,893.92	-
Food Service	3,191,923.00	3,304,509.37	3,304,509.37	-
Printing & Publishing Services	128,300.00	121,659.22	121,659.22	-
Other Supporting Services	38,731.63	38,731.63	38,731.63	-
Community Services	148,771.00	220,823.43	220,823.43	-
Early Childhood	48,270.00	461,989.02	461,989.02	-
Capital Outlay	3,150,000.00	3,218,654.45	3,218,654.45	-
Debt Service:				
Principal	12,146,934.00	12,146,933.70	12,146,933.70	-
Interest and Charges	279,634.00	279,036.88	279,036.88	-
Total Expenditures	122,355,741.00	121,508,675.17	121,508,675.17	-
Revenues Over (Under)				
Expenditures	(3,190,220.00)	(758,651.24)	(758,651.24)	-
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Tuition From Other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	37,709,000.00	37,708,737.00	37,708,737.00	-
Sale of Other Property	12,000.00	23,469.35	23,469.35	-
Sale of School Buses	11,000.00	-	-	-
Contracted Educational Services	241,000.00	241,360.00	241,360.00	-
Transportation From Other LEA's for Non Disabled Route	60,000.00	53,409.17	53,409.17	-
Trans. Amounts from other LEA's for K-12 Disabled Students	920,000.00	952,259.15	952,259.15	-
Total Other Financing Sources (Uses)	38,953,000.00	38,979,234.67	38,979,234.67	-
NET CHANGE IN FUND BALANCES	35,762,780.00	38,220,583.43	38,220,583.43	\$ -
Fund Balances July 1, 2020	41,393,331.79	41,393,331.79	41,393,331.79	
Fund Balances June 30, 2021	\$ 77,156,111.79	\$ 79,613,915.22	\$ 79,613,915.22	

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2021

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

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund of the political subdivision.
- 2) Prior to July, the CFO, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4) On June 25, 2020, the budget was legally enacted by a vote of the Board of Education.
- 5) On June 24, 2021, the final budget was legally enacted by a vote of the Board of Education.
- 6) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the accompanying financial statements.

MEHLVILLE R-IX SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2021

POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note I and V, the District allows employees who retire from the District to participate in the District's medical, dental and vision insurance plans. Upon meeting the retirement requirements of PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate.

The premiums are based on a single-blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand-alone financial report is not available for the plan.

The District allows retirees to participate in medical, dental and vision benefits. During the year ended June 30, 2021, 97 retirees contributed to health insurance, 536 retirees contributed to dental insurance and 466 retirees contributed to vision benefits. Total contributions made by retirees for post-employment benefits for the fiscal year ended June 30, 2021, amounted to \$1,196,947.31.

Mehlville R-IX School District
Comparative Tax Levies, Tax Collection Rates and Enrollment
For the Year Ended June 30, 2021

Tax Levies

The following table shows the District's tax levies (per \$100 of assessed valuation) for each of the following fiscal years:

Fiscal Year Ending	Teacher's Fund	Incidental Fund	Capital Projects Fund	Debt Service Fund	Adjusted* Tax Levy Total
2021	2.3300	0.9878	0.4878	0.0000	3.8056
2020	1.9400	1.3641	0.4953	0.0000	3.7994
2019	2.1300	1.4489	0.5691	0.0000	4.1480
2018	2.1700	1.3939	0.5791	0.0000	4.1430
2017	2.0300	1.6642	0.5800	0.0000	4.2742
2016	2.1600	1.0439	0.5100	0.0400	3.7539
2015	2.0599	1.2200	0.4700	0.0320	3.7819
2014	2.0600	1.2000	0.4700	0.0310	3.7610
2013	2.0400	1.1661	0.4500	0.0320	3.6881
2012	2.0300	1.1606	0.4425	0.0330	3.6661

*Adjusted for revaluation
Source: Mehlville R-IX School District

Tax Collection Rates

The following table sets forth tax information for the District for each of the following fiscal years:

Fiscal Year Ending	Assessed Valuation	Tax Levy Per \$100	Estimated Total Tax	Current Taxes Collected	% of Taxes Collected	Delinquent Taxes Collected	% of Total Current & Delinquent Taxes Collected
2021	\$ 2,056,930,580	3.8056	\$ 78,278,550	\$ 76,131,141	97.26%	\$ 1,127,804	98.70%
2020	2,051,430,450	3.7994	77,942,049	76,071,454	97.60%	1,584,439	99.63%
2019	1,825,543,180	4.1480	75,723,531	73,363,331	96.88%	1,172,614	98.43%
2018	1,814,476,950	4.1430	75,173,780	72,843,289	96.90%	832,645	98.01%
2017	1,711,175,010	4.2742	73,103,108	71,097,110	97.26%	351,681	97.74%
2016	1,691,306,370	3.7539	63,489,950	61,731,661	97.23%	949,486	98.73%
2015	1,660,594,330	3.7819	62,802,017	60,890,233	96.96%	458,543	97.69%
2014	1,654,174,190	3.7610	62,213,491	60,477,570	97.21%	734,029	98.39%
2013	1,709,961,760	3.6881	63,065,100	61,290,808	97.19%	733,513	98.35%
2012	1,690,943,880	3.6661	61,991,694	60,321,818	97.31%	792,312	98.58%

Source: Mehlville R-IX School District and St. Louis County Assessor's Office (assessed valuation).

Enrollment

Listed below are the District's enrollment figures for the current school year and the preceding four school years.

School Year	Total
2020-2021	9,588
2019-2020	9,823
2018-2019	9,838
2017-2018	9,931
2016-2017	10,223

Source: Mehlville R-IX School District

STATE COMPLIANCE SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the Board of Education
Mehlville R-IX School District

Report on Compliance with State Requirements

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

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the Mehlville R-IX School District complied with the aforementioned requirements for the year ended June 30, 2021, are fairly stated, in all material respects. However, we noted an immaterial instance of noncompliance as noted in the Schedule of State Findings.

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

Daniel Jones & Associates

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

December 9, 2021

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 YEAR ENDED JUNE 30, 2021

TYPE OF AUDIT PERFORMED – SINGLE AUDIT

1. CALENDAR (SECTIONS 160.041, 171.029 and 171.033 RSMO)

SCHOOL CODE	BEGIN GRADE	END GRADE	HALF DAY INDICATOR	STANDARD DAY LENGTH	DAYS	HOURS IN SESSION
	K	5		6.4167	174	1,113.8334
	6	8		6.4167	174	1,113.8334
	9	12		6.5000	174	1,128.2500

2. ATTENDANCE HOURS

SCHOOL CODE	GRADE LEVEL	FULL-TIME	PART-TIME	REMEDIAL	OTHER	SUMMER SCHOOL	TOTAL
1050	9-12	1,103,515.8577	131,942.6523	-	35,921.9300	-	1,271,380.4400
1075	9-12	1,414,476.5498	88,748.7200	-	42,698.9900	67,592.8200	1,613,517.0798
3000	6-8	530,462.1400	59,502.6520	-	11,647.7747	-	601,612.5667
3020	6-8	641,972.7316	39,261.8515	-	16,083.3023	8,789.0000	706,106.8854
3040	6-8	411,010.0486	15,890.7393	-	12,883.2400	-	439,784.0279
3060	6-8	635,102.1841	24,107.7400	-	10,255.7500	-	669,465.6741
4020	K-5	306,142.4184	-	-	1,047.0000	-	307,189.4184
4060	K-5	474,963.3615	38.0800	-	4,264.3700	-	479,265.8115
4070	K-5	413,775.5149	249.5800	-	4,973.5600	-	418,998.6549
4080	K-5	352,628.1084	530.7900	-	5,252.1100	22,796.0000	381,207.0084
4090	K-5	388,288.3002	113.0800	-	3,504.8600	-	391,906.2402
5000	K-5	369,706.1383	1,071.0500	-	2,857.2600	-	373,634.4483
5020	K-5	420,978.7800	273.9200	-	8,798.2333	-	430,050.9333
5040	K-5	447,648.0500	-	-	6,907.7100	-	454,555.7600
5060	K-5	371,744.4800	-	-	7,011.6000	-	378,756.0800
5080	K-5	254,754.2999	-	-	-	-	254,754.2999
5100	K-5	426,943.6684	107.2500	-	5,428.7400	-	432,479.6584
GRAND TOTAL		8,964,112.6318	361,838.1051	-	179,536.4303	99,177.8200	9,604,664.9872

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 YEAR ENDED JUNE 30, 2021

3. SEPTEMBER MEMBERSHIP

SCHOOL CODE	GRADE LEVEL	FULL-TIME	PART-TIME	OTHER	TOTAL
1050	9-12	1,231.00	82.05	38.92	1,351.97
1075	9-12	1,481.00	83.24	56.73	1,620.97
3000	6-8	622.00	0.83	14.00	636.83
3020	6-8	668.00	3.77	18.00	689.77
3040	6-8	436.00	2.60	16.50	455.10
3060	6-8	673.00	4.27	12.00	689.27
4020	K-5	302.00	0.07	1.00	303.07
4060	K-5	486.00	0.39	4.00	490.39
4070	K-5	401.00	0.78	6.00	407.78
4080	K-5	355.00	-	6.00	361.00
4090	K-5	367.00	1.37	4.00	372.37
5000	K-5	363.00	0.44	4.00	367.44
5020	K-5	394.00	1.87	9.00	404.87
5040	K-5	425.00	-	7.00	432.00
5060	K-5	373.00	0.39	8.00	381.39
5080	K-5	245.00	-	-	245.00
5100	K-5	412.00	0.39	6.00	418.39
GRAND TOTAL		9,234.00	182.46	211.15	9,627.61

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 YEAR ENDED JUNE 30, 2021

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

SCHOOL CODE	FREE LUNCH	REDUCED LUNCH	DESEG IN FREE	DESEG IN REDUCED TOTAL	TOTAL
1050	353.38	86.11	25.71	7.00	472.20
1075	198.43	58.47	40.71	-	297.61
3000	242.96	46.75	11.25	-	300.96
3020	72.40	16.69	13.69	2.00	104.78
3040	106.05	23.75	15.25	1.00	146.05
3060	137.45	44.88	7.00	-	189.33
4020	131.00	25.00	1.00	-	157.00
4060	208.00	41.00	4.00	-	253.00
4070	82.00	16.00	3.00	1.00	102.00
4080	121.00	22.00	1.00	3.00	147.00
4090	67.20	17.39	3.00	1.00	88.59
5000	57.00	15.00	2.00	-	74.00
5020	42.00	9.00	9.00	-	60.00
5040	45.00	6.00	6.00	-	57.00
5060	134.00	22.39	8.00	-	164.39
5080	17.00	6.00	-	-	23.00
5100	80.00	13.00	4.00	1.00	98.00
GRAND TOTAL	2,094.87	469.43	154.61	16.00	2,734.91

5. FINANCE

- 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.
- 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

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 YEAR ENDED JUNE 30, 2021

5. FINANCE (CONTINUED)

	Academic Programs Off-Campus	TRUE
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	TRUE
	Dual enrollment	TRUE
	Homebound instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	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)	TRUE
	Work Experience for Students with Disabilities	TRUE
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:	\$ 50,000
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 approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	TRUE
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

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 YEAR ENDED JUNE 30, 2021

5. FINANCE (CONCLUDED)

5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one-half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$ 372,615.94
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursements for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	TRUE

6. TRANSPORTATION (SECTION 163.161, RSMO)

6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/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	6,781.0
	Ineligible ADT	1,429.5
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:	547,442
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	528,417
	Ineligible Miles (Non-Route/Disapproved)	19,025
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	155

MEHLVILLE R-IX SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2021

I. Chapter 67 RSMO (Budget Statute)

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

The Special Revenue Fund had an original budget deficit of \$1,272,770.36.

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Members of the Board of Education
Mehlville R-IX 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, the blended component unit, each major fund and the remaining fund information of Mehlville R-IX School District ("District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

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

December 9, 2021



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Mehlville R-IX School District

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



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

December 9, 2021

Mehlville School district
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Cash Federal Expenditures

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
Passed-through Missouri Department of Elementary and Secondary Education				
Special Education Cluster				
Special Education - Preschool Grants	84.173A	096-094	\$ -	\$ 61,781.10
Special Education Cluster			-	61,781.10
Title I Grants to Local Educational Agencies	84.010A	096-094	-	1,152,095.85
Career and Technical Education - Basic Grants to States	84.048	096-094	-	138,694.35
English Language Acquisition State Grants	84.365	096-094	-	142,965.69
Supporting Effective Instruction State Grants	84.367A	096-094	-	124,448.04
Student Support and Academic Enrichment Program (Title IV)	84.424	096-094	-	63,957.47
COVID 19: Education Stabilization Fund - Transportation Supplement	84.425C	096-094	-	125,894.80
COVID 19: Education Stabilization Fund - ESSER I	84.425D	096-094	-	767,663.32
COVID 19: Education Stabilization Fund - ESSER II	84.425D	096-094	-	825,000.00
Subtotal COVID 19: Educational Stabilization Fund			-	1,718,558.12
Total U.S. Department of Education			-	3,402,500.62
U.S. Department of Agriculture				
Passed-through Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Breakfast Program	10.553	096-094	-	712,469.82
National School Lunch Program	10.555	096-094	-	2,034,624.98
COVID 19: CARES ACT Food & Nutrition Lunch Program	10.555	096-094	-	177,162.22
COVID 19: CARES ACT Food & Nutrition Breakfast Program	10.555	096-094	-	103,913.82
Non-Cash Assistance				
National School Lunch Program - Commodities	10.555	096-094	-	132,611.70
Subtotal National School Lunch Program			-	2,448,312.72
Total U.S. Department of Agriculture and Child Nutrition Cluster			-	3,160,782.54
U.S. Department of Treasury				
Passed-through Missouri Department of Elementary and Secondary Education				
COVID 19: Coronavirus Relief Fund - K-12 Support	21.019	096-094	-	691,059.00
COVID 19: Coronavirus Relief Fund - PPE/Medical/Sanitation	21.019	096-094	-	29,708.63
COVID 19: Coronavirus Relief Fund - Student Access	21.019	096-094	-	12,000.00
Coronavirus Relief Fund			-	732,767.63
Passed-through St. Louis County				
COVID 19: Coronavirus Relief Fund	21.019	096-094	-	25,141.52
Total U.S. Department of Treasury			-	757,909.15
Total Federal Expenditures			\$ -	\$ 7,321,192.31

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

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE SCHEDULE OF EXPENDITURES
 OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

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

FEDERAL SOURCES

General Fund	\$ 6,429,309.30
Special Revenue Fund	<u>605,190.36</u>
	<u>\$ 7,034,499.66</u>

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with the Modified Cash Basis of Accounting.

NOTE 6 -MATCHING REVENUES

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

NOTE 7 – NON-CASH PROGRAMS

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

NOTE 8 – DONATED PERSONAL PROTECTIVE EQUIPMENT (Unaudited)

The District did not receive any donated personal protective equipment during the 2021 fiscal year.

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF FINDINGS
 AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? ___ Yes X No
 - b. Significant deficiency(ies) identified? ___ Yes X None Reported
3. Noncompliance material to financial statements noted? ___ Yes X No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? ___ Yes X No
 - b. Significant deficiency(ies) identified? ___ Yes X None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ Yes X No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster:
21.019	COVID 19: Coronavirus Relief Fund
84.010	Title I
84.425D, 84.425C	COVID 19: Education Stabilization Fund

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000
6. Auditee qualified as low-risk auditee? ___ Yes X No

MEHLVILLE R-IX SCHOOL DISTRICT
SCHEDULE OF FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings to report as of June 30, 2021.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards as of June 30, 2021.

MEHLVILLE R-IX SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

There were no financial statement findings for the year ended June 30, 2020.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

COMPONENT UNIT STATEMENT

Mehlville R-IX School District
Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds - Modified Cash Basis
For the Year Ended June 30, 2021

	<u>School District</u>	<u>Public Facilities Authority</u>	<u>Component Unit Elimination Adjustments*</u>	<u>Totals</u>
Revenues				
Local Sources	\$ 10,586,690.92	\$ -	\$ -	\$ 10,586,690.92
County Sources	190,181.10	-	-	190,181.10
State Sources	978,951.74	-	-	978,951.74
Federal Sources	-	-	-	-
Other - District Payments	-	12,296,808.74	(12,296,808.74)	-
TOTAL REVENUES	11,755,823.76	12,296,808.74	(12,296,808.74)	11,755,823.76
Expenditures				
Current				
Instruction	153,364.58	-	-	153,364.58
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	64,311.98	-	-	64,311.98
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	224,111.52	-	-	224,111.52
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	131,962.75	-	-	131,962.75
Security Services	-	-	-	-
Pupil Transportation	506,354.72	-	-	506,354.72
Food Service	120,174.00	-	-	120,174.00
Printing & Publishing Services	-	-	-	-
Other Support Services	38,731.63	-	-	38,731.63
Community Services	-	-	-	-
Lease Payments (P+I)	12,296,808.74	-	(12,296,808.74)	-
Capital Outlay	3,218,654.45	-	-	3,218,654.45
Debt Service:				
Principal	116,933.70	10,418,596.26	-	10,535,529.96
Interest and Charges	2,388.90	266,808.74	-	269,197.64
Total Support Services	16,873,796.97	10,685,405.00	(12,296,808.74)	15,262,393.23
Revenues Over (Under)				
Expenditures	(5,117,973.21)	1,611,403.74		(3,506,569.47)
Other Financing Sources (Uses):				
Transfers	4,770,174.00	-	-	4,770,174.00
Sale of Bonds	37,708,737.00	-	-	37,708,737.00
Sale of Property	23,322.35	-	-	23,322.35
Cost of Issuance	(9,839.24)	-	-	(9,839.24)
COPS issued (2020)	-	-	-	-
Debt Retired from Refinancing (2009 Series)	-	-	-	-
Interest on Investments	-	17.60	-	17.60
Total Other Financing Sources (Uses)	42,492,394.11	17.60	-	42,492,411.71
NET CHANGE IN FUND BALANCES	37,374,420.90	1,611,421.34	-	38,985,842.24
Fund Balances July 1, 2020	3,185,317.89	537.02		3,185,854.91
Fund Balances June 30, 2021	\$ 40,559,738.79	\$ 1,611,958.36		\$ 42,171,697.15

*The component unit is presented as blended in the financial statements per GASBS No. 61.

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