

MEHLVILLE R-IX SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2022

MEHLVILLE R-IX SCHOOL DISTRICT
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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 Audit of Financial Statements

Opinions

We have audited the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mehlville R-IX School District (District), Missouri, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Mehlville R-IX School District, Missouri, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis for Opinions

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

Emphasis of Matter-Basis of Accounting

We draw attention to Note 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of

internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statement and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

December 5, 2022

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2022, and provides a comparison to the previous fiscal year ended June 30, 2021. 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 (page 15) and the Statement of Activities (page 16) 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 17. 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 15 and 16 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, 2022
(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 17. 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, 2022, and for comparison the net position of the fiscal year ended June 30, 2021:

Table 1 Net Position		
	<u>2021-22 Governmental Activities</u>	<u>2020-21 Governmental Activities</u>
Assets		
Cash and Investments	\$ 99,152,859	\$ 93,572,755
Total Assets	<u>\$ 99,152,859</u>	<u>\$ 93,572,755</u>
Liabilities - Flex Spending	<u>\$ 30,874</u>	<u>-</u>

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

Net Position

Restricted for:

Debt Service Fund	\$ 1,853,388	\$ -	
Capital Projects	43,471,983	40,559,739	
Future Claims	10,945,085	12,346,882	
Component Unit	-	1,611,958	
Unrestricted	42,851,529	39,054,176	
Total Net Position	\$ 99,121,985	\$ 93,572,755	

The School District’s total net position at June 30, 2022, was \$99.1M which represents cash and investments less payroll liabilities. Total net position increased from the prior year by \$5.5M. 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 \$2.9M due to almost \$6.1M added to the capital fund through the COP reallocation plan. This increase is partially offset by a \$2.5M decrease of Prop S project spending.
- 2) Unrestricted net assets, (the part of net assets that can be used to finance day-to-day activities without constraints), increased \$3.8M from the prior year due to operating gains. These gains include \$2.0M from the Food Service Fund. DESE classifies this fund as unrestricted but the reality is these funds are restricted to food service operations.
- 3) Debt service fund increased \$1.9M due to collecting taxes for upcoming debt payments of the general obligation bond from Prop S that was passed on April 6, 2021 for \$35M debt.
- 4) Future claims decreased \$1.4M due to self-insurance fund net loss.
- 5) Component unit funds decreased \$1.6M to a zero balance due to paying off all Certificate of Participation debt.

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

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

Table 2
Changes in Net Position- District Activities

	2021-22 Governmental Activities	2020-21 Governmental Activities
Revenues		
Operating Grants and Contributions:		
Instruction & Instructional Improvement	\$ 22,335,816	\$ 18,588,090
Transportation	1,023,024	955,480
Food Service	6,104,188	3,120,713
Capital Grants and Contributions:		
Instruction	7,852	-
Charges for Services:		
Instruction	1,471,414	1,822,696
Food Service	529,757	153,051
Student Transportation	1,261,455	1,016,364
Student Activities	1,519,698	668,933
Other	728,011	406,444
General Revenues:		
Taxes Levied for General Purposes	27,059,683	21,766,263
Taxes Levied for Special Fund	57,691,508	57,394,533
Taxes Levied for Debt Service Fund	2,577,430	-
Taxes Levied for Capital Project Fund	4,832,484	10,154,897
Federal, State and County – Unrestricted	5,786,170	5,708,900
Investment Income	159,826	158,265
Sale of General Obligation Bonds	0	37,708,737
Net Proceeds from COP Issues	0	(9,839)
Other	361,933	216,618
Total Revenues	133,450,249	159,830,145
Expenses		
Instruction	74,104,629	65,671,292
Support Services		
Attendance	170,127	163,001
Guidance	3,263,604	2,805,863
Health, Psych, Speech, Audio	1,569,241	1,365,520
Improvement of Instruction	1,563,153	1,506,234
Professional Development	475,879	372,096
Media Services	1,035,807	1,088,801
Board of Education Services	307,728	332,028
Executive Administration	3,917,992	3,753,714
Building Level Administration	6,329,865	6,077,288
Business, Fiscal, Internal Svc.	3,118,730	3,093,484
Operation of Plant	10,775,182	9,931,224
Security Services	764,818	440,236
Pupil Transportation	6,066,893	5,133,717
Food Service	4,571,512	3,299,896

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
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Community Services	897,914	681,859
Facilities Acq & Construction	6,572,421	3,218,654
Principal	1,565,000	10,535,530
Interest & Fiscal Charges	830,525	269,198
TOTAL EXPENSES	<u>127,901,019</u>	<u>119,739,635</u>
Increase in Net Position	<u>\$ 5,549,230</u>	<u>\$ 40,090,510</u>

Governmental Activities

Revenues for the School District’s governmental activities for FY22 are \$133.4M compared to \$159.8M in FY21. This decrease of \$26.4M is explained below.

The main reason for the revenue decrease is the FY21 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. FY22 did not have such proceeds.

Taxes collected for the four major funds netted a \$2.8M increase in aggregate from the prior year, due to increases in local tax and sales tax, offset partially by a delinquent tax decrease. This is a 3.2% net increase. Local taxes increased \$1.6M, or 2.1% due to AV increasing 6.5% and the blended tax rate decreasing over 14 cents, or 3.8%. Also, sales tax increased \$1.6M, or 16.2%. 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.

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 ESSER II & III, Basic Formula funding, Early Childhood Special Education, and Title I, II, III, and IV programs. Operating Grants and Contributions revenue increased by \$6.8M, or 30.0%, from the prior year. This increase includes \$3.0M for increased federal reimbursements for free meals to all students, \$1,736K for ESSER II, \$1,818K for ESSER III, a \$600K grant from the Health Department, and \$850K increase for Title I partially due to \$466K funds that DESE delayed reimbursing to FY22 instead of FY21.

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 increased \$1.5M, or 35.7%, from prior year. This increase was across the board for all categories as Covid restrictions eased and school activities began normalizing. Charges for services totaled \$7.0M in FY20, then dipped to \$4.1M in FY21, and FY22 is on the upswing at \$5.5M.

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 revenues increased \$77K, or 1.4% from prior year.

Investment income was similar to prior year, increasing \$2K, or 1.0%, due to continued low interest rates. Missouri Securities Investment (MOSIP) money market rates started FY22 at .06% and ended the year at 1.22%. Interest rates through March were .0451% and only the last three months started increasing.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
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Revenue by category and by year was received as follows: 22% in 2022 and 14% in 2021 from Operating Grants and Contributions, 4% in 2022 and 2% in 2021 for Charges for Services, 69% in 2022 and 56% in 2021 from Taxes Levied, 4% in 2022 and 4% in 2021 for Federal, State and County Unrestricted, 0% in 2022 and 24% in 2021 for the sale of general obligation bonds, and 1% in 2022 and 0% in 2021 for other sources. The percentages above reflect that revenue received by category would be relatively consistent with historical years were it not for the sale of obligation bonds in 2021.

Expenses for the School District's governmental activities for FY22 were \$127.9M compared to \$119.7M for FY21. The net increase is \$8.2M, or 6.8%. Further information is given below.

Instruction expenses increased \$7.9M, or 12.0% and support services increased \$5.3M, or 13.3%. 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. This increase includes \$3.6M expense funded by ESSER II/III, \$5.3M for salaries and benefits not funded by ESSER, \$1.2M food service supplies that federal reimbursement revenue more than offset, \$1.4M from self-insurance fund losses, \$.7M for non-operating activity funds, and \$.6M for energy due to increased days of school attendance.

Capital expense for facilities totaled \$6.5M, a \$3.4M increase of which \$2.5M is due to Prop S capital projects funded by the general obligation bond, and \$2.4M for the purchase of 2900 Lemay Ferry building. Key projects included HVAC for Forder, roofing for Beasley, John Cary, Oakville Middle, Bladed, Forder, Oakville HS baseball fields, and district-wide asphalt maintenance. Also, the district replaced school furniture, food service equipment, 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 increasing total expenses. \$1.4M loss was netted to increase total expenses from \$126.5M to \$127.9M. The self-insurance fund incurred \$11.9M claims expense, which is a \$1,550K increase, or 14.9%, over prior year. These expenses are part of the insurance net loss which is then eliminated by increasing total expenses as mentioned above.

Principal and Interest & Other Charges vary from year-to-year based upon the amount of debt scheduled for repayment. Such debt expense decreased \$8.4M compared to prior year. The final amount of Certificate of Participation debt was paid off in FY22 which is much less than prior years. FY22 incurred the first general obligation interest payment. Future payments are about \$2.5M per year.

Expenses by program as defined by Missouri Department of Elementary and Secondary Education and by year were as follows: Instruction comprised 58% in 2022 and 55% in 2021, Support Services comprised 35% in 2022 and 33% in 2021, Facilities Acquisition and Construction comprised 5% in 2022 and 3% in 2021, and Principal, Interest and Other Fees amounted to 2% in 2022 and 9% in 2021.

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 FY22 and FY21. That is, it identifies the cost of these services supported by tax revenue and other revenues.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

Table 3
Governmental Activities

Functions/Programs	2021-22		2020-21	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 74,104,629	\$ 49,016,744	\$ 65,671,292	\$ 44,853,527
Support Services				
Attendance	170,127	170,127	163,001	163,001
Guidance	3,263,604	3,263,604	2,805,863	2,805,863
Hlth, Psych, Spch, Audio	1,569,241	1,569,241	1,365,520	1,365,520
Improvement of Instruction	1,563,153	1,316,258	1,506,234	1,244,280
Professional Development	475,879	475,879	372,096	372,096
Media Services	1,035,807	1,035,807	1,088,801	1,088,801
Board of Education Svc.	307,728	307,728	332,028	332,028
Executive Administration	3,917,992	3,917,992	3,753,714	3,753,714
Building Level Admin Bus, Fiscal, Internal Svc.	6,329,865	6,329,865	6,077,288	6,077,288
Operation of Plant	3,118,730	3,118,730	3,093,484	3,093,484
Security Services	10,775,182	10,775,182	9,931,224	9,931,224
Pupil Transportation	764,818	764,818	440,236	440,236
Food Service	6,066,893	3,782,415	5,133,717	3,161,872
Community Services	4,571,512	(2,062,434)	3,299,896	26,132
Facilities Acq. & Const.	897,914	169,903	681,859	275,416
Principal Interest & Fiscal Charges	6,572,421	6,572,421	3,218,654	3,218,654
	1,565,000	1,565,000	10,535,530	10,535,530
	830,525	830,525	269,198	269,198
Total Expenses	\$127,901,020	\$ 92,919,805	\$119,739,635	\$ 93,007,864

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.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

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

This section shows information about the School District's major funds. 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.

The School District makes fund transfers in accordance with the laws of the State of Missouri and as appropriate. For FY21, the School District transferred \$120K from the General Fund into the Capital Fund to allow for the remodeling of food service facilities. This transfer was also made in FY22 for \$108K. Additionally, \$1,750K was transferred from the General Fund into the Capital Fund for Prop R related capital projects in both FY21 and FY22. 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 was completed in FY22. Furthermore, \$2,250K was transferred in FY22 from the General Fund to the Capital Fund as part of the COP Fund tax levy reallocation plan in order to reserve capital funds for future HVAC needs.

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

Finally, in FY21 \$260K was transferred 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 thus no such transfers were made in FY22.

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 FY23 budget for operating funds is break-even compared to the FY22 operating fund gain of \$1.7M. FY22 cash reserves are 34.3%. The budgeted FY23 cash reserve was 30.3%, but adjusting for the favorable actual results of FY22, the FY23 cash reserve is projected to be 32.2%.

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, 2022, 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. Bond proceeds were issued June 3, 2022. There were no principal payments in FY22, but interest of \$782K was paid in FY22.

The School District has no outstanding debt in lease certificates of participation at June 30, 2022. There were no principal or interest payments made by the District in FY22, but the Public Facilities Authority made the final debt payment of \$1.6M principal and less than \$47K interest. This appears on the Component Unit schedule and is part of the consolidated activity of the total District.

The District has no outstanding debt for capital leases at June 30, 2022.

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

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

At June 30, 2022, the School District's constitutional debt limit was approximately \$328.5M. 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 \$292.0M 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 2020-21 DESE data (2021-22 data is not yet available), Mehlville School District is the 4th largest district in the county. Mehlville School District has the lowest tax rate, 21st lowest expense per student, and lowest debt per student. Mehlville School District ranks 11th 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 32.2% in FY23. 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, 35.9% in FY21, and 34.3% in FY22. Having adequate cash reserves enables the district to avoid suddenly cutting education programs due to economic downturns.

ESSER (Elementary and Secondary School Emergency Relief) funding. The district has been allocated to receive \$4.1M from ESSER II funding and \$9.1M from ESSER III funding. FY22 received \$3.6M of ESSER funding, and FY23 budget is \$4.6M. 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 was added to the General Fund, and \$6.1M was added to the Capital Fund reserves to use for future HVAC needs. Each future year will utilize \$2.6M (12 cents) for annual debt payments. FY23 budget shows levying \$3.8M into the General Fund and adding \$3.3M into the Capital Fund reserves for future HVAC needs. Future years will increase additions to the General Fund and decrease additions to the Capital Fund. The current plan is to provide a total of \$12.5M over multiple years to the capital reserves for HVAC needs.

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, \$7.8M in 2017, \$9.4M in 2018, \$10.0M in 2019, and \$9.6M in 2020. In 2021 the fund balance decreased to \$8.7M, and 2022 calendar

MEHLVILLE R-IX SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

year projections show an ending fund balance of \$6.6M. Rates will be increased for 2023 with a planned ending fund balance of \$6.1M to stop accelerating fund balance decline. A ten year plan through 2030 is in place to manage fund balances to not decline past \$4M.

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. FY22 revenue was \$1.1M, down from \$1.6M 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. In FY22, \$2.5M was spent on Prop S capital projects.

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 \$739K 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
June 30, 2022

	Governmental Activities
Assets	
Current Assets:	
Cash and Investments	\$ 42,882,403.26
Restricted Assets:	
Cash and Investments	56,270,455.84
Total Assets	\$ 99,152,859.10
 Liabilities	
Flex Spending	\$ 30,874.55
 Net Position	
Restricted:	
Debt Service	1,853,387.43
Component Unit Escrow Deposits	
For Future Claims	10,945,085.19
Capital Projects Fund	43,471,983.22
Total Restricted	56,270,455.84
Unrestricted	42,851,528.71
Total Net Position	99,121,984.55
Total Liabilities and Net Position	\$ 99,152,859.10

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 Fiscal Year Ended June 30, 2022

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	\$ 73,694,067.96	\$ 1,471,413.95	\$ 22,088,921.25	\$ 7,852.17	\$ (50,125,880.59)
Attendance	170,127.26	-	-	-	(170,127.26)
Guidance	3,263,603.70	-	-	-	(3,263,603.70)
Health, Psych Speech and Audio	1,569,241.17	-	-	-	(1,569,241.17)
Improvement of Instruction	1,563,152.71	-	246,894.62	-	(1,316,258.09)
Professional Development	475,878.88	-	-	-	(475,878.88)
Media Services (Library)	1,035,807.11	-	-	-	(1,035,807.11)
Board of Education Services	307,727.53	-	-	-	(307,727.53)
Executive Administration	3,917,992.13	-	-	-	(3,917,992.13)
Building Level Administration	6,329,865.23	-	-	-	(6,329,865.23)
Business Central Service	3,118,730.24	-	-	-	(3,118,730.24)
Operation of Plant	10,775,182.47	-	-	-	(10,775,182.47)
Security Services	764,817.80	-	-	-	(764,817.80)
Pupil Transportation	6,066,892.90	1,261,454.98	1,023,023.53	-	(3,782,414.39)
Food Services	4,571,512.11	529,757.48	6,104,188.33	-	2,062,433.70
Printing & Publishing Services	225,513.65	-	-	-	(225,513.65)
Other Supporting Services	13,532.46	-	-	-	(13,532.46)
Student Activities	171,514.84	1,519,697.78	-	-	1,348,182.94
Community Services	897,913.83	728,010.69	-	-	(169,903.14)
Capital Outlay	6,572,420.72	-	-	-	(6,572,420.72)
Debt Service:					
Principal Retirement	1,611,950.00	-	-	-	(1,611,950.00)
Interest and Fiscal Charges	783,574.67	-	-	-	(783,574.67)
Total Governmental Activities	\$ 127,901,019.37	\$ 5,510,334.88	\$ 29,463,027.73	\$ 7,852.17	(92,919,804.59)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					27,059,683.46
Property taxes, levied for special revenue					57,691,507.61
Property taxes, levied for debt service					2,577,429.84
Property taxes, levied for capital projects					4,832,483.65
Federal, State and County aid not restricted to specific purposes					5,786,169.90
Interest and investment earnings					159,826.35
Miscellaneous					361,933.21
Subtotal, general revenues					98,469,034.02
Changes in Net Position					5,549,229.43
Net Position July 1, 2021					93,572,755.12
Net Position June 30, 2022					\$ 99,121,984.55

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
June 30, 2022

	<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 Investments	\$ 39,481,365.85	\$ 3,401,037.41	\$ -	\$ -	\$ 42,882,403.26
Restricted Assets:					
Cash and Investments	-	-	1,853,387.43	43,471,983.22	45,325,370.65
Investments	-	-	-	-	-
Total Assets:	<u>\$ 39,481,365.85</u>	<u>\$ 3,401,037.41</u>	<u>\$ 1,853,387.43</u>	<u>\$ 43,471,983.22</u>	<u>\$ 88,207,773.91</u>
LIABILITIES AND FUND BALANCES					
Liabilities- Flex Spending	\$ 30,874.55	\$ -	\$ -	\$ -	\$ 30,874.55
Fund Balances:					
Restricted for:					
Debt Service	-	-	1,853,387.43	-	1,853,387.43
Assigned to:					
Special Revenue Fund	-	3,401,037.41	-	-	3,401,037.41
Capital Projects Fund	-	-	-	43,471,983.22	43,471,983.22
Unassigned	39,450,491.30	-	-	-	39,450,491.30
Total Fund Balances:	<u>\$ 39,450,491.30</u>	<u>\$ 3,401,037.41</u>	<u>\$ 1,853,387.43</u>	<u>\$ 43,471,983.22</u>	<u>\$ 88,176,899.36</u>
Total Liabilities and Fund Balances:	<u>\$ 39,481,365.85</u>	<u>\$ 3,401,037.41</u>	<u>\$ 1,853,387.43</u>	<u>\$ 43,471,983.22</u>	<u>\$ 88,207,773.91</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 Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local Sources:					
Property Taxes	\$ 25,018,400.33	\$ 45,969,315.14	\$ 2,565,849.28	\$ 4,697,405.75	\$ 78,250,970.50
Sales Taxes	320,405.25	11,722,192.47	11,580.56	21,202.08	12,075,380.36
Investment Income	49,110.58	-	0.17	93,908.33	143,019.08
M&M Surtax	1,720,877.88	-	-	113,875.82	1,834,753.70
Transportation Fees From Patrons	28,054.50	-	-	-	28,054.50
Other Pupil Activity	2,049,455.26	-	-	-	2,049,455.26
Community Services	287,485.22	-	-	-	287,485.22
Other Local	1,177,532.45	196,483.58	-	291,802.22	1,665,818.25
Total Local	<u>30,651,321.47</u>	<u>57,887,991.19</u>	<u>2,577,430.01</u>	<u>5,218,194.20</u>	<u>96,334,936.87</u>
County Sources					
Fines, Escheats, Etc.	-	40,011.47	-	-	40,011.47
State Assessed Utilities	507,160.93	931,879.29	57,624.09	123,173.87	1,619,838.18
Total County	<u>507,160.93</u>	<u>971,890.76</u>	<u>57,624.09</u>	<u>123,173.87</u>	<u>1,659,849.65</u>
State Sources					
Basic Formula	2,942,405.46	12,092,915.87	-	1,007,132.09	16,042,453.42
State Grants and Contributions	3,169,281.54	2,033,899.49	-	7,852.17	5,211,033.20
Total State	<u>6,111,687.00</u>	<u>14,126,815.36</u>	<u>-</u>	<u>1,014,984.26</u>	<u>21,253,486.62</u>
Federal Sources	10,952,384.93	1,023,859.12	-	565,314.70	12,541,558.75
TOTAL REVENUES	<u>48,222,554.33</u>	<u>74,010,556.43</u>	<u>2,635,054.10</u>	<u>6,921,667.03</u>	<u>131,789,831.89</u>
Expenditures					
Current					
Regular Instruction	8,785,723.95	63,421,396.34	-	777,412.52	72,984,532.81
Attendance	168,098.03	-	-	-	168,098.03
Guidance	789,141.33	2,433,446.93	-	2,088.00	3,224,676.26
Health, Psych Speech & Audio	1,375,201.53	175,322.13	-	-	1,550,523.66
Improvement of Instruction	265,541.97	1,253,854.87	-	25,110.98	1,544,507.82
Professional Development	312,511.70	157,691.02	-	-	470,202.72
Media Services	228,090.98	795,361.28	-	-	1,023,452.26
Board of Education Services	304,057.03	-	-	-	304,057.03
Executive Administration	2,981,781.23	839,278.08	-	50,200.00	3,871,259.31
Building Level Administration	2,015,864.49	4,238,499.71	-	-	6,254,364.20
Business Central Services	2,543,775.21	537,755.60	-	-	3,081,530.81
Operation of Plant	10,564,800.34	-	-	81,858.48	10,646,658.82
Security Services	755,695.25	-	-	-	755,695.25
Pupil Transportation	5,483,604.54	-	-	510,924.00	5,994,528.54
Food Service	4,408,361.24	-	-	108,623.03	4,516,984.27
Printing & Publishing Services	221,225.78	-	-	1,598.00	222,823.78
Other Supporting Services	-	-	-	13,371.05	13,371.05
Community Services	288,240.40	598,963.34	-	-	887,203.74
Capital Outlay	-	-	-	6,572,420.72	6,572,420.72
Debt Service:					
Principal	-	-	-	1,565,000.00	1,611,950.00
Interest and Charges	-	-	781,666.67	48,858.00	781,848.04
Total Support Services	<u>41,491,715.00</u>	<u>74,451,569.30</u>	<u>781,666.67</u>	<u>9,757,464.78</u>	<u>126,480,689.12</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,730,839.33</u>	<u>(441,012.87)</u>	<u>1,853,387.43</u>	<u>(2,835,797.75)</u>	<u>5,309,142.77</u>
Other Financing Sources (Uses):					
Transfers	(4,108,623.03)	-	-	4,108,623.03	-
Sale of Other Property	81.00	-	-	27,460.79	27,541.79
Cost of Issuance	-	-	-	-	(1,726.63)
Contracted Educational Services	390,664.95	-	-	-	390,664.95
Transportation From Other LEA's for Non Disabled Route	97,925.80	-	-	-	97,925.80
Trans. Amounts from other LEA's for K-12 Disabled Students	1,127,477.10	-	-	-	1,127,477.10
Total Other Financing Sources (Uses)	<u>(2,492,474.18)</u>	<u>-</u>	<u>-</u>	<u>4,136,083.82</u>	<u>1,641,883.01</u>
NET CHANGE IN FUND BALANCES	<u>4,238,365.15</u>	<u>(441,012.87)</u>	<u>1,853,387.43</u>	<u>1,300,286.07</u>	<u>6,951,025.78</u>
Fund Balances July 1, 2021	35,212,126.15	3,842,050.28	-	42,171,697.15	81,225,873.58
Fund Balances June 30, 2022	<u>\$ 39,450,491.30</u>	<u>\$ 3,401,037.41</u>	<u>\$ 1,853,387.43</u>	<u>\$ 43,471,983.22</u>	<u>\$ 88,176,899.36</u>

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
June 30, 2022

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

Total Fund Balance - Governmental Funds	\$ 88,176,899.36
Total Net Position - Self-Insurance	10,945,085.19
	<hr/>
Total Net Position - Governmental Activities	<u>\$ 99,121,984.55</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 Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds	\$ 6,951,025.78
Total net change in net position - self-insurance	(1,401,796.35)
	<hr/>
Change in net position of statement of activities	<u>\$ 5,549,229.43</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
June 30, 2022**

	Self Insurance Fund
ASSETS	
Restricted:	
Cash and Cash Equivalents	\$ 2,680,721.28
Investments	8,264,363.91
Total Assets	10,945,085.19
 NET POSITION	
Restricted for Future Claims	\$ 10,945,085.19
Total Net Position	\$ 10,945,085.19

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
For the Fiscal Year Ended June 30, 2022**

OPERATING REVENUES	
Self-Insurance Premiums	\$ 12,169,902.02
Total Operating Revenues	<u>12,169,902.02</u>
 OPERATING EXPENSES	
Claims	11,917,800.83
Administration Fees	<u>1,670,704.81</u>
Total Operating Expenses	<u>13,588,505.64</u>
 Operating Income (Loss)	 <u>(1,418,603.62)</u>
 NON-OPERATING REVENUES (EXPENSES)	
Interest Income	<u>16,807.27</u>
Total Non-Operating Revenues (Expenses)	<u>16,807.27</u>
 Change in Net Position	 (1,401,796.35)
 Total Net Position - July 1, 2021	 <u>12,346,881.54</u>
 Total Net Position - June 30, 2022	 <u>\$ 10,945,085.19</u>

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

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (concluded)

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund (concluded)

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.

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (concluded)

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, 2022.
- 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
 JUNE 30, 2022

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, 2022, 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	-	-	-	3,401,037.41
Debt Service Fund	-	1,853,387.41	-	-
Capital Projects Fund	-	-	-	43,471,983.22
Total	<u>\$ -</u>	<u>\$ 1,853,387.41</u>	<u>\$ -</u>	<u>\$ 46,873,020.63</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, 2022, there were two participants in the program.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 2021-22 school year requires salaries over a 12-month period. Consequently, the July and August 2022 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, 2022, amounted to \$4,175,122. This estimate has not been subjected to auditing procedures.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

II. CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law. The depository bank is to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of Missouri Revised Statutes.

The District may invest funds in bonds or any instrument permitted by law for the investment of state monies in accordance with section 165.051 of the Missouri Revised Statutes. The District participates in Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The direct deposits occur monthly and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues. At June 30, 2022, the District had \$1,000,001.33 in this program.

The District also participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which the District's monies are pooled with other school Districts' monies to purchase investments that are permitted by state statutes. The District's monies purchase a pro-rata share of the pool. A board of directors composed of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net asset value of \$1 per share. At June 30, 2022, the District had \$63,701,100.19 invested through MOSIP.

The deposits and investments held at June 30, 2022, and reported at cost, are as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Deposits:		
Cash and Demand Deposits	N/A	\$ 34,451,757.58
Investments:		
MOSIP – Term Series	Less than 1 year	23,000,000.00
MOSIP – Liquid Series	Less than 1 year	40,701,100.19
MOHEFA Bond Program:		
Money market mutual funds	Less than 1 year	<u>1,000,001.33</u>
Total Deposits and Investments		\$ <u>99,152.859.10</u>

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

II. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificates of deposit which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less and insurance (FDIC or NCUSIF), as applicable. As of June 30, 2022, the District’s deposits were not exposed to custodial credit risk.

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 - The District minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five years from purchase date. Maturities of investments held at June 30, 2022 are summarized in the schedule on the previous page.

Investment Credit Risk - Investment credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organization. To minimize credit risk, the District prequalifies the institutions, brokers/dealers, intermediaries and advisors with which the District will do business and by diversifying the portfolio so that potential losses on the individual securities will be minimized. At June 30, 2022 the District’s investments were rated as follows:

Description	Financial Institution	Amount	Rating
External Investment Pool – Term Series	MOSIP	\$ 23,000,000.00	AAAf
External Investment Pool – Liquid Series	MOSIP	40,701,100.19	AAAm
MOHEFA Bond Program:			
Money market mutual funds	BOK Financial	1,000,001.33	AAAmf

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).

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

II. CASH AND INVESTMENTS (CONCLUDED)

As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100%; (b) collateralized time and demand deposits, 100%; (c) U.S. Government agencies and government sponsored enterprises, no more than 60%; (d) collateralized repurchase agreements, no more than 50%; (e) U.S. Government agency callable securities, no more than 30%; (f) commercial paper and bankers' acceptances, no more than 50%. At June 30, 2022, the District did not have any concentrations of credit risk required to be disclosed.

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.

The assessed valuation of the tangible taxable property (including state assessed railroad and utilities) for the calendar year 2021, for purposes of local taxation, was:

Real Estate:	
Residential	\$ 1,545,014,560
Agricultural	185,700
Commercial	316,375,070
Personal Property	<u>305,844,930</u>
TOTAL	<u>\$ 2,167,420,260</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2021-22, for purposes of local taxation, was:

	UNADJUSTED	ADJUSTED
General Fund	\$ 1.1701	\$ 1.1701
Special Revenue Fund	2.1500	2.1500
Debt Service Fund	0.1200	0.1200
Capital Projects Fund	<u>0.2197</u>	<u>0.2197</u>
TOTAL	<u>\$ 3.6598</u>	<u>\$ 3.6598</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 98.65% of the current assessment computed on the basis of the levy as shown above.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

IV. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

Description	Beginning Balance July 1, 2021	Current Year Additions	Current Year Deletions & Payments	Ending Balance June 30, 2022	Interest Paid Current Year
General Obligation Bonds	\$ 35,000,000.00	\$ -	\$ -	\$35,000,000.00	\$ 781,666.67
Capital Leases	<u>\$ 1,565,000.00</u>	<u>\$ -</u>	<u>\$ 1,565,000.00</u>	<u>-</u>	<u>\$ 46,950.00</u>
Total	<u>\$ 36,565,000.00</u>	<u>\$ -</u>	<u>\$ 1,565,000.00</u>	<u>\$35,000,000.00</u>	<u>\$ 828,616.67</u>

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.

CAPITAL LEASES

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.

The annual requirement to amortize all bond debt outstanding as of June 30, 2022, including interest payments, are as follows:

YEAR END	PRINCIPAL	INTEREST	TOTAL
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	1,600,000.00	869,250.00	2,469,250.00
2028-2032	8,525,000.00	3,608,250.00	12,133,250.00
2033-2037	9,850,000.00	2,255,250.00	12,105,250.00
2038-2041	9,000,000.00	686,250.00	9,686,250.00
	<u>\$ 35,000,000.00</u>	<u>\$ 11,352,750.00</u>	<u>\$ 46,352,750.00</u>

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

IV. CHANGES IN LONG-TERM DEBT (CONCLUDED)

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, 2022.

The legal debt margin of the District as of June 30, 2022 was:

Constitutional Debt Limit	\$ 325,113,039.00
Amount Available in Debt Service Fund	1,853,387.43
General Obligation Bonds Payable	<u>(35,000,000.00)</u>
Legal Debt Margin	<u>\$ 291,966,426.43</u>

V. RETIREMENT PLAN

**Public School and Education Employer Retirement Systems of Missouri
(PSRS and PEERS, also referred to as the Systems)**

General Information about the Pension Plans

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

V. RETIREMENT PLAN (CONTINUED)

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

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

V. RETIREMENT PLAN (CONCLUDED)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2020, 2021 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

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

The District's contributions to PSRS and PEERS were \$9,049,003.04 and \$1,253,094.32, respectively, for the year ended June 30, 2022.

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.

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.

MEHLVILLE R-IX SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2022

VIII. SELF-INSURED AND POST-RETIREMENT MEDICAL BENEFITS (CONCLUDED)

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 2021-2022 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, 2022, was \$1,080,749.

X. INTERFUND TRANSFERS

During 2022, transfers were made to the Capital Projects Fund from the General Fund. The transfer to the Capital Projects Fund from General Fund consisted of \$300,000 for transportation calc cost, \$108,623.03 for food service, and \$3,700,000.00 for a \$162,326 or 7% \times SAT \times WADA.

Interfund transfers for the year ended June 30, 2022, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 4,108,623.03
Capital Projects Fund	4,108,623.03	-
	\$ 4,108,623.03	\$ 4,108,623.03

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 485 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 2022 assessment was \$1,354,965. 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.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, 107 retirees contributed to health insurance, 564 retirees contributed to dental insurance and 472 retirees contributed to vision benefits. Total contributions made by retirees for post-employment benefits for the fiscal year ended June 30, 2022, amounted to \$1,422,658.80.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

XIV. TAX ABATEMENTS

As of June 30, 2022, the Collaborative is subject to the following tax abatement programs initiated by other government entities:

	<u>Real Estate</u>		<u>Property</u>	
	<u>Tax</u>	<u>Surcharge</u>	<u>Tax</u>	
Enhanced enterprise zones:				
City of Hazelwood	\$ -	\$ 1,134	\$ -	
City of Berkeley	-	337	-	
Industrial development bonds/St. Louis County :				
Chapter 100:				
City of Bellerive	-	470	-	
City of Bridgeton	-	11	-	
City of Clayton	-	9,519	-	
City of Eureka	-	462	-	
City of Ferguson	-	751	-	
City of Hazelwood	-	8,630	-	
City of Jennings	-	25	-	
St. Louis County	-	22,721	-	
St. Louis County Port Authority	-	2,874	-	
Urban redevelopment corporations:				
City of Brentwood	-	1,188	-	
City of Bridgeton	-	3,270	-	
City of Clayton	-	105	-	
City of Edmundson	-	1,740	-	
City of Ferguson	-	126	-	
City of Frontenac	-	1,589	-	
City of Hazelwood	-	18,441	-	
City of Kinloch	-	7,264	-	
City of Maplewood	-	869	-	
City of Maryland Heights	-	1,178	-	
City of Normandy	-	-	-	
City of Olivette	-	326	-	
City of Overland	-	595	-	
City of Richmond Heights	-	934	-	
City of Rock Hill	-	255	-	
City of Sunset Hills	-	192	-	
City of Woodson Terrace	-	25	-	
St. Louis County	-	1,535	34,197	
	<hr/>			
Total	\$ -	\$ 86,566	\$ 34,197	
	<hr/>			

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
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Capital Projects Funds by Component Unit - Modified Cash Basis
For the Fiscal Year Ended June 30, 2022

	Mehlville R-IX School District	Mehlville R-IX Public Facilities Authority	Eliminations	Totals
Revenues				
Local Sources	\$ 5,218,021.19	\$ 173.01	\$ -	\$ 5,218,194.20
County Sources	123,173.87	-	-	123,173.87
State Sources	1,014,984.26	-	-	1,014,984.26
Federal Sources	565,314.70	-	-	565,314.70
TOTAL REVENUES	<u>6,921,494.02</u>	<u>173.01</u>	<u>-</u>	<u>6,921,667.03</u>
Expenditures				
Current				
Instruction	777,412.52	-	-	777,412.52
Guidance	2,088.00	-	-	2,088.00
Improvement of Instruction	25,110.98	-	-	25,110.98
Executive Administration	50,200.00	-	-	50,200.00
Operation of Plant	81,858.48	-	-	81,858.48
Pupil Transportation	510,924.00	-	-	510,924.00
Food Service	108,623.03	-	-	108,623.03
Printing & Publishing Services	1,598.00	-	-	1,598.00
Other Support Services	13,371.05	-	-	13,371.05
Capital Outlay	6,572,420.72	-	-	6,572,420.72
Debt Service:				
Principal	-	1,565,000.00	-	1,565,000.00
Interest and Charges	1,726.63	47,131.37	-	48,858.00
Total Support Services	<u>8,145,333.41</u>	<u>1,612,131.37</u>	<u>-</u>	<u>9,757,464.78</u>
Revenues Over (Under)				
Expenditures	<u>(1,223,839.39)</u>	<u>(1,611,958.36)</u>	<u>-</u>	<u>(2,835,797.75)</u>
Other Financing Sources (Uses):				
Trans	4,108,623.03	-	-	4,108,623.03
Sale of Property	27,460.79	-	-	27,460.79
Total Other Financing Sources (Uses)	<u>4,136,083.82</u>	<u>-</u>	<u>-</u>	<u>4,136,083.82</u>
NET CHANGE IN FUND BALANCES	2,912,244.43	(1,611,958.36)	-	1,300,286.07
Fund Balances July 1, 2021	40,559,738.79	1,611,958.36	-	42,171,697.15
Fund Balances June 30, 2022	<u>\$ 43,471,983.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,471,983.22</u>

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

OTHER INFORMATION

Mehville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - General Fund (Unaudited)
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances--
	Original	Final		Over(Under)
				Final
Revenues				
Local Sources	\$ 31,229,550.00	\$ 30,651,321.47	\$ 30,651,321.47	\$ -
County Sources	501,000.00	507,160.93	507,160.93	-
State Sources	6,128,000.00	6,111,687.00	6,111,687.00	-
Federal Sources	7,245,000.00	10,952,384.93	10,952,384.93	-
TOTAL REVENUES	45,103,550.00	48,222,554.33	48,222,554.33	-
Expenditures				
Current				
Instruction	4,011,815.00	8,785,723.95	8,785,723.95	-
Attendance	9,600.00	168,098.03	168,098.03	-
Guidance	398,600.00	789,141.33	789,141.33	-
Health, Psych Speech & Audio	50,700.00	1,375,201.53	1,375,201.53	-
Improvement of Instruction	215,229.00	265,541.97	265,541.97	-
Professional Development	769,200.00	312,511.70	312,511.70	-
Media Services	1,031,000.00	228,090.98	228,090.98	-
Board of Education Services	704,950.00	304,057.03	304,057.03	-
Executive Administration	1,388,750.00	2,981,781.23	2,981,781.23	-
Building Level Administration	22,500.00	2,015,864.49	2,015,864.49	-
Business Central Services	21,786,312.00	2,543,775.21	2,543,775.21	-
Operation of Plant	3,963,131.00	10,564,800.34	10,564,800.34	-
Security Services	528,793.00	755,695.25	755,695.25	-
Pupil Transportation	1,422,737.00	5,483,604.54	5,483,604.54	-
Food Service	3,959,338.00	4,408,361.24	4,408,361.24	-
Printing & Publishing Services	212,300.00	221,225.78	221,225.78	-
Other Supporting Services	-	-	-	-
Community Services	72,865.00	288,240.40	288,240.40	-
Early Childhood	32,150.00	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	40,579,970.00	41,491,715.00	41,491,715.00	-
Revenues Over (Under)				
Expenditures	4,523,580.00	6,730,839.33	6,730,839.33	-
Other Financing Sources (Uses):				
Trans	-	(4,108,623.03)	(4,108,623.03)	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	-	-	-	-
Sale of Other Property	-	81.00	81.00	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	240,000.00	390,664.95	390,664.95	-
Transportation From Other LEA's for Non Disabled Route	75,000.00	97,925.80	97,925.80	-
Trans. Amounts from other LEA's for K-12 Disabled Students	1,050,000.00	1,127,477.10	1,127,477.10	-
Total Other Financing Sources (Uses)	1,365,000.00	(2,492,474.18)	(2,492,474.18)	-
NET CHANGE IN FUND BALANCE	5,888,580.00	4,238,365.15	4,238,365.15	\$ -
Fund Balance July 1, 2021	35,212,126.15	35,212,126.15	35,212,126.15	
Fund Balance June 30, 2022	\$ 41,100,706.15	\$ 39,450,491.30	\$ 39,450,491.30	

See accompanying independent auditor's report and notes to budgetary comparison schedules.

Mehville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - Special Revenue Fund (Unaudited)
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance--
	Original	Final		Over(Under)
				Final
Revenues				
Local Sources	\$ 58,154,450.00	\$ 57,887,991.19	\$ 57,887,991.19	\$ -
County Sources	1,059,000.00	971,890.76	971,890.76	-
State Sources	13,668,000.00	14,126,815.36	14,126,815.36	-
Federal Sources	714,000.00	1,023,859.12	1,023,859.12	-
TOTAL REVENUES	73,595,450.00	74,010,556.43	74,010,556.43	-
Expenditures				
Current				
Instruction	1,840,101.00	63,421,396.34	63,421,396.34	-
Attendance	-	-	-	-
Guidance	-	2,433,446.93	2,433,446.93	-
Health, Psych Speech & Audio	-	175,322.13	175,322.13	-
Improvement of Instruction	237,789.00	1,253,854.87	1,253,854.87	-
Professional Development	422,619.00	157,691.02	157,691.02	-
Media Services	-	795,361.28	795,361.28	-
Board of Education Services	-	-	-	-
Executive Administration	-	839,278.08	839,278.08	-
Building Level Administration	-	4,238,499.71	4,238,499.71	-
Business Central Services	74,938,495.00	537,755.60	537,755.60	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Printing & Publishing Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	8,544.00	598,963.34	598,963.34	-
Early Childhood	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Support Services	77,447,548.00	74,451,569.30	74,451,569.30	-
Revenues Over (Under)				
Expenditures	(3,852,098.00)	(441,012.87)	(441,012.87)	-
Other Financing Sources (Uses):				
Trans	-	-	-	-
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	(3,852,098.00)	(441,012.87)	(441,012.87)	\$ -
Fund Balance July 1, 2021	3,842,050.28	3,842,050.28	3,842,050.28	
Fund Balance June 30, 2022	\$ (10,047.72)	\$ 3,401,037.41	\$ 3,401,037.41	

See accompanying independent auditor's report and notes to budgetary comparison schedules.

Mehlville R-IX School District
 Budgetary Comparison Schedule
 Modified Cash Basis - Debt Service Fund (Unaudited)
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances--
	Original	Final		Over(Under)
				Final to Actual
Revenues				
Local Sources	\$ 2,685,000.00	\$ 2,577,430.01	\$ 2,577,430.01	\$ -
County Sources	55,000.00	57,624.09	57,624.09	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUES	2,740,000.00	2,635,054.10	2,635,054.10	-
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	783,000.00	781,666.67	781,666.67	-
Total Expenditures	783,000.00	781,666.67	781,666.67	-
Revenues Over (Under)				
Expenditures	1,957,000.00	1,853,387.43	1,853,387.43	-
Other Financing Sources (Uses):				
Trans	-	-	-	-
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	1,957,000.00	1,853,387.43	1,853,387.43	\$ -
Fund Balance July 1, 2021	-	-	-	
Fund Balance June 30, 2022	\$ 1,957,000.00	\$ 1,853,387.43	\$ 1,853,387.43	

See accompanying independent auditor's report and notes to budgetary comparison schedules.

Mehville R-IX School District
Budgetary Comparison Schedule
Modified Cash Basis - Capital Projects Fund (Unaudited)
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances--
	Original	Final		Over(Under)
				Final
Revenues				
Local Sources	\$ 5,299,000.00	\$ 5,218,021.19	\$ 5,218,021.19	\$ -
County Sources	100,000.00	123,173.87	123,173.87	-
State Sources	1,053,000.00	1,014,984.26	1,014,984.26	-
Federal Sources	-	565,314.70	565,314.70	-
TOTAL REVENUES	6,452,000.00	6,921,494.02	6,921,494.02	-
Expenditures				
Current				
Instruction	135,662.00	777,412.52	777,412.52	-
Attendance	-	-	-	-
Guidance	-	2,088.00	2,088.00	-
Health, Psych Speech & Audio	12,000.00	-	-	-
Improvement of Instruction	30,000.00	25,110.98	25,110.98	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	79,200.00	50,200.00	50,200.00	-
Building Level Administration	-	-	-	-
Business Central Services	24,000.00	-	-	-
Operation of Plant	187,500.00	81,858.48	81,858.48	-
Security Services	-	-	-	-
Pupil Transportation	607,944.00	510,924.00	510,924.00	-
Food Service	57,000.00	108,623.03	108,623.03	-
Printing & Publishing Services	68,220	1,598.00	1,598.00	-
Other Supporting Services	10,000.00	13,371.05	13,371.05	-
Community Services	-	-	-	-
Early Childhood	-	-	-	-
Capital Outlay	14,810,000.00	6,572,420.72	6,572,420.72	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	1,726.63	1,726.63	-
Total Support Services	16,021,526.00	8,145,333.41	8,145,333.41	-
Revenues Over (Under)				
Expenditures	(9,569,526.00)	(1,223,839.39)	(1,223,839.39)	-
Other Financing Sources (Uses):				
Trans	-	4,108,623.03	4,108,623.03	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Bonds	-	-	-	-
Sale of Other Property	15,000.00	27,460.79	27,460.79	-
Sale of School Buses	-	-	-	-
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)	15,000.00	4,136,083.82	4,136,083.82	-
NET CHANGE IN FUND BALANCE	(9,554,526.00)	2,912,244.43	2,912,244.43	\$ -
Fund Balance July 1, 2021	40,559,738.79	40,559,738.79	40,559,738.79	
Fund Balance June 30, 2022	\$ 31,005,212.79	\$ 43,471,983.22	\$ 43,471,983.22	

See accompanying independent auditor's report and notes to budgetary comparison schedules.
This schedule does not include the activity of the Mehville R-IX School District Public Facilities Authority.

MEHLVILLE R-IX SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2022

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) 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.
- 5) On June 24, 2021, the budget was legally enacted by a vote of the Board of Education.
- 6) On June 9, 2022, the final budget was legally enacted by a vote of the Board of Education.

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, 2022.

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, 2022, are fairly stated, in all material respects. We did note immaterial instances of state matters that we reported on page 53.

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 5, 2022

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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
1050	9	12		6.5000	174	1,100.75
1075	9	12		6.5000	174	1,100.75
3000	6	8		6.4167	174	1,087.17
3020	6	8		6.4167	174	1,087.17
3040	6	8		6.4167	174	1,087.17
3060	6	8		6.4167	174	1,087.17
4020	K	5		6.4167	174	1,087.17
4060	K	5		6.4167	174	1,087.17
4070	K	5		6.4167	174	1,087.17
4080	K	5		6.4167	174	1,087.17
4090	K	5		6.4167	174	1,087.17
5000	K	5		6.4167	174	1,087.17
5020	K	5		6.4167	174	1,087.17
5040	K	5		6.4167	174	1,087.17
5060	K	5		6.4167	174	1,087.17
5080	K	5		6.4167	174	1,087.17
5100	K	5		6.4167	174	1,087.17
7500	K	K		6.4167	174	1,087.17

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2. ATTENDANCE HOURS

SCHOOL CODE	GRADE LEVEL	FULL-TIME	PART-TIME	REMEDIAL	OTHER	SUMMER SCHOOL	TOTAL
1050	9-12	1,210,439.2500	121,149.5200	-	40,102.99	-	1,371,691.7600
1075	9-12	1,486,285.7900	110,457.1600	-	41,956.65	51,165.0000	1,689,864.6000
3000	6-8	531,401.5800	1,279.5600	-	10,471.51	-	543,152.6500
3020	6-8	659,563.4600	38.5000	-	12,111.63	-	671,713.5900
3040	6-8	484,749.2700	1,661.4500	-	11,325.01	-	497,735.7300
3060	6-8	643,507.8400	241.4500	603.5000	7,137.08	23,747.3195	675,237.1895
4020	K-5	282,645.1300	-	-	942.53	-	283,587.6600
4060	K-5	516,271.0000	1,061.0100	-	1,973.40	47,859.4166	567,164.8266
4070	K-5	538,737.9100	-	-	8,610.28	-	547,348.1900
4080	K-5	358,996.5200	-	-	2,932.95	-	361,929.4700
4090	K-5	380,898.0900	-	-	5,623.46	260.0000	386,781.5500
5000	K-5	382,891.4900	-	-	4,514.49	-	387,405.9800
5020	K-5	390,801.0500	-	-	5,233.37	-	396,034.4200
5040	K-5	428,874.6100	-	-	3,465.24	-	432,339.8500
5060	K-5	352,816.0100	299.9700	-	6,577.47	42,717.9329	402,411.3829
5080	K-5	243,361.9800	-	-	-	-	243,361.9800
5100	K-5	435,334.0500	-	-	5,268.11	65,657.0844	506,259.2444
GRAND TOTAL		9,327,575.0300	236,188.6200	603.5000	168,246.1700	231,406.7534	9,964,020.0734

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

3. SEPTEMBER MEMBERSHIP

SCHOOL CODE	GRADE LEVEL	FULL-TIME	PART-TIME	OTHER	TOTAL
1050	9-12	1,285.00	92.63	44.60	1,422.23
1075	9-12	1,521.00	110.06	50.45	1,681.51
3000	6-8	535.00	0.63	11.00	546.63
3020	6-8	651.00	-	14.00	665.00
3040	6-8	488.00	1.50	12.00	501.50
3060	6-8	635.00	0.26	7.00	642.26
4020	K-5	280.00	0.07	1.00	281.07
4060	K-5	512.00	-	2.00	514.00
4070	K-5	538.00	0.39	9.00	547.39
4080	K-5	353.00	-	3.00	356.00
4090	K-5	370.00	1.3	7.00	378.30
5000	K-5	371.00	0.44	5.00	376.44
5020	K-5	379.00	1.17	6.00	386.17
5040	K-5	413.00	-	4.00	417.00
5060	K-5	360.00	0.39	6.00	366.39
5080	K-5	238.00	-	-	238.00
5100	K-5	431.00	0.39	5.00	436.39
GRAND TOTAL		9,360.00	209.23	187.05	9,756.28

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	261.03	21.22	23.89	N/A	306.14
1075	127.50	10.57	22.45	1.00	161.52
3000	144.00	11.00	5.00	N/A	160.00
3020	47.00	5.00	8.00	2.00	62.00
3040	99.75	7.00	10.76	N/A	117.51
3060	71.00	4.00	2.00	1.00	78.00
4020	107.00	7.00	1.00	N/A	115.00
4060	157.39	12.00	2.00	N/A	171.39
4070	103.00	7.00	7.00	1.00	118.00
4080	116.41	3.00	1.00	N/A	120.00
4090	41.00	3.00	4.00	N/A	48.00
5000	31.00	2.00	1.00	N/A	34.00
5020	35.00	2.00	2.00	N/A	39.00
5040	33.00	1.00	N/A	N/A	34.00
5060	112.00	12.00	5.00	N/A	129.00
5080	6.00	3.00	N/A	N/A	9.00
5100	49.00	4.00	4.00	N/A	57.00
GRAND TOTAL	1540.67	114.79	99.10	5.00	1759.56

5. FINANCE

5.1 The district maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.

TRUE

5.2 The district maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 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 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 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)	FALSE
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 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

*While the District did maintain a separate bank account for Debt Service monies, the amount in the account was less than the required amount.

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 DISTRICT NO. 096-094
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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.)	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$ 470,202.72</u>
5.13	The district 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.	<u>TRUE</u>

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.	<u>True</u>
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.	<u>True</u>
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	<u>6,109.00</u>
	Ineligible ADT	<u>1,187.50</u>
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.	<u>True</u>
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	<u>862,086.00</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	<u>819,462.00</u>
	Ineligible Miles (Non-Route/Disapproved)	<u>42,624.00</u>
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	<u>174</u>

MEHLVILLE R-IX SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 a budget deficit in the original budget of \$10,047.72 for the year ended June 30, 2022.

II. DEBT SERVICE BANK ACCOUNT

While the District did maintain a separate bank account for Debt Service monies, the amount in the account was less than the required amount.

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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

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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mehlville R-IX School District (District), as of and for the year ended June 30, 2022, 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 5, 2022. Our report on the basic financial statements disclosed that, as described in Note I to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

December 5, 2022



Daniel Jones & Associates

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

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

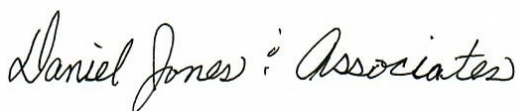
Report On Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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 5, 2022

Mehlville R-IX School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:				
<i>Passed through Missouri Department of Elementary and Secondary Education:</i>				
Special Education Cluster (IDEA):				
Special Education - Grants to States - IDEA Special Education Part B	84.027A	096-094	\$ -	\$ 11,969.30
Early Childhood Special Education -619	84.173A	096-094	-	63,226.40
Total Special Education Cluster (IDEA)			-	75,195.70
Title I, Grants to Local Education Agencies	84.010A	096-094	-	1,141,087.83
Career and Technical Education - Basic Grants to States	84.048A	096-094	-	127,308.64
English Language Acquisition State Grants	84.365	096-094	-	160,978.96
Supporting Effective Instruction State Grants	84.367A	096-094	-	124,100.55
Student Support and Academic Enrichment Program (Title IV)	84.424A	096-094	-	84,315.08
COVID 19: Education Stabilization Fund - Transportation Supplement	84.425C	096-094	-	3,791.19
COVID 19: Education Stabilization Fund - ESSER I	84.425D	096-094	-	3,343.64
COVID 19: Education Stabilization Fund - ESSER II	84.425D	096-094	-	1,769,191.25
COVID 19: Education Stabilization Fund - ESSER III	84.425U	096-094	-	1,904,035.27
COVID 19: Education Stabilization Fund - Teacher Retention	84.425D	096-094	-	88,649.76
Subtotal Federal Assistance Listing #84.425:			-	3,769,011.11
Total U.S. Department of Education			-	5,481,997.87
U.S. Department of Agriculture:				
<i>Passed through Missouri Department of Elementary and Secondary Education:</i>				
Child Nutrition Cluster:				
National School Breakfast Program	10.553	096-094	-	1,269,563.97
National School Lunch Program	10.555	096-094	-	4,404,087.77
Food & Nutrition Services CNEOC	10.555	096-094	-	116,495.16
Food & Nutrition Services Lunch Supply Chain	10.555	096-094	-	183,278.10
Commodities	10.555	096-094	-	244,613.18
Subtotal Federal Assistance Listing #10.555			-	4,948,474.21
Total U.S. Department of Agriculture and Child Nutrition Cluster			-	6,218,038.18
U.S. Department of Health and Human Services				
<i>Passed-through Missouri Department of Health and Senior Services</i>				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	096-094	-	599,801.20
Youth Risk Behavior Survey	93.079	096-094	-	500.00
Total U.S. Department of Health and Human Services			-	600,301.20
Total Federal Expenditures			\$ -	\$ 12,300,337.25

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 FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Mehlville R-IX School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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 as 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	\$ 10,952,384.93
Special Revenue Fund	1,023,859.12
Capital Projects	565, 314.70
	\$ 12,541,558.75

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 year ended June 30, 2022.

MEHLVILLE R-IX SCHOOL DISTRICT
 SCHEDULE OF FINDINGS
 AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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:

Federal Assistance Listing Number(s):	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.425 C, D, U	COVID 19: Education Stabilization Fund (ESF)
93.323	COVID 19: Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

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 FISCAL YEAR ENDED JUNE 30, 2022

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings to report for the fiscal year ended June 30, 2022.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the fiscal year ended June 30, 2022.

MEHLVILLE R-IX SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

There were no financial statement findings for the fiscal year ended June 30, 2021.

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, 2021.