

REPORT OF
CLINTON SCHOOL DISTRICT #124
CLINTON, MISSOURI
JUNE 30, 2023

CLINTON SCHOOL DISTRICT #124

Table of Contents

	<u>Page</u>
Independent Auditor’s Report	1-3
District-Wide Financial Statements	
Statement of Net Position Arising From Modified Cash Transactions - Governmental Activities	4
Statement of Activities Arising From Modified Cash Transactions - Governmental Activities	5
Fund Financial Statements	
Statement of Assets and Fund Balances Arising from Modified Cash Transactions – All Governmental Fund Types.....	6
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances Arising From Modified Cash Transactions – All Governmental Fund Types	7
Reconciliation of the Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances Arising From Modified Cash Transactions – All Governmental Fund Types to the Statement of Activities Arising from Modified Cash Transactions	8
Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balance Arising From Modified Cash Transactions - Budget and Actual General (Incidental) Fund.....	9
Special Revenue (Teachers’) Fund	10
Statement of Fiduciary Net Position Arising From Modified Cash Transactions	11
Statement of Changes in Fiduciary Net Position Arising From Modified Cash Transactions	12
Notes to Financial Statements	13-28
Supplementary Information	
Schedule of Revenues Collected, Expenditures Paid and Changes in Fund Balance Arising From Modified Cash Transactions - Budget and Actual Debt Service Fund (Schedule 1)	29
Capital Projects Fund (Schedule 2).....	30

CLINTON SCHOOL DISTRICT #124

Table of Contents
(Continued)

	<u>Page</u>
Schedule of Revenues Collected by Source Arising From Modified Cash Transactions (Schedule 3)	31
Schedule of Expenditures Paid by Object Arising From Modified Cash Transactions (Schedule 4)	32
State Compliance Schedules (Unaudited)	
Schedule of Selected Statistics	33-37
Schedule of Transportation Costs Eligible for State Aid.....	38
State Compliance	
Independent Accountant’s Report on Management’s Assertions About Compliance with Specified Requirements of Missouri Laws And Regulations.....	39
Schedule of State Findings	40
Compliance and Internal Control	
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 <i>Government Auditing Standards</i>	41-42
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	43-45
Schedule of Expenditures of Federal Awards	46-47
Notes to Schedule of Expenditures of Federal Awards	48-49
Schedule of Findings and Questioned Costs and Summary of Auditor’s Results - Federal Requirements	50-53
Corrective Action Plan	54-56

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Clinton School District #124
Clinton, Missouri

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Boonville, MO 65233
(660) 882-7000
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Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Clinton School District #124, Clinton, Missouri (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the discretely presented component unit, and each major fund of the District, as of June 30, 2023, and the respective changes in modified cash basis financial position and the respective budgetary comparisons for the General and Special Revenue Funds for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

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 1 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.

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

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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying debt service budgetary schedule, capital projects budgetary schedule, schedule of revenues collected by source arising from modified cash transactions, schedule of expenditures paid by object arising from modified cash transactions, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the debt service budgetary schedule, capital projects budgetary schedule, schedule of revenues collected by source arising from modified cash transactions, schedule of expenditures paid by object arising from modified cash transactions, and schedule of expenditures of federal awards are fairly stated in all material respects in relation the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of selected statistics and schedule of transportation costs eligible for state aid 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 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 12, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 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.



December 12, 2023

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
STATEMENT OF NET POSITION ARISING FROM MODIFIED
CASH TRANSACTIONS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

	Primary Government	Component Unit
	Governmental Activities	Education Foundation
ASSETS:		
Current Assets		
Cash and investments	\$ 5,249,005	\$ 312,965
Total Assets	5,249,005	\$ 312,965
 NET POSITION:		
Restricted for debt service	1,307,055	-
Unrestricted	3,941,950	312,965
Total Net Position	\$ 5,249,005	\$ 312,965

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES ARISING FROM MODIFIED CASH TRANSACTIONS
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Expenditures	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Governmental Activities	Unit Education Foundation
Regular instruction	\$ 6,871,582	\$ 395,119	\$ 3,508,610	\$ -	\$ (2,967,853)	\$ -
Special instruction	2,318,460	-	1,687,141	-	(631,319)	-
Vocational instruction	1,059,784	245,213	-	-	(814,571)	-
Student activities	1,281,406	645,576	-	-	(635,830)	-
Tuition paid to other districts	261,452	-	-	-	(261,452)	-
Student support services	1,551,401	-	73,597	-	(1,477,804)	-
Instructional support services	414,967	-	24,173	-	(390,794)	-
Board of Education services	37,169	-	-	-	(37,169)	-
Executive administration	1,877,925	-	-	-	(1,877,925)	-
Building level administration	1,506,405	-	-	-	(1,506,405)	-
Business/central services	227,836	-	-	-	(227,836)	-
Operation of plant	2,408,782	-	-	-	(2,408,782)	-
Pupil transportation	1,251,920	-	399,748	-	(852,172)	-
Food services	1,096,840	255,948	913,006	-	72,114	-
Adult education and community services	1,219,586	87,751	49,939	-	(1,081,896)	-
Facilities acquisition and construction	825,592	-	-	-	(825,592)	-
Principal retirement	1,582,919	-	-	-	(1,582,919)	-
Interest and fees	694,633	-	-	-	(694,633)	-
Education Foundation	42,153	-	55,557	-	97,710	13,404
Total	<u>\$ 26,488,659</u>	<u>\$ 1,629,607</u>	<u>\$ 6,656,214</u>	<u>\$ -</u>	<u>\$ (18,202,838)</u>	<u>\$ 13,404</u>

General Revenues

Taxes

Property taxes levied for general purposes	7,135,603	-
Property taxes levied for debt services	1,913,824	-
Proposition C sales tax	2,225,073	-
Financial institution tax/in lieu of tax/M&M surtax	211,581	-
State assessed railroad and utility	704,035	-

Non-Restricted Intergovernmental Revenues

County-fines	109,655	-
State-basic formula	4,815,471	-
Federal property	2,691	-
Interest and investment earnings	275,175	20,478
Miscellaneous	102,844	-
Subtotal General Revenues	<u>17,495,952</u>	<u>20,478</u>

Special Items

Sale of other property	8,625	-
Subtotal Special Items	<u>8,625</u>	<u>-</u>

Increase (Decrease) in Net Position	(698,261)	33,882
Net Position, June 30, 2022	<u>5,947,266</u>	<u>279,083</u>
Net Position, June 30, 2023	<u>\$ 5,249,005</u>	<u>\$ 312,965</u>

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES
ARISING FROM MODIFIED CASH TRANSACTIONS -
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2023

	Governmental Fund Types				Total Governmental Funds
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	
ASSETS:					
Cash and investments	\$ 3,861,430	\$ -	\$ 1,307,055	\$ 80,520	\$ 5,249,005
TOTAL ASSETS	<u>\$ 3,861,430</u>	<u>\$ -</u>	<u>\$ 1,307,055</u>	<u>\$ 80,520</u>	<u>\$ 5,249,005</u>
FUND BALANCES:					
Restricted for debt service	\$ -	\$ -	\$ 1,307,055	\$ -	\$ 1,307,055
Assigned for capital projects	-	-	-	80,520	80,520
Unassigned	3,861,430	-	-	-	3,861,430
TOTAL FUND BALANCES	<u>\$ 3,861,430</u>	<u>\$ -</u>	<u>\$ 1,307,055</u>	<u>\$ 80,520</u>	<u>\$ 5,249,005</u>

RECONCILIATION OF THE STATEMENT OF ASSETS AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS
TO THE STATEMENT OF NET POSITION ARISING FROM MODIFIED CASH TRANSACTIONS

Amounts reported for governmental activities in the Statement of Net Position are different because:

There are no reconciling items.	-
Net position of governmental activities	\$ 5,249,005

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023

	Governmental Fund Types				Total Governmental Funds
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	
REVENUES COLLECTED:					
Local	\$ 9,569,404	\$ 1,112,672	\$ 1,964,373	\$ 222,168	\$ 12,868,617
County	589,810	109,655	116,916	-	816,381
State	1,933,525	4,909,273	-	97,266	6,940,064
Federal	3,456,698	73,553	-	992,127	4,522,378
Received from other districts	634,332	-	-	-	634,332
Other	1,918	-	-	6,708	8,626
Total Revenues Collected	<u>16,185,687</u>	<u>6,205,153</u>	<u>2,081,289</u>	<u>1,318,269</u>	<u>25,790,398</u>
EXPENDITURES PAID:					
Regular instruction	591,481	6,246,803	-	33,298	6,871,582
Special instruction	695,279	1,623,181	-	-	2,318,460
Vocational instruction	91,190	680,270	-	288,324	1,059,784
Student activities	872,925	384,114	-	24,367	1,281,406
Tuition paid to other districts	-	261,452	-	-	261,452
Student support services	902,567	648,834	-	-	1,551,401
Instructional support services	215,857	199,110	-	-	414,967
Board of Education services	37,169	-	-	-	37,169
Executive administration	977,698	754,416	-	145,811	1,877,925
Building level administration	506,339	1,000,066	-	-	1,506,405
Business/central services	227,836	-	-	-	227,836
Operation of plant	2,358,805	-	-	49,977	2,408,782
Pupil transportation	1,251,920	-	-	-	1,251,920
Food services	1,079,487	-	-	17,353	1,096,840
Adult education and community services	417,173	797,413	-	5,000	1,219,586
Facilities acquisition and construction	-	-	-	825,592	825,592
Principal retirement	-	-	1,535,000	47,919	1,582,919
Interest and fees	-	-	685,772	8,861	694,633
Total Expenditures Paid	<u>10,225,726</u>	<u>12,595,659</u>	<u>2,220,772</u>	<u>1,446,502</u>	<u>26,488,659</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>5,959,961</u>	<u>(6,390,506)</u>	<u>(139,483)</u>	<u>(128,233)</u>	<u>(698,261)</u>
OTHER FINANCING SOURCES/(USES):					
Transfers	(6,390,506)	6,390,506	-	-	-
Total Other Financing Sources/(Uses)	<u>(6,390,506)</u>	<u>6,390,506</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES	(430,545)	-	(139,483)	(128,233)	<u>\$ (698,261)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>4,291,975</u>	<u>-</u>	<u>1,446,538</u>	<u>208,753</u>	
FUND BALANCES, END OF YEAR	<u>\$ 3,861,430</u>	<u>\$ -</u>	<u>\$ 1,307,055</u>	<u>\$ 80,520</u>	

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID AND CHANGES IN FUND BALANCE ARISING FROM
MODIFIED CASH TRANSACTIONS - ALL GOVERNMENTAL FUND TYPES TO THE
STATEMENT OF ACTIVITIES ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$ (698,261)

Amounts reported for governmental activities in the Statement of Activities are different because:

There are no reconciling items.

-

Change in Net Position of Governmental Activities

\$ (698,261)

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
GENERAL (INCIDENTAL) FUND
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES COLLECTED:				
Local	\$ 8,712,062	\$ 8,712,062	\$ 9,569,404	\$ 857,342
County	575,978	575,978	589,810	13,832
State	1,864,728	1,864,728	1,933,525	68,797
Federal	4,214,228	4,214,228	3,456,698	(757,530)
Received from other districts	821,000	821,000	634,332	(186,668)
Other	-	-	1,918	1,918
Total Revenues Collected	<u>16,187,996</u>	<u>16,187,996</u>	<u>16,185,687</u>	<u>(2,309)</u>
EXPENDITURES PAID:				
Regular instruction	641,439	641,439	591,481	49,958
Special instruction	806,451	806,451	695,279	111,172
Vocational instruction	123,348	123,348	91,190	32,158
Student activities	552,689	552,689	872,925	(320,236)
Student support services	938,599	938,599	902,567	36,032
Instructional support services	133,090	133,090	215,857	(82,767)
Board of Education services	42,450	42,450	37,169	5,281
Executive administration	1,168,208	1,168,208	977,698	190,510
Building level administration	528,465	528,465	506,339	22,126
Business/central services	250,508	250,508	227,836	22,672
Operation of plant	2,009,576	2,009,576	2,358,805	(349,229)
Pupil transportation	1,331,225	1,331,225	1,251,920	79,305
Food services	1,234,916	1,234,916	1,079,487	155,429
Adult education and community services	390,812	390,812	417,173	(26,361)
Total Expenditures Paid	<u>10,151,776</u>	<u>10,151,776</u>	<u>10,225,726</u>	<u>(73,950)</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	6,036,220	6,036,220	5,959,961	(76,259)
OTHER FINANCING SOURCES/(USES):				
Transfers	<u>(6,785,149)</u>	<u>(6,785,149)</u>	<u>(6,390,506)</u>	<u>(394,643)</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID AND OTHER FINANCING USES	(748,929)	(748,929)	(430,545)	<u>\$ 318,384</u>
FUND BALANCE, BEGINNING OF YEAR	<u>4,291,975</u>	<u>4,291,975</u>	<u>4,291,975</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,543,046</u>	<u>\$ 3,543,046</u>	<u>\$ 3,861,430</u>	

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
SPECIAL REVENUE (TEACHERS') FUND
STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES COLLECTED:				
Local	\$ 1,087,902	\$ 1,087,902	\$ 1,112,672	\$ 24,770
County	122,845	122,845	109,655	(13,190)
State	4,855,337	4,855,337	4,909,273	53,936
Federal	70,447	70,447	73,553	3,106
Total Revenues Collected	<u>6,136,531</u>	<u>6,136,531</u>	<u>6,205,153</u>	<u>68,622</u>
EXPENDITURES PAID:				
Regular instruction	6,310,841	6,310,841	6,246,803	64,038
Special instruction	1,626,858	1,626,858	1,623,181	3,677
Vocational instruction	699,601	699,601	680,270	19,331
Student activities	364,979	364,979	384,114	(19,135)
Tuition paid to other districts	257,000	257,000	261,452	(4,452)
Student support services	681,858	681,858	648,834	33,024
Instructional support services	145,734	145,734	199,110	(53,376)
Executive administration	757,388	757,388	754,416	2,972
Building level administration	1,020,666	1,020,666	1,000,066	20,600
Adult education and community services	782,335	782,335	797,413	(15,078)
Total Expenditures Paid	<u>12,647,260</u>	<u>12,647,260</u>	<u>12,595,659</u>	<u>51,601</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(6,510,729)	(6,510,729)	(6,390,506)	120,223
OTHER FINANCING SOURCES/(USES):				
Transfers	<u>6,510,729</u>	<u>6,510,729</u>	<u>6,390,506</u>	<u>120,223</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID	-	-	-	<u>\$ -</u>
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124
 STATEMENT OF FIDUCIARY NET POSITION ARISING FROM
 MODIFIED CASH TRANSACTIONS
 JUNE 30, 2023

	Private Purpose Trusts
ASSETS:	
Cash and investments	\$ 81,560
Total Assets	\$ 81,560
 NET POSITION:	
Held in trust to benefit students	\$ 81,560
Total Net Position	\$ 81,560

CLINTON SCHOOL DISTRICT #124
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2023

	<u>Private Purpose Trusts</u>
ADDITIONS:	
Earnings on investments	\$ 2,515
DEDUCTIONS:	
Scholarships	<u>(200)</u>
Change in Net Position	2,315
Net Position, June 30, 2022	<u>79,245</u>
Net Position, June 30, 2023	<u><u>\$ 81,560</u></u>

See Notes to Financial Statements

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clinton School District #124 (the “District”) have been prepared in conformity with the modified cash basis of accounting. As such these financial statements reflect the cash and investment position of the District and the receipts and disbursements arising from cash activities. The significant accounting policies of the District are described below.

A. Reporting Entity

The District is governed by an elected seven-member board. The Clinton School District Board (the “Board”) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (a) the District is able to significantly influence the programs or services performed or provided by the organization; or (b) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes.

Education Foundation for Clinton Students, Inc. is an independent not-for-profit entity governed by a 12-member board that works closely, but not directly, with the District, and whose mission benefits only those students who attend District schools. The Foundation follows the modified cash basis of accounting.

As a discretely presented component unit, the Foundation is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the primary government. For financial reporting purposes, the District's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the District's Board. Separate, unaudited, financial statements of the Foundation may be obtained by writing to Clinton School District No. 124, 701 S. 8th Street, Clinton, MO 64735.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. District-Wide and Fund Financial Statements

District-Wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The District first utilizes restricted resources to finance qualifying activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The District does not allocate indirect costs.

Fund Financial Statements:

During the year, 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 activities is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The District does not maintain any proprietary funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue (Teachers') Fund - The Teachers' Fund is required to be established by state law and may be used for the payment of salaries and insurance benefits for certificated personnel. The fund's revenues include property taxes, investment income, and county, state, and federal aid. The fund is also used to account for certain tuition payments made between school districts.

Debt Service Fund - The Debt Service Fund accounts for the revenue collected from local taxation and allocated state aid for the payment of principal and interest on bonded indebtedness.

Capital Projects Fund - The Capital Projects Fund accounts for expenditures from the proceeds of bond issues, investment income earned on the proceeds and other revenues designated for acquisition or construction of major capital assets. The expenditures include major capital outlay projects and equipment purchases for instructional and support programs.

Fiduciary Funds

Trust Funds: These funds are used for assets held by the District in a fiduciary capacity for students' educational needs, scholarships and other assistance.

D. Basis of Accounting, Measurement Focus and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district-wide financial statements are prepared using the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid.

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized when received and expenditures are recognized when paid. Investments are recorded as assets.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements. If the District utilized the basis of accounting recognized as generally accepted, the financial statements would be presented on the accrual basis of accounting.

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 of resources, liabilities, and deferred inflows of resources that do not arise from a cash transactions or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

E. 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.
- 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 expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Actual expenditures exceeded final budgeted expenditures in the General and Debt Service Funds.
- 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.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 5) Subsequent to 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.
- 6) Budgets for District funds are prepared and adopted on the cash basis of accounting (budget basis), which recognizes revenues when collected and expenditures when paid.

F. 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 consist primarily of certificates of deposit, money market checking accounts, direct U.S. government obligations and obligations of U.S. government agencies. Interest income earned is allocated to contributing funds based on cash and temporary investment balances. All funds except the Debt Service Fund participate in the pooled cash and investments. State law requires the Debt Service Fund's cash to be maintained separately.

G. Capital Assets

Capital assets are recorded as expenditures in the Capital Projects fund at the time of payment.

H. Liabilities and Long-Term Obligations

Amounts due employees under employee benefit plans are accounted for as liabilities of the District in both the district-wide and fund financial statements. Long-term obligations are not reported in the district-wide financial statements.

I. Use of Estimates

The preparation of financial statements in conformity with modified cash basis accounting principles 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.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

L. Debt Service

Proceeds from sales of bonded indebtedness are recorded as revenue when the payment is received. Repayments are recognized as expenditures when the disbursements are made. Interest on bonded indebtedness is recorded when it is disbursed.

M. Vacation and Sick Leave

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unused and which are vested in the employee are payable upon termination.

N. Teacher Salaries

The salary payment schedule of the District requires the payment of salaries for a twelve month period. Consequently, the July and August 2023 payroll checks, written and dated in June 2023 are included in the financial statements as an expenditure in the 2022-2023 year. This practice is consistent with prior years.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences

Professional staff employees whose assignments call for 12 months of full-time employment will receive 12 days of annual leave. Professional staff employees whose assignments call for 11 months of full-time employment will receive 11 days of annual leave. All other professional staff employees will receive 10 days of annual leave. A staff member may accumulate leave up to a maximum of 180 days.

Employees covered by the annual leave policy when retiring or resigning from the system, will be paid for any unused annual leave which has accumulated. The leave will be paid a portion of current substitute pay per day, depending on the years of service to the District.

P. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has determined there are no amounts that should be considered nonspendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources because they are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has determined that \$1,307,055 is restricted for debt service at June 30, 2023.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's board of directors, which is the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District had no committed resources at June 30, 2023.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the District's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The District's management assigned \$80,520 for capital projects at June 30, 2023.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer to the use of the other classified funds.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: DEPOSITS AND INVESTMENTS

The District complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Investments - The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U. S. Treasury obligations or obligations of U. S. government agencies or instrumentalities of any maturity, as provided by law.

The deposits and investments held at June 30, 2023 are shown below:

	Carrying Value
Deposits:	
Demand deposits	\$ 4,559,624
	4,559,624
Investments:	
External Investment Pool:	
Missouri Health & Education Facilities Authority	
Direct Deposit Program	689,381
	689,381
Total deposits and investments	\$ 5,249,005

Custodial credit risk. Deposits in financial institutions, reported as components of cash and investments had a bank balance of \$5,695,768 at June 30, 2023, which was fully insured by depository insurance or secured with collateral.

Investment interest rate risk. The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2023, are provided in the previous schedule.

Investment credit risk. The Board has given the Superintendent the authority to invest idle funds of the District in low-risk investments such as United States government securities or collateralized certificates of deposit.

Concentration of investment credit risk. The District places no limit on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3: TAXES

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

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible taxable property for the calendar year 2022 for purposes of local taxation was \$239,329,950.

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

	Unadjusted	Adjusted
General (Incidental) Fund	\$ 3.0836	\$ 3.0836
Debt Service Fund	0.8268	0.8268
Total	\$ 3.9104	\$ 3.9104

The aggregate receipts of current and delinquent property taxes during the year ending June 30, 2023, were approximately 96.7% of the current property tax assessment.

NOTE 4: CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions for the year ended June 30, 2023:

	Bonds Payable	Lease Payable	Total
Balance, June 30, 2022	\$ 20,885,000	\$ 257,671	\$ 21,142,671
Bonds issued	-	-	-
Bonds retired	(1,535,000)	-	(1,535,000)
Lease proceeds	-	-	-
Lease principal paid	-	(47,919)	(47,919)
Increase in compensated absences	-	-	-
Decrease in compensated absences	-	-	-
Balance, June 30, 2023	\$ 19,350,000	\$ 209,752	\$ 19,559,752
Current Portion	\$ 1,100,000	\$ 49,662	\$ 1,149,662

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: BONDS PAYABLE

The following is a summary of bond transactions for the year ended June 30, 2023:

Bonds payable, June 30, 2022	\$ 20,885,000
Bonds issued	-
Bonds retired	(1,535,000)
Bonds payable, June 30, 2023	<u>\$ 19,350,000</u>

Bonds payable at June 30, 2023, consist of:

Series 2014A, \$7,425,000 general obligation bonds due in varying installments through September 1, 2033; interest at 3.00% to 4.00%.	\$ 4,975,000
Series 2014C, \$2,060,000 general obligation bonds due in varying installments through September 1, 2034; interest at 4.0%.	1,560,000
Series 2020, \$4,000,000 general obligation bonds due in varying installments through March 1, 2040; interest at 3.0%.	4,000,000
Series 2020 B/C, general obligation refunding bonds due in varying installments through March 1, 2038; interest at 3.0%.	<u>8,815,000</u>
Total	<u>\$ 19,350,000</u>

Debt service requirements to maturity are:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 1,100,000	\$ 610,550	\$ 1,710,550
2025	1,180,000	577,550	1,757,550
2026	1,250,000	542,150	1,792,150
2027	855,000	504,650	1,359,650
2028	915,000	499,000	1,414,000
2029-2033	5,200,000	1,954,700	7,154,700
2034-2038	5,240,000	998,850	6,238,850
2039-2041	3,610,000	163,950	3,773,950
Total	<u>\$ 19,350,000</u>	<u>\$ 5,851,400</u>	<u>\$ 25,201,400</u>

CLINTON SCHOOL DISTRICT #124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: BONDS PAYABLE (Continued)

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin of the District at June 30, 2023, was:

Constitutional debt limit	\$	35,899,493
General obligation bonds payable		(19,350,000)
Amount in Debt Service Fund available for payment of principal		1,307,055
Legal debt margin	\$	17,856,548

NOTE 6: LEASE PAYABLE

On May 21, 2012, the District entered into lease/purchase agreements to provide funds for the purpose of lighting, water, building control and HVAC equipment.

Year Ended June 30,	Principal	Interest	Total
2024	\$ 49,662	\$ 7,118	\$ 56,780
2025	51,469	5,311	56,780
2026	53,341	3,439	56,780
2027	55,280	1,500	56,780
Total	\$ 209,752	\$ 17,368	\$ 227,120

NOTE 7: FUND BALANCE

Classifications of fund balances at June 30, 2023 are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	1,307,055	-	1,307,055
Committed	-	-	-	-	-
Assigned	-	-	-	80,520	80,520
Unassigned	3,861,430	-	-	-	3,861,430
	\$ 3,861,430	\$ -	\$ 1,307,055	\$ 80,520	\$ 5,249,005

The District has not adopted a policy that sets forth a minimum fund balance amount.

CLINTON SCHOOL DISTRICT #124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 8: RETIREMENT PLAN

The Clinton School District #124 contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by the Public School Retirement System of Missouri are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010 - .141 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and the Clinton School District #124 is required to contribute a matching amount. The contribution requirements of members and the Clinton School District #124 are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2023, were \$1,456,636, equal to the required contributions. The contributions for the last three years are as follows:

Year Ended June 30,	Amount of Employer Contribution	Percentage of Contribution
2023	\$ 1,456,636	14.50%
2022	1,378,570	14.50%
2021	1,351,875	14.50%

The Clinton School District #124 also contributes to the Public Education Employees Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the District who work 20 or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Positions covered by the Public Education Employees Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600 - .715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of the Public Education Employees Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employees Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

CLINTON SCHOOL DISTRICT #124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 8: RETIREMENT PLAN (Continued)

PEERS members are required to contribute 6.86% of their annual covered salary and the Clinton School District #124 is required to contribute a matching amount. The contribution requirements of members and the Clinton School District #124 are established and may be amended by the Board of Trustees. The School District's contributions to PEERS for the year ending June 30, 2023, were \$184,871, equal to the required contributions. The contributions for the last three years are as follows:

Year Ended June 30,	Amount of Employer Contribution	Percentage of Contribution
2023	\$ 184,871	6.86%
2022	178,657	6.86%
2021	149,598	6.86%

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

NOTE 10: CONTINGENT LIABILITIES

Grants

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 a request for reimbursement or withholding of future funding for expenditures disallowed for noncompliance with the terms of the grants and state funding. The District is not aware of any noncompliance with federal or state provisions that might require the District to provide any material reimbursements.

Litigation

The District may periodically be the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

CLINTON SCHOOL DISTRICT #124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 11: INTERFUND TRANSFERS

Interfund transfers, the flow of assets from one fund to another where repayment is not expected, are reported as transfers in and out. The District is required to make a transfer from the General Fund to the Teachers' Fund to cover the excess of disbursements over receipts each year. During the year ended June 30, 2023, the District made the following interfund transfers:

<u>Type of Transfers</u>	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers') Fund</u>
Teachers' Fund	\$ (6,390,506)	\$ 6,390,506
Total Net Transfers	\$ (6,390,506)	\$ 6,390,506

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

NOTE 13: PLEDGED REVENUES

The District has pledged future revenues, net of specified operating expenses, to repay bonds and leases payable that were issued for the purpose of operations and improvements. The bonds and leases are payable from debt service and capital project fund net revenues and are payable through 2041. Annual principal and interest payments in 2023 on the bonds and leases required 100% of debt service and 100% of capital projects net revenues. The total principal and interest remaining to be paid on the bonds and leases is \$25,428,520. Principal and interest paid for the current year and total net revenues for the current year were \$2,210,672 and \$2,071,189, respectively for the debt service fund. Principal and interest paid for the current year and total net revenues for the current year were \$56,780 and \$(71,453), respectively for the capital projects fund.

CLINTON SCHOOL DISTRICT #124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 14: FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District had the following recurring fair value measurement as of June 30, 2023:

- U.S. Treasury securities of \$689,381 are valued using quoted prices in an active market for identical assets (Level 1 inputs).

The District had the following recurring fair value measurement as of June 30, 2022:

- U.S. Treasury securities of \$682,798 are valued using quoted prices in an active market for identical assets (Level 1 inputs).

NOTE 15: LEASES

The District leases copiers and a mail machine. Future payments are as follows:

Year Ended June 30,	
2024	\$ 44,628
Total	<u>\$ 44,628</u>

NOTE 16: CONSIDERATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 12, 2023, which is the date the financial statements are available to be issued. On August 1, 2023, the District entered into a COPS lease purchase agreement for \$3,020,000. The proceeds were used for solar roof top systems, LED lighting improvements, automation systems equipment, building envelope installments, water conservation improvements, HVAC rooftop improvements, and related energy efficiency equipment. No other events requiring disclosure were identified as a result of this review.

SUPPLEMENTARY INFORMATION

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023
(SCHEDULE 1)

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES COLLECTED:				
Local	\$ 1,904,594	\$ 1,904,594	\$ 1,964,373	\$ 59,779
County	100,000	100,000	116,916	16,916
Total Revenues Collected	<u>2,004,594</u>	<u>2,004,594</u>	<u>2,081,289</u>	<u>76,695</u>
EXPENDITURES PAID:				
Principal retirement	1,035,000	1,035,000	1,535,000	(500,000)
Interest and fees	<u>673,650</u>	<u>673,650</u>	<u>685,772</u>	<u>(12,122)</u>
Total Expenditures Paid	<u>1,708,650</u>	<u>1,708,650</u>	<u>2,220,772</u>	<u>(512,122)</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID	295,944	295,944	(139,483)	<u>\$ (435,427)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,446,538</u>	<u>1,446,538</u>	<u>1,446,538</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,742,482</u>	<u>\$ 1,742,482</u>	<u>\$ 1,307,055</u>	

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND CHANGES IN
 FUND BALANCE ARISING FROM MODIFIED CASH TRANSACTIONS - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2023
 (SCHEDULE 2)

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES COLLECTED:				
Local	\$ 186,486	\$ 186,486	\$ 222,168	\$ 35,682
State	80,125	80,125	97,266	17,141
Federal	956,566	956,566	992,127	35,561
Other	-	-	6,708	6,708
Total Revenues Collected	<u>1,223,177</u>	<u>1,223,177</u>	<u>1,318,269</u>	<u>95,092</u>
EXPENDITURES PAID:				
Regular instruction	-	-	33,298	(33,298)
Vocational instruction	214,959	214,959	288,324	(73,365)
Student activities	8,096	8,096	24,367	(16,271)
Student support services	1,500	1,500	-	1,500
Executive administration	120,000	120,000	145,811	(25,811)
Operation of plant	69,000	69,000	49,977	19,023
Food services	11,000	11,000	17,353	(6,353)
Adult education and community services	-	-	5,000	(5,000)
Facilities acquisition and construction	1,016,262	1,016,262	825,592	190,670
Principal retirement	47,919	47,919	47,919	-
Interest and fees	8,861	8,861	8,861	-
Total Expenditures Paid	<u>1,497,597</u>	<u>1,497,597</u>	<u>1,446,502</u>	<u>51,095</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES PAID				
	(274,420)	(274,420)	(128,233)	146,187
OTHER FINANCING SOURCES/(USES):				
Transfers	<u>274,420</u>	<u>274,420</u>	<u>-</u>	<u>274,420</u>
EXCESS/(DEFICIT) OF REVENUES COLLECTED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID				
	-	-	(128,233)	<u>\$ 420,607</u>
FUND BALANCE, BEGINNING OF YEAR				
	<u>208,753</u>	<u>208,753</u>	<u>208,753</u>	
FUND BALANCE, END OF YEAR				
	<u>\$ 208,753</u>	<u>\$ 208,753</u>	<u>\$ 80,520</u>	

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE
ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2023
(SCHEDULE 3)

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
LOCAL:					
Current taxes	\$ 6,835,180	\$ -	\$ 1,832,746	\$ -	\$ 8,667,926
Delinquent taxes	300,423	-	81,078	-	381,501
Proposition C	1,112,537	1,112,537	-	-	2,225,074
Financial institution tax	-	-	-	665	665
M & M surcharge tax	-	-	-	177,838	177,838
In lieu of tax	-	-	-	33,079	33,079
Regular day school tuition	26,687	-	-	-	26,687
Earnings on investments	221,097	11	50,549	3,518	275,175
Food service program	162,523	-	-	-	162,523
Food service non-program	93,425	-	-	-	93,425
Student activities	638,508	-	-	7,068	645,576
Community services	67,064	-	-	-	67,064
Other local	111,960	124	-	-	112,084
Total Local	9,569,404	1,112,672	1,964,373	222,168	12,868,617
COUNTY:					
Fines, escheats, etc.	-	109,655	-	-	109,655
State assessed utility taxes	587,688	-	116,347	-	704,035
Federal Property	2,122	-	569	-	2,691
Total County	589,810	109,655	116,916	-	816,381
STATE:					
Basic formula	-	4,839,644	-	-	4,839,644
Transportation	399,748	-	-	-	399,748
Early childhood special education	363,038	-	-	-	363,038
Basic formula - classroom trust fund	681,078	-	-	-	681,078
Educational screening program	49,939	-	-	-	49,939
Career education	281,563	21,463	-	92,376	395,402
Food service	3,708	-	-	-	3,708
Teacher baseline grant	-	48,166	-	-	48,166
Residential placement	2,322	-	-	-	2,322
High need fund	68,124	-	-	-	68,124
Other	84,005	-	-	4,890	88,895
Total State	1,933,525	4,909,273	-	97,266	6,940,064
FEDERAL:					
Medicaid	100,209	-	-	-	100,209
Reserve Officer Training Corps (ROTC)	-	72,299	-	-	72,299
CARES - ESSER fund	18	-	-	-	18
CRRSA - ESSER II	47,099	-	-	35,211	82,310
ARP - ESSER III	606,520	-	-	841,270	1,447,790
CRRSA - GEER II	42,117	-	-	79,398	121,515
Perkins basic grant	170,239	-	-	36,248	206,487
IDEA grants	7,192	1,254	-	-	8,446
ARP - IDEA 611 Entitlement Funds	93,155	-	-	-	93,155
IDEA entitlement funds, part B IDEA	297,954	-	-	-	297,954
Early childhood special education	44,669	-	-	-	44,669
ARP - IDEA ECSE 619	6,528	-	-	-	6,528
National school lunch program	643,728	-	-	-	643,728
School breakfast program	216,561	-	-	-	216,561
Fresh fruits and vegetable program	10,907	-	-	-	10,907
Title I	707,281	-	-	-	707,281
Title IV.A	73,597	-	-	-	73,597
Title II A&B	97,945	-	-	-	97,945
FEMA funds	4,862	-	-	-	4,862
DHSS food programs	38,102	-	-	-	38,102
Headstart	18,771	-	-	-	18,771
Pell grants	116,711	-	-	-	116,711
Other	112,533	-	-	-	112,533
Total Federal	3,456,698	73,553	-	992,127	4,522,378
OTHER:					
Sale of other property	1,918	-	-	6,708	8,626
Tuition from other LEAs, regular term	389,119	-	-	-	389,119
Area vocational fees from other LEAs	245,213	-	-	-	245,213
Total Other	636,250	-	-	6,708	642,958
TOTAL REVENUES COLLECTED	\$ 16,185,687	\$ 6,205,153	\$ 2,081,289	\$ 1,318,269	\$ 25,790,398

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES PAID BY OBJECT
ARISING FROM MODIFIED CASH TRANSACTIONS
YEAR ENDED JUNE 30, 2023
(SCHEDULE 4)

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals (Memorandum Only)
Salaries	\$ 2,139,502	\$ 9,507,600	\$ -	\$ 11,647,102
Employee benefits	884,607	2,826,277	-	3,710,884
Purchased services	4,964,725	261,782	-	5,226,507
Supplies	2,236,892	-	-	2,236,892
Capital outlay	-	-	1,389,722	1,389,722
Other	-	-	56,780	56,780
TOTAL EXPENDITURES	<u>\$10,225,726</u>	<u>\$12,595,659</u>	<u>\$ 1,446,502</u>	<u>\$ 24,267,887</u>

**STATE COMPLIANCE SCHEDULES
(UNAUDITED)**

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

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
	PK	PK	AM	3.4167	158	1079.2166
	PK	PK	PM	3.4167	158	538.9500
	PK	PK		6.8333	158	538.9500
	K	2		6.7500	159	1070.7500
	3	5		6.7667	159	1073.4053
	6	8		6.8000	159	1078.4500
	9	12		6.8000	159	1076.3997

Notes:	

2. Attendance Hours

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 Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
	PK-AM	-	3,402.9168	-	-	-	3,402.9168
	PK-PM	-	4,027.6333	-	-	-	4,027.6333
	PK	13,515.9172	-	-	-	-	13,515.9172
	K-2	369,607.8804	1,631.6428	-	-	25,533.9125	396,773.4357
	3-5	368,663.2180	301.9711	-	2,927.8334	13,925.1750	385,818.1975
	6-8	361,174.5271	862.8432	-	2,107.5515	3,086.7869	367,231.7087
	9-12	532,866.7508	2,883.1833	-	-	30.0000	535,779.9341
Grand Total	PK-12	1,645,828.2935	13,110.1905	-	5,035.3849	42,575.8744	1,706,549.7433

Notes:	

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

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
	PK-AM	0.00	3.50	0.00	3.50
	PK-PM	0.00	3.50	0.00	3.50
	PK	14.00	0.00	0.00	14.00
	K-2	369.00	0.57	0.00	369.57
	3-5	362.00	0.65	0.00	362.65
	6-8	350.00	1.09	0.00	351.09
	9-12	536.00	3.28	0.00	539.28
Grand Total	PK-12	1,631.00	12.59	0.00	1,643.59

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	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	154.24	38.00	N/A	N/A	192.24
3000	128.00	34.00	N/A	N/A	162.00
4070	176.00	30.00	N/A	N/A	206.00
4080	139.00	42.00	N/A	N/A	181.00
Grand Total	597.24	144.00	N/A	N/A	741.24

Notes:	

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

5. Finance

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category 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 Career Exploration Program - Off Campus Cooperative Occupational Education (COE) or Supervised Occupational Experience Program Dual enrollment Homebound instruction Missouri Options Prekindergarten eligible to be claimed for state aid Remediation Sheltered Workshop participation Students participating in the school flex program Traditional instruction (full and part-time students) Virtual instruction (MOCAP or other option) Work Experience for Students with Disabilities	True
		N/A
		N/A
		True
		True
		True
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$ 100,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

5. Finance (continued)

Section	Question	Answer
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. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	False
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$ 48,347
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	

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

Finding:	
Management Letter Comment:	Payroll

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was: Eligible ADT Ineligible ADT	512.50 -
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	203,677
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 Ineligible Miles (Non-Route/Disapproved)	150,547 53,130
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	160

Notes:	

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

Finding:	
Management Letter Comment:	

CLINTON SCHOOL DISTRICT #124 SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

CONTRACTED TRANSPORTATION:

Purchased services	\$	819,517
Supplies		88,473
Total Contracted Transportation		<u>907,990</u>

CONTRACTED DISABLED TRANSPORTATION:

Purchased services		191,309
Supplies		11,582
Total Contracted Disabled Transportation		<u>202,891</u>

EARLY CHILDHOOD SPECIAL EDUCATION TRANSPORTATION:

Purchased services		108,560
Total Early Childhood Special Education Transportation		<u>108,560</u>

Total Allowable Costs	\$	<u>1,219,441</u>
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STATE COMPLIANCE



GERDING, KORTE & CHITWOOD CPAS
Professional Corporation
Certified Public Accountants

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

723 Main St.
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To the Board of Education
Clinton School District #124
Clinton, Missouri

We have examined management’s assertions that the Clinton School District #124, Clinton, Missouri, (the “District”) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District’s attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January; and accurate disclosure by 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 of pupil transportation during the year ended June 30, 2023. Management is responsible for the District’s compliance with those requirements. Our responsibility is to express an opinion on the District’s compliance based on our examination.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination does not provide a legal determination on the District’s compliance with specified requirements.

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

In our opinion, the Clinton School District #124, Clinton, Missouri complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023, except as noted on the subsequent page.

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

December 12, 2023

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CLINTON SCHOOL DISTRICT #124
SCHEDULE OF FINDINGS - STATE REQUIREMENTS
YEAR ENDED JUNE 30, 2023

Budgets

Actual expenditures exceeded final budgeted expenditures in the General and Debt Service Funds.

Payroll

One certificated employee was paid \$870 less in fiscal year 2023 than what was on the employee's contract and as reported on the October Core Data submission.

COMPLIANCE AND INTERNAL CONTROL

**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**

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To the Board of Education
Clinton School District #124
Clinton, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities – modified cash basis, the discretely presented component unit, and each major fund of the Clinton School District #124, Clinton, Missouri (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 12, 2023.

PARTNERS
Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier

Report on Internal Control Over Financial Reporting

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

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

PARTNERS EMERITI
Robert A. Gerding
Fred W. Korte, Jr.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



December 12, 2023

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

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

723 Main St.
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To the Board of Education
Clinton School District #124
Clinton, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *Uniform Guidance* and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

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

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.



December 12, 2023

Gerding, Korte & Chitwood, P.C.
Certified Public Accountants
Boonville, Missouri

CLINTON SCHOOL DISTRICT #124
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Federal Award Identification Number	Passed Through to Subrecipients	Federal Expenditures
U. S. Department of Agriculture:					
Passed through the Missouri Department of Elementary and Secondary Education					
National School Breakfast Program	10.553	042-124	20232N119943	-	\$ 199,918
National School Lunch Program	10.555	042-124	20232N119943	-	490,510
National School Lunch Supply Chain	10.555	042-124	20232N890343	-	66,150
Food & Nutrition Services Fruits & Vegetables	10.582	042-124	2023L160343	-	10,907
Commodity food distribution (non-cash)	10.555	042-124	--	-	80,494
Sub-Total Child Nutrition Cluster					\$ 847,979
Passed through the Missouri Department of Health & Senior Services					
Child and Adult Food Care Program	10.558		ERS4620-3527	-	23,614
Total U.S. Department of Agriculture					<u>871,593</u>
U.S. Department of Education:					
Passed through the Missouri Department of Elementary and Secondary Education					
Title I	84.010A	042-124	S010A220025	-	508,803
Title I Preschool	84.010A	042-124	S010A220025	-	148,310
Sub-Total Title I Program					657,113
Title IIA	84.367A	042-124	S367A220024	-	96,972
Title IV.A	84.424A	042-124	S42A220026	-	76,207
Title V.B	84.358B	042-124	S358B220025	-	67,040
Special Education, Entitlement	84.027A	042-124	H027A220040	-	380,110
ARP IDEA	84.027X	042-124	H027X210040	-	93,155
Special Education, High Needs	84.027A	042-124	H027A210040	-	1,254
Special Education, Early Childhood (611)	84.027A	042-124	H027A220040	-	44,669
Special Education, Early Childhood (619)	84.173A	042-124	H173A220103	-	13,157
ARP IDEA ECSE 619	84.173X	042-124	H173X210103	-	6,528
Special Education, MO Model Districts	84.173A	042-124	H027A220040	-	534
Sub-Total Special Education Cluster					539,407
Passed through the Missouri Department of Elementary and Secondary Education					
CRRSA Esser II	84.425D	042-124	S425D210021	-	22,816
Teacher Retention Grant	84.425D	042-124	S425D210021	-	23,608
ARP Esser (Esser III)	84.425U	042-124	S425U210021	-	1,509,911
CARES Esser	84.425D	042-124	S425D210021	-	18
CARES CTE EQUIP & ENHANCE	84.425C	042-124	S425C210016	-	23,599
CARES Transportation Supplement	84.425C	042-124	S425C210016	-	448
CRRSA Parent Reimbursement (GEER II)	84.425C	042-124	S425C210016	-	8,404
Direct Assistance					
CARES Higher Education Relief Fund	84.425E		--	-	48,724
CARES Higher Education Relief Fund	84.425F		--	-	29,639
Sub-Total CARES Funds					1,667,167
Passed through the Missouri Department of Elementary and Secondary Education					
Perkins Basic Grant - Secondary	84.048A	042-124	V048A210025	-	157,466
Passed through State Fair Community College					
Perkins Local	84.048A		--	-	9,742
Sub-Total Perkins Funds					167,208
Direct Assistance					
Pell Grant	84.063		--	-	116,711
Guaranteed Student Loans (Not Made by the District)					
Direct Funding					
Student Loans	84.032		--	-	137,174
Sub-Total Student Financial Aid					253,885
Total U.S. Department of Education					<u>3,524,999</u>
Subtotal of page 1 of Schedule of Expenditures of Federal Awards					<u>4,396,592</u>

CLINTON SCHOOL DISTRICT #124
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Award Identification Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Subtotal from page 1 of Schedule of Expenditures of Federal Awards					<u>4,396,592</u>
U.S. Department of Health & Human Services					
Passed through Community Development					
Institute Head Start					
Head Start Program	93.600		90-CHT00043	-	<u>16,177</u>
Total U.S. Department of Health & Human Services					<u>16,177</u>
U. S. Department of Defense:					
Direct					
Army Junior Reserve Officer Training Corps	12.357		--	-	<u>72,464</u>
Total U.S. Department of Defense					<u>72,464</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ 4,485,233</u>

CLINTON SCHOOL DISTRICT #124
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The Schedule includes all federal awards administered by Clinton School District #124, Missouri.

OMB Compliance Supplement includes these definitions, which govern the contents of the Schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food, commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under-grants or contracts, used to buy goods or services from vendors.

Accordingly, the Schedule includes expenditures of both cash and noncash awards.

B. Basis of Accounting

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

CLINTON SCHOOL DISTRICT #124
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
JUNE 30, 2023

Summary of Significant Accounting Policies (Cont'd)

- 2) The District has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.
- 3) Commodities received were valued by the food service section of the Department of Elementary and Secondary Education.
- 4) Subrecipients - The District provided no federal awards to subrecipients during the year ended June 30, 2023.

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS
 JUNE 30, 2023

Section I: Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: unmodified on the modified cash basis of accounting

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None Reported

Type of auditors' reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Supply Chain
10.582	Food & Nutrition Services Fruits & Vegetables
10.555	Commodity Food Distribution (non-cash)
84.425D	CRRSA Esser II
84.425D	Teacher Retention Grant
84.425U	ARP Esser (Esser III)
84.425D	CARES Esser
84.425C	CARES CTE EQUIP & ENHANCE
84.425C	CARES Transportation Supplement
84.425C	CRRSA Parent Reimbursement (GEER II)
84.425E	CARES Higher Education Relief Fund
84.425F	CARES Higher Education Relief Fund

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
 JUNE 30, 2023

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

Auditee qualified as low-risk auditee? Yes X No

Section II: Financial Statement Findings

2023-001 Budgeting

Criteria: State statute, Chapter 67, requires that each political subdivision is prohibited from expending public monies unless those expenditures have been authorized as provided in Chapter 67.

Condition: The District's actual expenditures in the General and Debt Service Funds exceeded final budgeted expenditures by \$73,950 and \$512,122, respectively.

Context: The final budgeted expenditures were compared to actual expenditures. Actual expenditures exceeded budgeted expenditures in the General and Debt Service Funds by \$73,950 and \$512,122, respectively

Effect: The District violated state statute RSMo 67.

Cause: The District budgeted too few expenditures in the General and Debt Service Funds.

Recommendation: The District should ensure actual expenditures do not exceed budgeted expenditures in any funds.

Views of Responsible Officials & Planned Corrective Action: In the future years, prior to June 30, the Board of Education will state that the board approved amending the final budget

to actual revenues and expenditures.

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
 JUNE 30, 2023

Section III: Federal Award Findings and Questioned Costs

2023-002 Child Nutrition Cluster - CFDA No. 10.553, 10.555
 Grant No. 042-124

Condition: Clinton School District must operate the food service program on a non-profit basis. The District's ending food service balance exceeded three months average expenses by \$814,452.

Criteria: The child nutrition cluster compliance guidelines N.3 states that a school must operate the food service accounts on a non-profit basis. This indicates that no more than three months operating expenses may be maintained by the District to be considered non-profit.

Effect: The District maintains funds in its food service accounts that exceed the amounts as allowed in the child nutrition guidelines.

Questioned Costs: \$814,452 based on the amounts in the fund balance of \$1,180,066 above the three months operating costs of \$365,614.

Cause: Covid meal reimbursements exceeded the amounts that are normally received.

Recommendation: We recommend that fund balances should be monitored to ensure that balances remain in line with child nutrition compliance requirements.

Views of Responsible Officials & Planned Corrective Action: Since the \$2,000,000 of local funds to totally remodeled the food service department at the Clinton Intermediate School is not enough to offset the excess balance in the food service

department, our plan for reducing the program balance of an excess of \$976,148.58 will be purchasing equipment and holding our contracted food service accountable for billing.

During the fiscal year 2022/2023 Taher did not bill us for three months. They billed us in the 2023/2024 fiscal year.

CLINTON SCHOOL DISTRICT #124
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 AND SUMMARY OF AUDITOR'S RESULTS - FEDERAL REQUIREMENTS (CONT'D)
 JUNE 30, 2023

In 2023/24 we paid:
 April 2022 on 7/6/22 \$116,530.24
 May 2022 on 7/6/22 \$94,993.56
 June 2022 on 10/25/22 \$70,169.11
 Total \$281,692.91

I have provided a list of items that have been identified as a need for replacement in the near future. These projects will have an anticipated completion date of June 30, 2027.

With the combination of the \$281,692.91 of billing and the \$706,000.00 of replacement equipment in the food service department we should spend down the excessive balance.

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Lunch Table	30	\$ 3,000.00	\$ 90,000.00
Milk Cooler	4	\$ 5,000.00	\$ 20,000.00
Walk-In Cooler	4	\$ 20,000.00	\$ 80,000.00
Dishwasher	4	\$ 7,000.00	\$ 28,000.00
Warmers	4	\$ 1,600.00	\$ 6,400.00
Trays	100	\$ 60.00	\$ 6,000.00
Spoons & Forks	2400	\$ 1.00	\$ 2,400.00
Table Cleaning Kit	4	\$ 500.00	\$ 2,000.00
Ovens	4	\$ 6,000.00	\$ 24,000.00
Sinks	4	\$ 500.00	\$ 2,000.00
Mobile Storage Cart	4	\$ 1,000.00	\$ 4,000.00
Salad Bar	4	\$ 6,500.00	\$ 26,000.00
Freezer	4	\$ 2,000.00	\$ 8,000.00
HE Cafeteria Tables	16	\$ 4,200.00	\$ 67,200.00
Flooring at Henry Elementary Cafeteria	1000	\$ 10.00	\$ 10,000.00
Flooring at MS Cafeteri	1000	\$ 10.00	\$ 10,000.00
Labor of installation of equipment	1	\$ 320,000.00	\$ 320,000.00
			<u>\$ 706,000.00</u>



CENTRAL OFFICE

Brian Wishard, Superintendent

Dr. Christian Meier, Assistant Superintendent

701 S. 8th Street | Clinton, MO 64735 | Phone (660) 885-2237 | Fax (660) 885-7033

CORRECTIVE ACTION PLAN

December 12, 2023

U.S. Department of Education

Clinton School District #124 respectfully submits the following Corrective Action Plan for the year ended June 30, 2023.

Contact information for the individual responsible for the corrective action:

Brian Wishard, Superintendent
Clinton School District #124

Independent Public Accounting Firm: Gerding, Korte & Chitwood, P.C., 723 Main Street, Boonville, MO 65233

Audit Period: Year ended June 30, 2023

The findings from the June 30, 2023, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

2023-001 *Budgeting*

Recommendation: The District should ensure actual expenditures do not exceed budgeted expenditures in any funds.

Action Taken: In the future years, prior to June 30, the Board of Education will state that the board approved amending the final budget to actual revenues and expenditures.

Completion Date: June 30, 2024

Sincerely,

Brian Wishard, Superintendent
Clinton School District #124

EDUCATE | EMPOWER | ENGAGE



CENTRAL OFFICE

Brian Wishard, Superintendent
Dr. Christian Meier, Assistant Superintendent

701 S. 8th Street | Clinton, MO 64735 | Phone (660) 885-2237 | Fax (660) 885-7033

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Boonville, MO 65233

Audit Period: Year ended June 30, 2023

The findings from the June 30, 2023, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Significant Deficiency

2023-002 Child Nutrition Cluster

Recommendation: We recommend that fund balances should be monitored to ensure that balances remain in line with child nutrition compliance requirements.

Action Taken: Since the \$2,000,000 of local funds to totally remodeled the food service department at the Clinton Intermediate School is not enough to offset the excess balance in the food service department, our plan for reducing the program balance of an excess of \$976,148.58 will be purchasing equipment and holding our contracted food service accountable for billing.

During the fiscal year 2022/2023 Taher did not bill us for three months. They billed us in the 2023/2024 fiscal year.

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EDUCATE | EMPOWER | ENGAGE

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Flooring at MS Cafeteri	1000	\$ 10.00	\$ 10,000.00
Labor of installation of equipment	1	\$ 320,000.00	\$ 320,000.00
			<u>\$ 706,000.00</u>

Completion Date: June 30, 2024

Sincerely,



Brian Wishard, Superintendent
Clinton School District #124