

COWGILL R-VI SCHOOL DISTRICT
COWGILL, MISSOURI

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY DATA
AND INDEPENDENT AUDITORS' REPORTS

June 30, 2020

COWGILL R-VI SCHOOL DISTRICT
COWGILL, MISSOURI

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COWGILL R-VI SCHOOL DISTRICT

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CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

706 Grant
Princeton, MO 64673
(660) 748-4423
Fax - (660) 748-4422

INDEPENDENT AUDITORS' REPORT

Board of Education
Cowgill R-VI School District
Cowgill, MO 64637

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cowgill R-VI School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Cowgill R-VI School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund for the Cowgill R-VI School District as of June 30, 2020, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 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.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cowgill R-VI School District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information and retirement reports on pages 19-22 and 26-29, respectively, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Financial Information

The supplementary information, except as noted above, 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. Such information has been subject to the auditing procedures applied in the auditing of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2020, on our consideration of the Cowgill R-VI School District's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Cowgill R-VI School District's internal control over financial reporting and compliance.



Conrad and Higgins, LLC

Chillicothe, Missouri

Date: December 8, 2020

BASIC FINANCIAL STATEMENTS

Cowgill R-VI School District
Statement of Net Position Arising From Modified
Cash Basis Transactions-Governmental Activities
For the Year Ended June 30, 2020

ASSETS:

Cash	\$ 391,145
Investments	-
Land, buildings and equipment, net of accumulated depreciation	<u>423,375</u>
Total Assets	<u><u>\$ 814,520</u></u>

NET POSITION:

Net investment in capital assets	\$ 423,375
Unrestricted	<u>391,145</u>
Total Net Position	<u><u>\$ 814,520</u></u>

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

Cowgill R-VI School District
Statement of Activities Arising From Modified
Cash Basis Transactions-Governmental Activities
For the Year Ended June 30, 2020

	Expenditures	Program Receipts			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 586,066	\$ 192	\$ 204,798	\$ -	\$ (381,076)
Student services	34,677	-	-	-	(34,677)
Instructional staff support	42,955	-	-	-	(42,955)
Building administration	51,787	-	-	-	(51,787)
General administration	85,744	-	-	-	(85,744)
Operation of plant	140,598	-	-	-	(140,598)
Pupil transportation	36,141	-	6,562	-	(29,579)
Food services	31,474	4,385	18,236	-	(8,853)
Adult education and community services	3,151	-	-	-	(3,151)
Total	<u>\$ 1,012,593</u>	<u>\$ 4,577</u>	<u>\$ 229,596</u>	<u>\$ -</u>	<u>(778,420)</u>
General Revenues:					
					260,890
					60,949
					335,304
					1,510
					8,420
					<u>(111,347)</u>
					925,867
					<u>\$ 814,520</u>

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

FUND FINANCIAL STATEMENTS

Cowgill R-VI School District
 Combined Statement of Assets and Net Position
 Arising from Modified Cash Transactions - All Fund Types
 June 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Totals (Governmental Funds)
ASSETS			
Cash	\$ 391,145	\$ -	\$ 391,145
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 391,145</u>	<u>\$ -</u>	<u>\$ 391,145</u>
NET POSITION			
Restricted for:			
Teaching expenses	\$ -	\$ -	\$ -
Unassigned:	<u>391,145</u>	<u>-</u>	<u>391,145</u>
Total Net Position	<u>\$ 391,145</u>	<u>\$ -</u>	<u>391,145</u>
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets (net of accumulated depreciation) used in governmental activities are not financial			
and, therefore, are not reported in the funds.			423,375
Net position of governmental activities			<u>\$ 814,520</u>

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

Cowgill R-VI School District
Combined Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - All Governmental Fund Types
for the Year Ended June 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Totals (Governmental Funds)
REVENUES COLLECTED:			
Local	\$ 202,647	\$ 41,328	\$ 243,975
County	87,157	5,214	92,371
State	10,861	373,938	384,799
Federal	138,878	41,223	180,101
Total Revenues Collected	<u>439,543</u>	<u>461,703</u>	<u>901,246</u>
EXPENDITURES PAID:			
Instruction	116,699	469,367	586,066
Community service	2,411	-	2,411
Health services	34,677	-	34,677
Improvement of instruction	16,295	-	16,295
Professional development	6,785	-	6,785
Media services	19,875	-	19,875
Executive administration	52,645	33,098	85,743
Building level administration	18,710	33,077	51,787
Operation of plant	120,547	-	120,547
Pupil transportation	36,141	-	36,141
Food services	31,474	-	31,474
Early childhood programs/instruction	740	-	740
Total Expenditures Paid	<u>456,999</u>	<u>535,542</u>	<u>992,541</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>(17,456)</u>	<u>(73,839)</u>	<u>(91,295)</u>
OTHER FINANCING SOURCES (USES):			
Transfers	(73,839)	73,839	-
Total other financing sources (uses)	<u>(73,839)</u>	<u>73,839</u>	<u>-</u>
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	(91,295)	-	(91,295)
NET POSITION, JULY 1, 2019	<u>482,440</u>	<u>-</u>	
NET POSITION, JUNE 30, 2020	<u>\$ 391,145</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, capital costs are allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays were exceeded by depreciation.			(20,052)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES			<u>\$ (111,347)</u>

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

NOTES TO FINANCIAL STATEMENTS

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cowgill R-VI School District was established in 1911 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 Cowgill R-VI School District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

* The financial statements include:

** Financial statements prepared using modified cash basis for government-wide financial statements and for the fund financial statements for all of the District's activities.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic, but not the only, criterion 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, no additional component units should be included in the reporting entity.

B. Basis of Presentation - Fund Accounting

The District's financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's General and Special Revenue funds are classified as governmental activities.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column (b) and are reported on a modified cash basis of accounting, which recognizes all long-term assets as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operation and capital grants. Program revenues must be directly associated with the function (food services, instruction, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Financial Statements-Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, reserves, fund balances, revenues collected, and expenditures paid, arising from cash transactions.

The following governmental fund types are used by the District:

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its government-wide financial statements on the modified cash basis of accounting which recognizes all long-term assets and long-term debt obligations. The District's policy is to prepare its fund financial statements on the modified cash basis of accounting, which is modified to present investments; 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.

E. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting

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 superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all 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) Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. Unused appropriations lapse at the end of each fiscal year.

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

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments, which is managed by the district treasurer. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. government securities, carried at cost, which approximates market. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

H. Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Equipment	7 years
Improvements	20 years

I. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts unused and which are vested in the employee are payable upon termination. Total vested and unpaid sick leave at June 30, 2020, amounted to \$4,175.

J. Teachers' Salaries

Payroll checks, written and dated in June 2020 for July and August 2020 payrolls, from 2019-2020 contracts in the amount of \$50,219 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

K. 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, plus a 2% administration charge, 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. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2020.

L. Inventories

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

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Public School Retirement System of Missouri

Financial reporting information pertaining to our participation in the Public School Retirement System of Missouri ("PSRS") and the Public Education Employee Retirement System of Missouri ("PEERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The fiduciary net position, as well as additions to and deductions from the fiduciary net positions, of PSRS and PEERS have been determined on the same basis as they are reported by PSRS and PEERS. The financial statements were prepared using the modified cash basis of accounting. Members and employer contributions are recognized when paid, pursuant to formal commitments and statutory requirements. Expenses are recognized when the payment is made.

N. Restrictced Assets

Restricted assets of the District consist of checking, certificates of deposit and investments which have been set aside based on 1) certain debt covenants, 2) taxing authority guidelines and 3) state statutory compliance. Debt covenants provide for the redemption of debt in future years and to service outstanding debt. Taxing authority guidelines provide for the taxes collected to be disbursed in accordance with the terms that the patrons of the District approved when they voted. State statutory compliance restricts transfers from the Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund. It is the District's policy to first use restricted net position prior to the use of unrestricted net position when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

2 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Missouri State Statutes authorize the Board of Education, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposits. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the District or a disinterested third party and must be of the kind prescribed by the State Statutes and approved by the State. At June 30, 2020, the carrying amount of deposits and investments was \$234,806 and \$156,339 and the bank balance was \$297,804 and \$156,339. All of the bank balances were covered by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the District's name.

Bond covenants authorize the District to invest in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States, or in other obligations in which public funds are permitted to be invested under Missouri law.

Interest Rate Risk - The District has no formal investment policy regarding interest rate risk.

Credit Risk - The District has no investment policy that limits in investment choice other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Investment Credit Risk - The District places no limit on the amount it may invest in any one issuer. At June 30, 2020, the District had no concentration of credit risk.

A reconciliation of cash and investments as shown on the Balance Sheet was as follows:

	Carrying Amount	
Cash on hand	\$	-
Carrying amount of deposits		234,806
Carrying amount of investments		156,339
Total	\$	391,145
Cash	\$	234,806
Cash - restricted		-
Investments		156,339
Investments - restricted		-
Total	\$	391,145

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

2 DEPOSITS AND INVESTMENTS (Continued)

The District has the following investments at June 30, 2020:

Investment Type	Maturity	Total
Certificates of Deposit	Various	\$ 156,339

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. as of June 30, 2020, all certificates of deposit are entirely insured or collateralized with securities.

3 TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. As the district has voted a full waiver of Proposition C Rollback, the district is not required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

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

Real Estate:	
Residential	\$ 1,993,920
Agriculture	939,110
Commercial	284,770
Personal Property:	1,407,300
Total	<u>\$ 4,625,100</u>

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

3 TAXES (Continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2019 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	\$ 3.6059	\$ 3.6059
Special Revenue Fund	-	-
Capital Project Fund	-	-
Total	<u>\$ 3.6059</u>	<u>\$ 3.6059</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 100.12 percent of the current assessment computed on the basis of the levy as shown above.

4 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 the 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.

5 INTERFUND TRANSFERS

During the year ended June 30, 2020, the district transferred \$73,839 from the General Fund to the Special Revenue Fund for teachers' salaries.

6 POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 10, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

7 GASB STATEMENT NO. 54 - FUND BALANCE REPORTING

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with scholarships.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation such as taxes levied by a vote of the public.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

8 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Buildings and improvements	802,039	-	-	802,039
Equipment	71,125	-	-	71,125
Buses	-	-	-	-
Total capital assets at historical cost	873,164	-	-	873,164
Less accumulated depreciation for:				
Buses	-	-	-	-
Buildings and improvements	358,613	20,052	-	378,665
Equipment	71,124	-	-	71,124
Total accumulated depreciation	429,737	20,052	-	449,789
Other capital assets, net	443,427	(20,052)	-	423,375
Governmental activities capital assets, net	<u>\$ 443,427</u>	<u>\$ (20,052)</u>	<u>\$ -</u>	<u>\$ 423,375</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ -
Operation of plant	20,052
Transportation	-
Total governmental activities depreciation expense	<u>\$ 20,052</u>

9 RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

10 PENSION PLANS

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

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.

Plan Description PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certified public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the PSRS must contribute to PEERS. Employees of 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 operation of PEERS on the Board of Trustees of PSRS.

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 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 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor was used to calculate benefits for members who have 31 or more years of service. 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.

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

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

10 PENSION PLANS (Continued)

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2018, 2019, and 2020. Employers were required to match the contributions made by the employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2018, 2019, and 2020. 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 \$49,545 and \$12,516, respectively, for the year ended June 30, 2020.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psr-peers.org.

SUPPLEMENTARY INFORMATION

Cowgill R-VI School District
General (Incidental) Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 174,950	\$ 202,647	\$ 202,647	\$ 27,697
County	45,000	87,157	87,157	42,157
State	9,750	10,861	10,861	1,111
Federal	144,078	138,878	138,878	(5,200)
Total Revenues Collected	<u>373,778</u>	<u>439,543</u>	<u>439,543</u>	<u>65,765</u>
EXPENDITURES PAID:				
Instruction	138,867	116,699	116,699	22,168
Health services	32,227	34,677	34,677	(2,450)
Improvement of instruction	15,942	16,295	16,295	(353)
Professional development	7,304	6,785	6,785	519
Media services	26,015	19,875	19,875	6,140
Executive administration	42,659	52,645	52,645	(9,986)
Building level administration	17,915	18,710	18,710	(795)
Operation of plant	125,081	120,547	120,547	4,534
Pupil transportation	41,700	36,141	36,141	5,559
Food services	37,839	31,474	31,474	6,365
Adult/community programs	1,915	2,411	2,411	(496)
Early childhood programs/instruction	1,000	740	740	260
Total Expenditures Paid	<u>488,464</u>	<u>456,999</u>	<u>456,999</u>	<u>31,465</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ (114,686)</u>	<u>\$ (17,456)</u>	<u>(17,456)</u>	<u>\$ 97,230</u>
OTHER FINANCING SOURCES (USES):				
Transfers			(73,839)	
Total other financing sources (uses)			<u>(73,839)</u>	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES			(91,295)	
NET POSITION, JULY 1, 2019			<u>482,440</u>	
NET POSITION, JUNE 30, 2020			<u>\$ 391,145</u>	

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

Cowgill R-VI School District
Special Revenue (Teachers') Fund
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 42,000	\$ 41,328	\$ 41,328	\$ (672)
County	3,000	5,214	5,214	2,214
State	361,500	373,938	373,938	12,438
Federal	44,223	41,223	41,223	(3,000)
Total Revenues Collected	<u>450,723</u>	<u>461,703</u>	<u>461,703</u>	<u>10,980</u>
EXPENDITURES PAID:				
Instruction	523,200	469,367	469,367	53,833
Executive administration	33,130	33,098	33,098	32
Building level administration	32,799	33,077	33,077	(278)
Total Expenditures Paid	<u>589,129</u>	<u>535,542</u>	<u>535,542</u>	<u>53,587</u>
REVENUES COLLECTED OVER (UNDER)				
EXPENDITURES PAID	<u>\$ (138,406)</u>	<u>\$ (73,839)</u>	<u>(73,839)</u>	<u>\$ 64,567</u>
OTHER FINANCING SOURCES (USES):				
Transfers			73,839	
Total other financing sources (uses)			<u>73,839</u>	
REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES PAID AND OTHER USES				-
NET POSITION, JULY 1, 2019			<u>-</u>	
NET POSITION, JUNE 30, 2020			<u>\$ -</u>	

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

Cowgill R-VI School District
Combined Funds
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Original Budget Actual Expenditures Variance
REVENUES COLLECTED:				
Local	\$ 216,950	\$ 243,975	\$ 243,975	\$ 27,025
County	48,000	92,371	92,371	44,371
State	371,250	384,799	384,799	13,549
Federal	188,301	180,101	180,101	(8,200)
Total Revenues Collected	<u>824,501</u>	<u>901,246</u>	<u>901,246</u>	<u>76,745</u>
EXPENDITURES PAID:				
Instruction	662,067	586,066	586,066	76,001
Health services	32,227	34,677	34,677	(2,450)
Improvement of instruction	15,942	16,295	16,295	(353)
Media services	26,015	19,875	19,875	6,140
Professional development	7,304	6,785	6,785	519
Executive administration	75,789	85,743	85,743	(9,954)
Building level administration	50,714	51,787	51,787	(1,073)
Operation of plant	125,081	120,547	120,547	4,534
Pupil transportation	41,700	36,141	36,141	5,559
Food services	37,839	31,474	31,474	6,365
Adult/community programs	1,915	2,411	2,411	(496)
Early childhood programs/instruction	1,000	740	740	260
Total Expenditures Paid	<u>1,077,593</u>	<u>992,541</u>	<u>992,541</u>	<u>85,052</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID AND OTHER USES	<u>\$ (253,092)</u>	<u>\$ (91,295)</u>	<u>(91,295)</u>	<u>\$ 161,797</u>
NET POSITION, JULY 1, 2019			<u>482,440</u>	
NET POSITION, JUNE 30, 2020			<u>\$ 391,145</u>	

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

Cowgill R-VI School District
Notes to Financial Statements
Year Ended June 30, 2020

1 SUMMARY OF SIGNIFICANT BUDGETARY ACCOUNTING POLICIES

Budgets and Budgetary Accounting

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 superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all 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) Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted or as amended by the Board of Education. Individual amendments were not material in relation to the original appropriations which were amended. Unused appropriations lapse at the end of each fiscal year.

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

Cowgill R-VI School District
Schedule of Revenues Collected by Source
Year Ended June 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Totals (Governmental Funds)
<u>Local</u>			
Current property taxes	\$ 143,682	\$ -	\$ 143,682
Delinquent property taxes	23,301	-	23,301
Sales tax	19,621	41,328	60,949
M & M in lieu and city sales taxes	1,537	-	1,537
Earnings on investments	1,510	-	1,510
Food service - program	3,917	-	3,917
Food service - non-program	467	-	467
Student activities	192	-	192
Other	8,420	-	8,420
Total Local	202,647	41,328	243,975
<u>County</u>			
Fines and escheats	87,157	5,214	92,371
Total County	87,157	5,214	92,371
<u>State</u>			
Basic formula	3,353	331,951	335,304
Transportation	6,562	-	6,562
Basic formula - classroom trust fund	-	18,058	18,058
Small schools grant	-	23,929	23,929
Educational screening	740	-	740
Food service	206	-	206
Total State	10,861	373,938	384,799
<u>Federal</u>			
Individuals with disabilities	18,069	-	18,069
Medicaid	3,538	-	3,538
Food service	12,729	-	12,729
CARES - food service	5,301	-	5,301
Title I, ESEA	80,131	41,223	121,354
Title IV.A	10,496	-	10,496
Title V, ESEA	6,665	-	6,665
Title II, ESEA	1,949	-	1,949
Total Federal	138,878	41,223	180,101
Total Revenues	\$ 439,543	\$ 461,703	\$ 901,246

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

Cowgill R-VI School District
Schedule of Expenditures Paid by Object
Year Ended June 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Totals (Governmental Funds)
Salaries	\$ 153,842	\$ 297,203	\$ 451,044
Employee benefits	54,839	99,495	154,334
Purchased services	168,856	138,844	307,701
Supplies	79,462	-	79,462
	<u>\$ 456,999</u>	<u>\$ 535,542</u>	<u>\$ 992,541</u>

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

Cowgill R-VI School District
Summary Schedule of Revenues Collected, Expenditures Paid and
Changes in Net Position
Year Ended June 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Totals (Governmental Funds)
REVENUES COLLECTED	\$ 439,543	\$ 461,703	\$ 901,246
EXPENDITURES PAID	<u>456,999</u>	<u>535,542</u>	<u>992,541</u>
EXCESS OF REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>(17,456)</u>	<u>(73,839)</u>	<u>(91,295)</u>
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(73,839)</u>	<u>73,839</u>	<u>-</u>
Total other financing sources (uses)	<u>(73,839)</u>	<u>73,839</u>	<u>-</u>
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER USES	(91,295)	-	(91,295)
NET POSITION, JULY 1, 2019	<u>482,440</u>	<u>-</u>	<u>482,440</u>
NET POSITION, JUNE 30, 2020	<u><u>\$ 391,145</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 391,145</u></u>

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

Cowgill R-VI School District
Public School Retirement System of Missouri
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Year Ended June 30, 2020

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.0051%	\$ 209,231	\$ 224,867	93.05%	89.34%
6/30/2015	0.0057%	\$ 329,053	\$ 258,015	127.53%	85.78%
6/30/2016	0.0058%	\$ 431,558	\$ 266,552	161.90%	82.18%
6/30/2017	0.0055%	\$ 397,184	\$ 261,625	151.81%	83.77%
6/30/2018	0.0056%	\$ 416,778	\$ 268,676	155.12%	84.06%
6/30/2019	0.0060%	\$ 442,804	\$ 293,076	151.09%	84.62%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.*

Cowgill R-VI School District
Public School Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2020

<u>Year Ended*</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency) (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 31,196	\$ 31,196	\$ -	\$ 215,146	14.50%
6/30/2014	\$ 32,606	\$ 32,606	\$ -	\$ 224,867	14.50%
6/30/2015	\$ 37,412	\$ 37,412	\$ -	\$ 258,015	14.50%
6/30/2016	\$ 38,650	\$ 38,650	\$ -	\$ 266,552	14.50%
6/30/2017	\$ 37,936	\$ 37,936	\$ -	\$ 261,625	14.50%
6/30/2018	\$ 38,958	\$ 38,958	\$ -	\$ 268,676	14.50%
6/30/2019	\$ 42,496	\$ 42,496	\$ -	\$ 293,076	14.50%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Cowgill R-VI School District
Public Education Employee Retirement System of Missouri
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Year Ended June 30, 2020

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.0050%	\$ 18,258	\$ 72,613	25.14%	91.33%
6/30/2015	0.0049%	\$ 25,916	\$ 73,228	35.39%	88.28%
6/30/2016	0.0051%	\$ 40,919	\$ 78,308	52.25%	83.32%
6/30/2017	0.0068%	\$ 51,881	\$ 109,756	47.27%	85.35%
6/30/2018	0.0069%	\$ 53,317	\$ 114,488	46.57%	86.06%
6/30/2019	0.0060%	\$ 47,458	\$ 104,500	45.41%	86.38%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.*

Cowgill R-VI School District
Public Education Employee Retirement System of Missouri
Schedule of Employer Contributions
Year Ended June 30, 2020

<u>Year Ended*</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency) (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 4,539	\$ 4,539	\$ -	\$ 66,166	6.86%
6/30/2014	\$ 4,981	\$ 4,981	\$ -	\$ 72,613	6.86%
6/30/2015	\$ 5,024	\$ 5,024	\$ -	\$ 73,228	6.86%
6/30/2016	\$ 5,372	\$ 5,372	\$ -	\$ 78,308	6.86%
6/30/2017	\$ 7,529	\$ 7,529	\$ -	\$ 109,756	6.86%
6/30/2018	\$ 7,854	\$ 7,584	\$ -	\$ 114,488	6.86%
6/30/2019	\$ 7,169	\$ 7,169	\$ -	\$ 104,500	6.86%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

STATE COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

706 Grant
Princeton, MO 64673
(660) 748-4423
Fax - (660) 748-4422

INDEPENDENT AUDITORS' REPORT

Board of Education
Cowgill R-VI School District
Cowgill, MO 64637

We have audited the financial statements of the Cowgill R-VI School District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 8, 2020. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the Cowgill R-VI School District, taken as a whole. The accompanying Schedules of Transportation Costs Eligible for State Aid and State Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. The information in those schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Conrad & Higgins, LLC

Conrad and Higgins, LLC
Chillicothe, Missouri
December 8, 2020

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

706 Grant
Princeton, MO 64673
(660) 748-4423
Fax - (660) 748-4422

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

Board of Education
Cowgill R-VI School District
Cowgill, MO 64637

We have examined management of Cowgill R-VI School District's assertions that Cowgill R-VI School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of attendance, resident membership on the last Wednesday of September and the free and reduced lunch count on the last Wednesday of January; and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2020. Cowgill R-VI School District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

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

In our opinion, management's assertion that Cowgill R-VI School District complied with the aforementioned requirements for the year ended June 30, 2020, is fairly stated, in all material respects.

Conrad & Higgins, LLC

Conrad and Higgins, LLC
Chillicothe, Missouri
Date: December 8, 2020

Cowgill R-VI School District
Schedule of Selected Statistics
Year Ended June 30, 2020

Type of Audit Performed:

Yellow Book: X

Single Audit:

1 Calendar (Sections 160.041, 171.029, 171.031 and 171.033 RSMo)

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	8		7.3300	105	765.9299

Notes:

2 Average Daily Attendance (ADA)

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

School Code	Grade Level	Full Time	Part Time	Remedial Hours	Other	Summer School	Total
4020	K	2,844.3542	-	-	-	-	2,844.3542
4020	1	1,670.2928	-	-	-	-	1,670.2928
4020	2	2,209.4901	-	-	-	-	2,209.4901
4020	3	4,559.2132	-	-	-	-	4,559.2132
4020	4	4,714.7123	-	-	-	-	4,714.7123
4020	5	5,193.9271	-	-	-	-	5,193.9271
4020	6	2,166.6407	-	-	-	-	2,166.6407
4020	7	3,107.2863	-	-	-	-	3,107.2863
4020	8	1,488.1601	-	-	-	-	1,488.1601
	9	4,468.5734	-	-	-	-	4,468.5734
	10	1,401.4195	-	-	-	-	1,401.4195
	11	3,017.5753	-	-	-	-	3,017.5753
	12	2,860.0461	-	-	-	-	2,860.0461
Grand Total		39,701.6911	-	-	-	-	39,701.6911

Notes:

Cowgill R-VI School District
Schedule of Selected Statistics
Year Ended June 30, 2020

3 September Membership

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

School Code	Grade Level	Full Time	Part Time	Other	Total
4020	K	4.00	-	-	4.00
4020	1	3.00	-	-	3.00
4020	2	3.00	-	-	3.00
4020	3	7.00	-	-	7.00
4020	4	7.00	-	-	7.00
4020	5	7.00	-	-	7.00
4020	6	3.00	-	-	3.00
4020	7	4.00	-	-	4.00
4020	8	2.00	-	-	2.00
	9	6.00	-	-	6.00
	10	2.00	-	-	2.00
	11	4.00	-	-	4.00
	12	4.00	-	-	4.00
Grand Total		56.00	-	-	56.00

Notes:

4 Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

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

School Code	Grade Level	Free Lunch	Reduced Lunch	Other	Total
4020	K-8	14.00	7.00		21.00
N/A	9-12	5.00	2.00		7.00
Grand Total		19.00	9.00	-	28.00

Notes:

Cowgill R-VI School District
Schedule of Selected Statistics
Year Ended June 30, 2020

5 Finance

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- | | | |
|---|--|-----------------|
| 1 | The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported. | <u>TRUE</u> |
| 2 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories: | |
| | Academic Programs Off Campus | <u>N/A</u> |
| | Career Exploration Program - Off Campus | <u>N/A</u> |
| | Cooperative Occupational Education (COE) or Supervised Occupational Experience | <u>N/A</u> |
| | Dual Enrollment | <u>N/A</u> |
| | Homebound instruction | <u>N/A</u> |
| | Missouri Options | <u>N/A</u> |
| | Prekindergarten eligible to be claimed for state aid | <u>N/A</u> |
| | Remediation | <u>N/A</u> |
| | Sheltered Workshop participation | <u>N/A</u> |
| | Students participating in the school flex program | <u>N/A</u> |
| | Traditional instruction (full and part-time students) | <u>TRUE</u> |
| | Virtual instruction (MOCAP or other option) | <u>N/A</u> |
| | Work Experience for Students with Disabilities | <u>N/A</u> |
| 3 | The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations. | <u>TRUE</u> |
| 4 | The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations. | <u>TRUE</u> |
| 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: | <u>\$50,000</u> |
| 6 | The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | <u>TRUE</u> |
| 7 | The district maintained a separate bank account for the Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools). | <u>N/A</u> |
| 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. | <u>TRUE</u> |

Cowgill R-VI School District
Schedule of Selected Statistics
Year Ended June 30, 2020

5 Finance (continued)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- 9 If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools).

N/A

- 10 The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.

TRUE

- 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 (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools).

TRUE

- 12 The amount spent for professional development committee plan activities was:

\$3,353

- 13 The district school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.

TRUE

Notes:

Finding #:

Management Letter Comment #:

6 Transportation (Section 163.161, RSMo)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- 1 The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.

TRUE

- 2 The district's school transportation ridership records are maintained in a manner to accurately disclose, in all material respects, the average number of regular riders transported.

TRUE

- 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

47.00

• Ineligible ADT

-

Cowgill R-VI School District
Schedule of Selected Statistics
Year Ended June 30, 2020

6 Transportation (Section 163.161, RSMo) (continued)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- | | |
|---|-------|
| 4 The district's transportation odometer mileage records are maintained in a manner to accurately disclose, in all material respects, the eligible and ineligible mileage for the year. | TRUE |
| <hr/> | |
| 5 Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was: | 7,856 |
| <hr/> | |
| 6 Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was: | |
| <hr/> | |
| * Eligible Miles (included food/instructional delivery miles 2019-2020) | 6,915 |
| * Ineligible Miles (Non-Route/Dapproved) | 941 |
| <hr/> | |
| F. Number of days the district operated the school transportation system during the regular school year: | 105 |
| <hr/> | |

Notes:

All above "False" answers must be supported by a finding or management letter comment.

Findings#:

Management Letter #:

Cowgill R-VI School District
Schedule of Transportation Costs
Eligible for State Aid
Year Ended June 30, 2020

	<u>Contracted</u>	<u>Total</u>
Purchased services	\$ 33,102	\$ 33,102
Supplies	3,039	3,039
Total	<u>\$ 36,141</u>	<u>\$ 36,141</u>
 Nonroute contracted transportation	 <u>\$ 1,099</u>	
 School buses purchased	 <u>\$ -</u>	
 School buses leased/purchased:		
Principal	<u>\$ -</u>	
 Interest	 <u>\$ -</u>	
 Transportation revenues from other districts	 <u>\$ -</u>	

Cowgill R-VI School District
Schedule of State Financial Assistance
Year Ended June 30, 2020

State Grantor/Program Title	Balance June 30, 2019	Receipts	Disbursements	Balance June 30, 2020
Department of Elementary and Secondary Education:				
Basic Formula	\$ -	\$ 335,304	\$ 335,304	\$ -
Transportation	-	6,562	6,562	-
Basic Formula - Classroom Trust Fund	-	18,058	18,058	-
Food Service	-	206	206	-
Small Schools Grant	-	23,929	23,929	-
Educational screening	-	740	740	-
Total State Financial Assistance	<u>\$ -</u>	<u>\$ 384,799</u>	<u>\$ 384,799</u>	<u>\$ -</u>

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

FEDERAL COMPLIANCE SECTION

CONRAD & HIGGINS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 920
Chillicothe, MO 64601
(660) 240-0645
Fax - (660) 240-0654

706 Grant
Princeton, MO 64673
(660) 748-4423
Fax - (660) 748-4422

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

To the Board of Education
Cowgill R-VI School District
Cowgill, MO 64637

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Cowgill R-VI School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Cowgill R-VI School District's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cowgill R-VI School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cowgill R-VI School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cowgill R-VI School District's internal control.

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

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

1 Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and related accounting records, or all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. Our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

Management Response

The size and budget of the Cowgill R-VI School District limits the application of adequate segregation of duties.

Compliance and Other Matters

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

Management's Response to Findings

The Cowgill R-VI School District's response to the findings identified in our audit are described previously. The Cowgill R-VI School District's response was not subjected to the audit procedures applied in that audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of that 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.



Conrad and Higgins, LLC

Chillicothe, Missouri

Date: December 8, 2020