

HAMILTON R-II SCHOOL DISTRICT
HAMILTON, MISSOURI

BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Clevenger & Associates, CPA, PC
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December 16, 2022

To the Board of Education
Hamilton R-II School District

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Hamilton R-II School District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hamilton R-II School District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper accounting period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 16, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be

expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

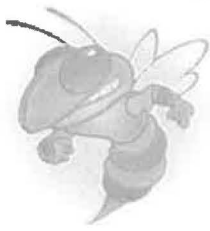
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Restriction on Use

This information is intended solely for the use of the administration and the Board of Education of Hamilton R-II School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri



Hamilton R-II School District

POST OFFICE BOX 130
HAMILTON, MISSOURI 64644

DR. BELIE MCGRAW
Superintendent of Schools

MRS. ASHLEY FORD, Principal
Hamilton Elementary School

MR. CHRIS ANDERSON, Principal
Penney High School

MR. RICK BOSS, Principal
Hamilton Middle School

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Hamilton R-II School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the basic financial statements, notes to the financial statements and other supplemental information to enhance their understanding of the District's financial performance.

Financial Highlights

- The total fund balances for the District were \$10,530,058 on June 30, 2022. This is an increase of \$6,311,819 in comparison to the prior fiscal year.
- The total revenues of the governmental funds for the fiscal year were \$15,845,099. This is an increase of \$7,038,516 compared to prior year.
- Expenditures for the year were \$9,533,281. This is an increase of \$289,062 over the prior year.
- Expenditures for debt service were \$1,170,616 for the year. \$1,125,000 of the total debt expenditures was paid on principal and \$45,616 was paid for interest and fees.
- New debt of \$5,800,000 in the form of general obligation bonds was acquired by the District in 2022. The cost/issuance fees for the new debt was \$81,000.
- Outlays for new capital assets were \$291,819 during the year, including the purchase of custodial equipment, a dishwasher, 7 smartboards, a used 2017 bus, 2 new buses, a new mower and a used 2011 van.

Overview of the Financial Statements

This annual report consists of two distinct series of financial statements: the government-wide financial statements and the fund financial statements, notes to the financial statements, other financial information, other reporting requirements, and supplementary state information.

- **Government-Wide Financial Reports:** Provide both short-term and long-term information about the District's overall financial status. Government-wide statements include the Statement of Net Position and the Statement of Activities.
- **Fund Financial Statements:** Focus on individual funds of the District, reporting activities in more detail. These statements show how services were financed in the short-term as well as what remains for future spending.
- **Other Financial Information:** Reports information where limited procedures are applied to budgetary and historical comparisons which are presented to provide perspective for the user of the financial statements.

Reporting on the District as a Whole

The Statement of Net Position and the Statement of Activities

The District's financial transactions as a whole for the year are summarized on the Statement of Net Position and the Statement of Activities. The statements include all assets and liabilities using the modified cash basis of accounting.

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

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

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental Activities are the activities where most of the Districts programs and services are reported including, instruction, support services, operation and maintenance of plant, pupil transport, food service, and student activities.

Reporting the District's Most Significant Funds

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

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

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

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

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

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary and comparison of the District’s net position for 2022 and 2021:

TABLE 1	Governmental Activities	
	2022	2021
ASSETS		
Cash and cash equivalents	\$10,315,081	\$ 3,967,518
Investments	214,977	250,722
Total Assets	10,530,058	4,218,240
NET POSITION		
Restricted for:		
Debt service	448,776	801,126
Capital projects	5,800,000	-
Scholarships	12,500	12,500
Unrestricted	4,268,783	3,404,614
Total Net Position	\$10,530,058	\$ 4,218,240

Total assets at June 30, 2022 were \$10,530,058.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was \$4,268,783 and restricted net position was \$6,261,275.

Governmental Activities

Revenues – General revenues and special items totaled \$13,785,925. The three largest sources of general revenue for the District are generated through property taxes \$2,269,510, the Basic Foundation Formula \$3,172,089 and state assessed utilities \$1,025,373. Program specific revenues in the form of operating

grants totaled \$1,540,033. The largest portion of this revenue was from the ESSER II Funds. State and Federal reimbursement for food service and transportation were \$504,230 and \$76,597, respectively.

Expenditures – Expenditures for governmental activities totaled \$9,533,281 offset by program specific charges for services, grants, and contributions of \$2,059,174. General revenues, primarily property taxes, the basic formula, and to a lesser extent state assessed utilities, fines and earnings on investments were adequate to provide for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 2 (below) shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenues and unrestricted State entitlements.

	2022		2021	
	Cost of Services	Net Cost of Service	Cost of Services	Net Cost of Service
EXPENDITURES:				
Instruction	\$4,622,176	\$3,255,290	\$ 4,472,039	\$3,650,016
Student support services	469,375	469,375	447,670	447,670
Instructional staff support	277,391	277,391	267,693	267,693
General administration	274,261	274,261	313,355	313,355
Building level administration	616,559	616,559	555,865	555,865
Operation of plant	832,168	832,168	1,283,021	1,283,021
Transportation	546,389	469,792	292,209	247,434
Food service	455,930	(97,553)	409,124	69,775
Internal services	21,599	21,599	12,033	12,033
Early childhood	165,817	103,610	156,221	91,466
Debt				
Payments:				
Principal retirements	1,125,000	1,125,000	975,000	975,000
Interest and fees	126,615	126,615	59,989	59,989
Total	\$ 9,533,281	\$7,474,107	\$ 9,244,219	\$7,973,317

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

Student support services includes health, psychology and speech instruction.

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

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

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

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

Transportation involves the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

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

Internal services includes printing and publishing, business support, research and development, public information, staff, accounting, and other data processing services.

Early childhood programs include resources that can be useful to parent, child care providers, teachers and administrators about learning and development of our Pre-K learners.

Debt payments involve the transactions associated with payments of principal, interest and fees for the debt of the District.

The District's Funds

The District's funds are accounted for using the modified cash basis of accounting. All governmental funds had total revenues of \$15,845,099 and total expenditures of \$9,533,281. The net change in fund balance for the year was \$6,311,819.

The General fund had a balance of \$2,755,851 at the end of the year, of which \$12,500 is restricted for student scholarships.

The Debt Service fund had a balance of \$448,776 at the end of the year.

The Special Revenue Fund had a balance of \$-0- at the end of the year. The District transferred \$363,125 to avoid deficit spending.

The Capital Projects Fund had a balance of \$7,325,431 at the end of the year. Allowable transfers from the General Fund were \$94,027 to cover upcoming capital expenditures.

General Fund Budgetary Highlights

During the course of the year, the District amended the annual operating budget as the Board approved changes. The primary reason for the amendments were minimal fluctuations in actual expenditures made and due to uncertainty of revenues from the State of Missouri Department of Elementary and Secondary Education.

Economic Factors and Next Year's Budget

The budget for the year ended June 30, 2023 has been prepared and approved by the Board of Education. This budget includes the assumption of several economic conditions that will play a significant role in the financial health of the District:

The current fund balance projection is 28.54%. Local funding is projected to remain steady. State funding is expected to increase due to 11 PK students being counted towards district Average Daily Attendance (ADA), the fact that state funding continues to be based on ADA/WADA numbers from the 2019-2020 school year due to the Pandemic Provision, and an increase in transportation funding. Adjustments have also been made for an 3.46% increase in staff salaries due to raises given for the 2022-2023 school year and to support the \$38,000 Teacher Salary Grant. The projected revenue for the district in 2022-2023 is approximately \$8,887,000. Expenses are estimated in a conservative manner and are expected to come in at approximately \$8,907,000 due to added one-time costs associated with the new high school project.

Contacting the District's Financial Management

This financial report is designed to provide our taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information contact the office of the Superintendent at; 419 South Hughes Street, Hamilton, MO 64644.

**HAMILTON R-II SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Hamilton R-II School District
Hamilton, Missouri

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Hamilton R-II School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton R-II School 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 and each major fund of the Hamilton R-II School District, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of 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 Hamilton R-II School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note A, 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 Hamilton R-II School 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 Hamilton R-II School 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 Hamilton R-II School 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 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*, is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to 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 management's discussion and analysis, budgetary comparison information, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the Hamilton R-II School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hamilton R-II School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri
December 16, 2022

GOVERNMENT - WIDE FINANCIAL STATEMENTS

HAMILTON R-II SCHOOL DISTRICT
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 June 30, 2022

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 10,315,081.27
Investments	214,977.00
TOTAL ASSETS	10,530,058.27
 NET POSITION:	
Restricted for:	
Debt service	448,775.58
Capital projects	5,800,000.00
Scholarships	12,500.00
Unrestricted	4,268,782.69
TOTAL NET POSITION	\$ 10,530,058.27

See accompanying notes to the basic financial statements

HAMILTON R-II SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2022

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Regular instruction	\$ (2,920,829.59)	\$ 249,555.99	\$ 610,021.56	\$ -	\$ (2,061,252.04)
Special instruction	(789,686.46)	-	298,550.26	-	(491,136.20)
Vocational instruction	(223,836.34)	-	17,665.00	-	(206,171.34)
Student activities	(541,272.08)	191,093.78	-	-	(350,178.30)
Tuition paid to other districts	(146,551.77)	-	-	-	(146,551.77)
Student support services	(469,375.09)	-	-	-	(469,375.09)
Instructional support services	(277,391.09)	-	-	-	(277,391.09)
Board of education services	(71,331.33)	-	-	-	(71,331.33)
Executive administration	(202,929.62)	-	-	-	(202,929.62)
Building level administration	(616,558.63)	-	-	-	(616,558.63)
Operation of plant	(832,168.49)	-	-	-	(832,168.49)
Transportation	(546,388.71)	-	76,597.00	-	(469,791.71)
Food services	(455,929.77)	49,253.10	504,230.28	-	97,553.61
Internal services	(21,598.89)	-	-	-	(21,598.89)
Early childhood programs	(165,817.43)	29,238.50	32,968.64	-	(103,610.29)
Principal on debt	(1,125,000.00)	-	-	-	(1,125,000.00)
Interest and fees on debt	(126,615.50)	-	-	-	(126,615.50)
NET PROGRAM (DISBURSEMENTS) RECEIPTS	\$ (9,533,280.79)	\$ 519,141.37	\$ 1,540,032.74	\$ -	(7,474,106.68)

General Receipts:	
Basic formula	3,172,089.31
Property taxes	2,269,510.28
Other taxes	899,307.58
Earnings on investments	21,353.85
Fines and escheats	88,548.99
State assessed utilities	1,025,372.61
Other revenue	6,309,742.74
TOTAL GENERAL RECEIPTS	13,785,925.36
INCREASE / (DECREASE) IN NET POSITION	6,311,818.68
NET POSITION - Beginning of year	4,218,239.59
NET POSITION - End of year	<u>\$ 10,530,058.27</u>

See accompanying notes to the basic financial statements

**Fund
Financial Statements**

HAMILTON R-II SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 2,743,351.39	\$ -	\$ 287,353.58	\$ 7,284,376.30	\$ 10,315,081.27
Investments	12,500.00	-	161,422.00	41,055.00	214,977.00
TOTAL ASSETS	<u>2,755,851.39</u>	<u>-</u>	<u>448,775.58</u>	<u>7,325,431.30</u>	<u>10,530,058.27</u>
FUND BALANCES					
Restricted for:					
Student scholarships	12,500.00	-	-	-	12,500.00
Capital projects	-	-	-	5,800,000.00	5,800,000.00
Debt service	-	-	448,775.58	-	448,775.58
Assigned for capital projects	-	-	-	1,525,431.30	1,525,431.30
Unassigned	<u>2,743,351.39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,743,351.39</u>
TOTAL FUND BALANCES	<u>\$ 2,755,851.39</u>	<u>\$ -</u>	<u>\$ 448,775.58</u>	<u>\$ 7,325,431.30</u>	<u>\$ 10,530,058.27</u>

See accompanying notes to the financial statements

HAMILTON R-II SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Year Ended June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
RECEIPTS					
Local	\$ 2,004,404.00	\$ 859,589.33	\$ 669,619.62	\$ 412,724.00	\$ 3,946,336.95
County	876,727.03	88,548.99	148,645.58	-	1,113,921.60
State	193,303.48	2,917,282.31	-	254,807.00	3,365,392.79
Federal	889,321.44	201,257.08	-	278,792.37	1,369,370.89
Other	26.50	236,724.74	-	5,800,000.00	6,036,751.24
TOTAL RECEIPTS	3,963,782.45	4,303,402.45	818,265.20	6,746,323.37	15,831,773.47
DISBURSEMENTS					
Instruction	876,944.09	3,721,991.65	-	23,240.50	4,622,176.24
Student support services	266,103.82	203,271.27	-	-	469,375.09
Instructional staff support	145,337.58	132,053.51	-	-	277,391.09
General administration	121,810.57	152,450.38	-	-	274,260.95
Building level administration	273,081.60	343,477.03	-	-	616,558.63
Operation of plant	802,048.62	-	-	30,119.87	832,168.49
Transportation	319,481.71	-	-	226,907.00	546,388.71
Food service	444,377.77	-	-	11,552.00	455,929.77
Internal services	21,598.89	-	-	-	21,598.89
Early childhood programs	52,533.77	113,283.66	-	-	165,817.43
Debt service:					
Principal retirements	-	-	1,125,000.00	-	1,125,000.00
Interest and fees	-	-	45,615.50	81,000.00	126,615.50
TOTAL DISBURSEMENTS	3,323,318.42	4,666,527.50	1,170,615.50	372,819.37	9,533,280.79
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	640,464.03	(363,125.05)	(352,350.30)	6,373,504.00	6,298,492.68
OTHER FINANCING SOURCES (USES):					
Transfers in (out)	(457,152.05)	363,125.05	-	94,027.00	-
Sale of property	-	-	-	13,326.00	13,326.00
TOTAL OTHER FINANCING SOURCES (USES)	(457,152.05)	363,125.05	-	107,353.00	13,326.00
NET CHANGE IN FUND BALANCE	183,311.98	-	(352,350.30)	6,480,857.00	6,311,818.68
FUND BALANCE, BEGINNING	2,572,539.41	-	801,125.88	844,574.30	4,218,239.59
FUND BALANCE, ENDING	\$ 2,755,851.39	\$ -	\$ 448,775.58	\$ 7,325,431.30	\$ 10,530,058.27

See accompanying notes to the financial statements

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting which is a characteristic of local governmental units of this type.

Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government, which is governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental unit.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole, excluding fiduciary funds. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund balance, receipts and disbursements. The District has only governmental funds. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying basic financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for non-certified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund: Accounts for disbursements for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and fiscal charges on long term debt.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund balance, receipts, and disbursements when they result from cash transactions. Also, salaries for teachers are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the invoice for the capital item is paid.

Compensated Absences

Vacation time, personal days, and sick leave are considered as disbursements in the year paid. Sick leave amounts unused and which are vested in the employee are payable upon termination.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Teachers' Salaries

The salary payment schedule of the District for the 2021-2022 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2022, payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

Pooled Cash and Investments

The District maintains a cash and temporary investment pool that is available for use by all funds the Debt Service Fund (state law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. Government securities, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted net position -- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisional or enabling legislation.

Unrestricted net position -- All other net position that does not meet the definition of "restricted."

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance -- 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.

Restricted fund balance -- This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance -- These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education -- the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance -- This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted or committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance -- This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

NOTE B - TERMINATION BENEFITS

The District does not offer formal early retirement benefits. The Board of Directors from time to time will grant termination benefits to exiting employees of the District on a case by case basis. No such benefits were paid during the year.

HAMILTON R-II SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE C - CASH AND CASH EQUIVALENTS

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all bank balances on deposit are entirely insured or collateralized with securities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

NOTE D - INVESTMENTS

Investments of the District as of June 30, 2022, are as follows:

Investment Type	Maturity	Amount
Certificates of deposit	3/29/23-4/5/23	\$ 12,500
Missouri Direct Deposit Program	n/a	202,477
		<u>\$ 214,977</u>

Certificate of Deposit

Certificates of deposit are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District's deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2022, all certificates of deposit are entirely insured or collateralized with securities.

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks.

NOTE F - TAXES

Property taxes attach as an enforceable lien on property on 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.

The assessed valuation of the tangible taxable property for the calendar year 2021 for the purposes of local taxation was:

Real Estate:		
Residential	\$	24,585,031
Agricultural		4,810,597
Commercial		5,665,943
Personal Property		12,164,752
Total	<u>\$</u>	<u>47,226,323</u>

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE F - TAXES (continued)

The levy per \$100 of the assessed valuation of tangible taxable property of the calendar year of 2021 for the purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	3.4746	3.4746
Special Revenue Fund	0.0000	0.0000
Debt Service Fund	1.3800	1.3800
Capital Projects Fund	0.0000	0.0000
	4.8546	4.8546

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 98.99 percent of the current assessment computed on the basis of the levy as shown above.

NOTE G - RETIREMENT PLAN

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

General Information about the Pension Plan - The Public School Retirement System of Missouri (PSRS)

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

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE G - RETIREMENT PLAN (Continued)

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

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

General Information about the Pension Plan - The Public Education Employment Retirement System of Missouri (PEERS)

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

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE G - RETIREMENT PLAN (Continued)

Benefits Provided - PEERS is a defined benefit plan providing retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced benefits are available for members with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life Benefit Amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

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

The District's contributions to PSRS and PEERS were \$539,703 and \$69,422, respectively, for the year ended June 30, 2022.

NOTE H - INTERFUND TRANSFERS

During the year the District made transfers in the amount of \$94,027 from the General Fund to the Capital Projects fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

Also, as allowed by DESE, the District transferred \$363,125 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE I - LITIGATION

As of June 30, 2022 the District was not aware of any unsettled claims that would be material to the financial statements. As such, no provisions for legal claims have been included in the financial statements.

NOTE J - SUBSEQUENT EVENTS

Subsequent events have been evaluated as of December 16, 2022 and no reportable events are known to have occurred.

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE K - CLAIMS AND ADJUSTMENTS

The District participates in several state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. The District is not aware of any significant contingent liabilities related to its compliance with rules and regulations relating to the respective grants, therefore, no provisions have been recorded in the accompanying financial statements for potential refunds of grant funds.

NOTE L - LONG-TERM DEBT

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

County assessed valuation		\$ 47,226,323
State assessed valuation		1,272,924
Total assessed valuation		<u>48,499,247</u>
Constitutional debt limit		7,274,887
General obligation bonds payable	\$7,575,000	
Less balance in debt service fund	<u>448,776</u>	
Less net direct debt		<u>7,126,224</u>
Amount Available		<u><u>\$ 148,663</u></u>

NOTE M - BONDS PAYABLE

The following is a summary of bond transactions for the year ended June 30, 2022:

Bonds Payable, Beginning		\$ 2,900,000
Bonds Issued		5,800,000.00
Bonds Retired		(1,125,000)
Bonds Payable, Ending		<u><u>\$ 7,575,000</u></u>

In 2016, the District refinanced existing debt, in the form of general obligation bonds, which was for the cost of acquiring buildings and improvements to existing structures. The Series 2016 General Obligation Bond issued are for ten years requiring varying annual installments of principal through 2026 and interest at a variable rate between 0.65% and 1.85% over the course of the note.

Future payments on the Series 2016 Bonds are as follows:

June 30,	Rate	Principal	Interest	Total
2023	1.400%	\$ 375,000	\$ 27,400	\$ 402,400
2024	1.500%	550,000	22,150	572,150
2025	1.600%	550,000	13,900	563,900
2026	1.700%	300,000	5,100	305,100
Total		<u><u>\$ 1,775,000</u></u>	<u><u>\$ 68,550</u></u>	<u><u>\$ 1,843,550</u></u>

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE M - BONDS PAYABLE (Continued)

In 2022, the District acquired new debt, in the form of general obligation bonds, which was for the cost of construction of a new facility. The Series 2022 General Obligation Bond issued are for fifteen years requiring varying annual installments of principal through 2037 and interest at a variable rate between 3% and 5% over the course of the note.

Future payments on the Series 2022 Bonds are as follows:

June 30,	Rate	Principal	Interest	Total
2023	4.000%	\$ -	\$ 205,270	\$ 205,270
2024	4.000%	-	255,700	255,700
2025	4.000%	-	255,700	255,700
2026	4.000%	200,000	255,700	455,700
2027	4.000%	410,000	247,700	657,700
2028-2032	3.000%-4.000%	2,320,000	977,900	3,297,900
2033-2037	5.000%	2,870,000	444,250	3,314,250
Total		\$ 5,800,000	\$ 2,642,220	\$ 8,442,220

NOTE N - LEASES

The District has implemented GASB No. 87, Leases. In accordance with the modified-cash basis of accounting, the District is reporting the following future lease payments.

On January 7, 2020, the District entered into a lease agreement with Marco for the purpose of providing copiers to the District. The lease includes payments of \$1,227 per month for 48 months.

The balance due at year end on the copier lease is:

Lease payable, July 1, 2021	\$ 38,050
Net lease additions	-
Net lease retirements	(14,729)
Lease payable, June 30, 2022	<u>\$ 23,321</u>

The future minimum lease payments are as follows:

Year Ending June 30,	Total Payments
2023	\$ 14,729
2024	8,592
Total	<u>\$ 23,321</u>

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE O - FUND BALANCES - GOVERNMENTAL FUNDS

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or format necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue, Capital Projects, and Debt Service Funds in the original, adopted, and later revised budget. It is the policy of the board to first apply restricted resources when an expense is incurred for a purpose for which both restricted and unrestricted net assets are available.

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Special Revenue	Debt Service	Capital Projects
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	12,500	-	448,776	5,800,000
Committed	-	-	-	-
Assigned	-	-	-	1,525,431
Unassigned	2,743,351	-	-	-
Total	<u>\$ 2,755,851</u>	<u>\$ -</u>	<u>\$ 448,776</u>	<u>\$ 7,325,431</u>

OTHER FINANCIAL
INFORMATION

HAMILTON R-II SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 June 30, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ 1,922,674.17	\$ 2,004,404.00	\$ 2,004,404.00	\$ -
County	860,000.00	876,727.03	876,727.03	-
State	125,432.88	193,303.48	193,303.48	-
Federal	457,234.01	889,321.44	889,321.44	-
Other	-	26.50	26.50	-
TOTAL RECEIPTS	<u>3,365,341.06</u>	<u>3,963,782.45</u>	<u>3,963,782.45</u>	<u>-</u>
DISBURSEMENTS				
Instruction	757,370.34	876,944.09	876,944.09	-
Student support services	228,543.81	266,103.82	266,103.82	-
Instructional staff support	143,968.80	145,337.58	145,337.58	-
General administration	100,163.76	121,810.57	121,810.57	-
Building level administration	240,334.96	273,081.60	273,081.60	-
Operation of plant	760,477.42	802,048.62	802,048.62	-
Transportation	340,812.59	319,481.71	319,481.71	-
Food service	424,987.03	444,377.77	444,377.77	-
Internal services	12,501.77	21,598.89	21,598.89	-
Early childhood programs	29,562.23	52,533.77	52,533.77	-
TOTAL DISBURSEMENTS	<u>3,038,722.71</u>	<u>3,323,318.42</u>	<u>3,323,318.42</u>	<u>-</u>
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	326,618.35	640,464.03	640,464.03	-
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	(585,119.11)	(457,152.05)	(457,152.05)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(585,119.11)</u>	<u>(457,152.05)</u>	<u>(457,152.05)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(258,500.76)	183,311.98	183,311.98	-
FUND BALANCE, BEGINNING	<u>2,572,539.41</u>	<u>2,572,539.41</u>	<u>2,572,539.41</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 2,314,038.65</u></u>	<u><u>\$ 2,755,851.39</u></u>	<u><u>\$ 2,755,851.39</u></u>	<u><u>\$ -</u></u>

HAMILTON R-II SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 SPECIAL REVENUE FUND
 June 30, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ 661,917.18	\$ 859,589.33	\$ 859,589.33	\$ -
County	50,000.00	88,548.99	88,548.99	-
State	2,976,951.70	2,917,282.31	2,917,282.31	-
Federal	159,886.00	201,257.08	201,257.08	-
Other	140,000.00	236,724.74	236,724.74	-
TOTAL RECEIPTS	3,988,754.88	4,303,402.45	4,303,402.45	-
DISBURSEMENTS				
Instruction	3,679,124.31	3,721,991.65	3,721,991.65	-
Student support services	199,850.01	203,271.27	203,271.27	-
Instructional staff support	120,461.83	132,053.51	132,053.51	-
General administration	150,787.59	152,450.38	152,450.38	-
Building level administration	314,338.24	343,477.03	343,477.03	-
Early childhood programs	109,312.01	113,283.66	113,283.66	-
TOTAL DISBURSEMENTS	4,573,873.99	4,666,527.50	4,666,527.50	-
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	(585,119.11)	(363,125.05)	(363,125.05)	-
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	585,119.11	363,125.05	363,125.05	-
TOTAL OTHER FINANCING SOURCES (USES)	585,119.11	363,125.05	363,125.05	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

HAMILTON R-II SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 CAPITAL PROJECTS FUND
 June 30, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
RECEIPTS				
Local	\$ -	\$ 412,724.00	\$ 412,724.00	\$ -
State	214,673.83	254,807.00	254,807.00	-
Federal	-	278,792.37	278,792.37	-
Other	-	5,800,000.00	5,800,000.00	-
TOTAL RECEIPTS	<u>214,673.83</u>	<u>6,746,323.37</u>	<u>6,746,323.37</u>	<u>-</u>
DISBURSEMENTS				
Instruction	37,448.00	23,240.50	23,240.50	-
General administration	2,848.00	-	-	-
Operation of plant	-	30,119.87	30,119.87	-
Transportation	7,500.00	226,907.00	226,907.00	-
Food service	16,000.00	11,552.00	11,552.00	-
Debt service:				
Interest and fees	-	81,000.00	81,000.00	-
TOTAL DISBURSEMENTS	<u>63,796.00</u>	<u>372,819.37</u>	<u>372,819.37</u>	<u>-</u>
RECEIPTS OVER (DEFICIT) DISBURSEMENTS	<u>150,877.83</u>	<u>6,373,504.00</u>	<u>6,373,504.00</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	-	94,027.00	94,027.00	-
Sale of property	-	13,326.00	13,326.00	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>107,353.00</u>	<u>107,353.00</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>150,877.83</u>	<u>6,480,857.00</u>	<u>6,480,857.00</u>	<u>-</u>
FUND BALANCE, BEGINNING	<u>844,574.30</u>	<u>844,574.30</u>	<u>844,574.30</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 995,452.13</u>	<u>\$ 7,325,431.30</u>	<u>\$ 7,325,431.30</u>	<u>\$ -</u>

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2022

Budgets and Budgetary Accounting

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

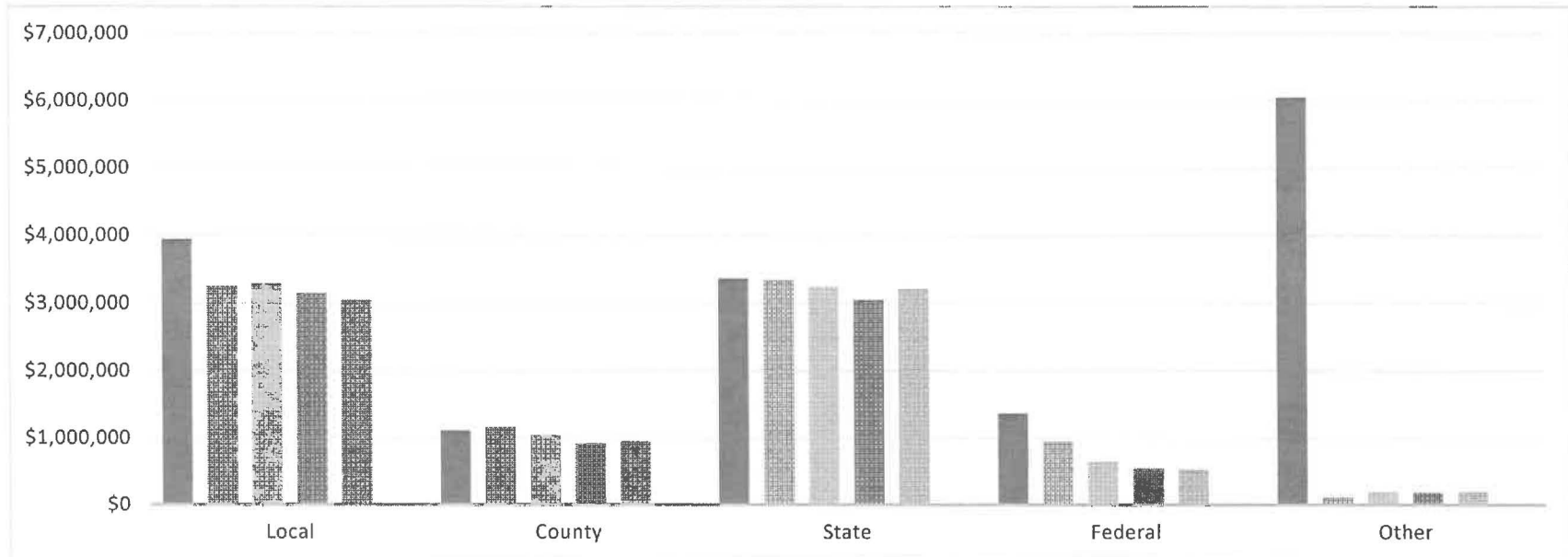
- 1 In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 2 Prior to July, the Superintendent submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3 A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- 4 Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5 Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the final budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
- 6 Budgets for District funds are prepared and adopted on the modified cash basis (budget basis).

HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL					
Property tax	\$ 1,624,747.01	\$ -	644,763.27	\$ -	\$ 2,269,510.28
Sales tax	-	816,988.67	-	-	816,988.67
Financial institution tax	364.80	-	-	-	364.80
M&M surtax	28,983.06	-	11,513.05	-	40,496.11
In lieu of tax	29,671.49	-	11,786.51	-	41,458.00
Tuition	-	12,831.25	-	-	12,831.25
Earnings on investments	14,766.50	530.91	1,556.79	4,499.65	21,353.85
Premium on bonds sold	-	-	-	408,224.35	408,224.35
Food service	49,253.10	-	-	-	49,253.10
Student activities	191,093.78	-	-	-	191,093.78
PK Tuition	-	29,238.50	-	-	29,238.50
Other local revenue	65,524.26	-	-	-	65,524.26
TOTAL LOCAL	2,004,404.00	859,589.33	669,619.62	412,724.00	3,946,336.95
COUNTY					
Fines and escheats	-	88,548.99	-	-	88,548.99
State assessed utilities	876,727.03	-	148,645.58	-	1,025,372.61
TOTAL COUNTY	876,727.03	88,548.99	148,645.58	-	1,113,921.60
STATE					
Basic formula	-	2,901,746.26	-	-	2,901,746.26
Transportation	76,597.00	-	-	-	76,597.00
Early childhood special ed	79,879.29	-	-	-	79,879.29
Basic formula - Classroom trust fund	-	15,536.05	-	254,807.00	270,343.05
Educational screening	12,968.64	-	-	-	12,968.64
Career education	17,665.00	-	-	-	17,665.00
Food service	801.90	-	-	-	801.90
Other state revenue	5,391.65	-	-	-	5,391.65
TOTAL STATE	193,303.48	2,917,282.31	-	254,807.00	3,365,392.79
FEDERAL					
Medicaid	25,207.70	-	-	-	25,207.70
CRRSA - ESSER II	54,085.93	-	-	278,792.37	332,878.30
CARES - ESSER fund	21,350.15	-	-	-	21,350.15
CARES - Gov's emergency educ relief	10,278.53	-	-	-	10,278.53
IDEA grants part B	199,346.15	-	-	-	199,346.15
Early childhood special education	19,324.82	-	-	-	19,324.82
Child nutrition	503,428.38	-	-	-	503,428.38
Title I	-	168,729.26	-	-	168,729.26
Title IV student support	-	12,527.82	-	-	12,527.82
Title II, A	39,049.80	-	-	-	39,049.80
Childcare development fund	-	20,000.00	-	-	20,000.00
Other federal revenue	17,249.98	-	-	-	17,249.98
TOTAL FEDERAL	889,321.44	201,257.08	-	278,792.37	1,369,370.89
OTHER SOURCES					
Tuition from other LEAs	-	236,724.74	-	-	236,724.74
Sale of bonds	-	-	-	5,800,000.00	5,800,000.00
Proceeds from sale of property	26.50	-	-	13,326.00	13,352.50
TOTAL OTHER SOURCES	26.50	236,724.74	-	5,813,326.00	6,050,077.24
TOTAL RECEIPTS	\$ 3,963,782.45	\$ 4,303,402.45	\$ 818,265.20	\$ 6,759,649.37	\$ 15,845,099.47

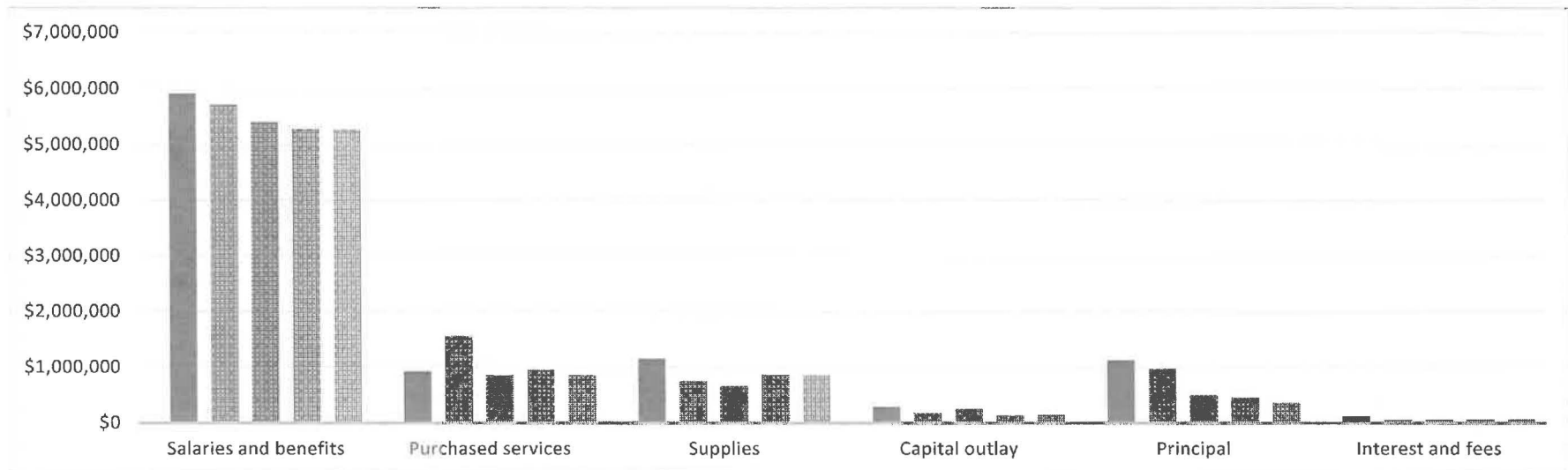
**HAMILTON R-II SCHOOL DISTRICT
COMPARISON OF RECEIPTS BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH 2018**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Local	\$ 3,946,337	\$ 3,246,323	\$ 3,288,529	\$ 3,147,160	\$ 3,050,382
County	1,113,922	1,157,944	1,041,766	914,646	953,041
State	3,365,393	3,343,815	3,245,064	3,055,384	3,213,709
Federal	1,369,371	945,954	655,250	551,185	534,654
Other	6,050,077	112,548	201,422	186,368	204,564
	<u>\$ 15,845,099</u>	<u>\$ 8,806,584</u>	<u>\$ 8,432,031</u>	<u>\$ 7,854,743</u>	<u>\$ 7,956,350</u>



**HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH 2018**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	2022 Totals	2021 Totals	2020 Totals	2019 Totals	2018 Totals
Salaries and benefits	\$ 1,389,909	\$ 4,519,976	\$ -	\$ -	\$ 5,909,885	\$ 5,718,297	\$ 5,408,534	\$ 5,279,569	\$ 5,259,369
Purchased services	780,037	146,552	-	-	926,589	1,564,641	855,140	958,447	855,215
Supplies	1,153,372	-	-	-	1,153,372	752,509	660,223	863,879	853,237
Capital outlay	-	-	-	291,819	291,819	173,783	252,567	131,865	150,307
Principal	-	-	1,125,000	-	1,125,000	975,000	500,000	450,000	360,000
Interest and fees	-	-	45,616	81,000	126,616	59,989	63,573	68,666	71,046
	<u>\$ 3,323,318</u>	<u>\$ 4,666,528</u>	<u>\$ 1,170,616</u>	<u>\$ 372,819</u>	<u>\$ 9,533,281</u>	<u>\$ 9,244,219</u>	<u>\$ 7,740,037</u>	<u>\$ 7,752,426</u>	<u>\$ 7,549,174</u>

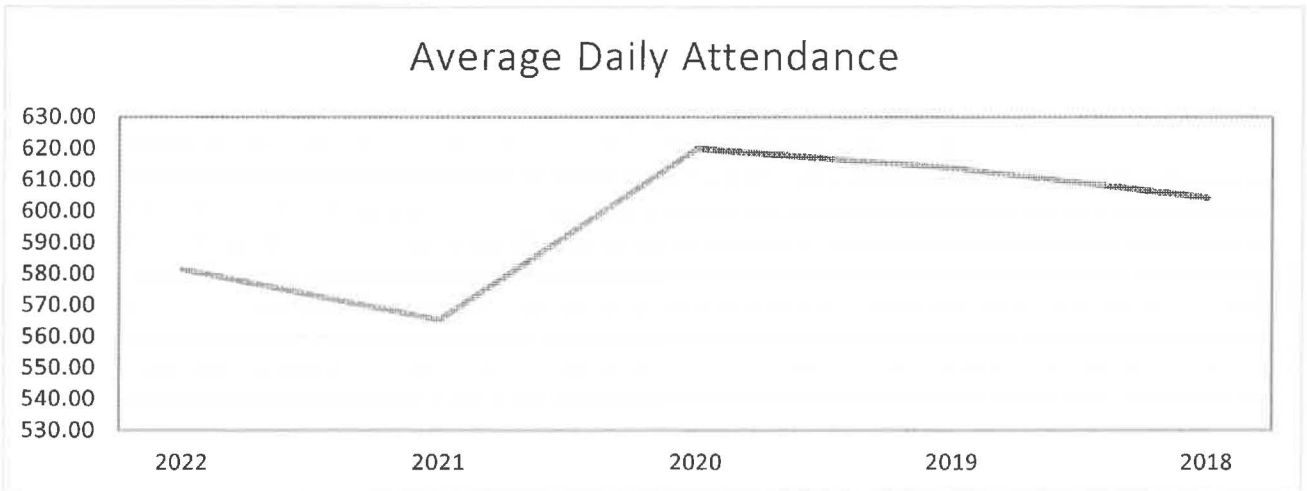
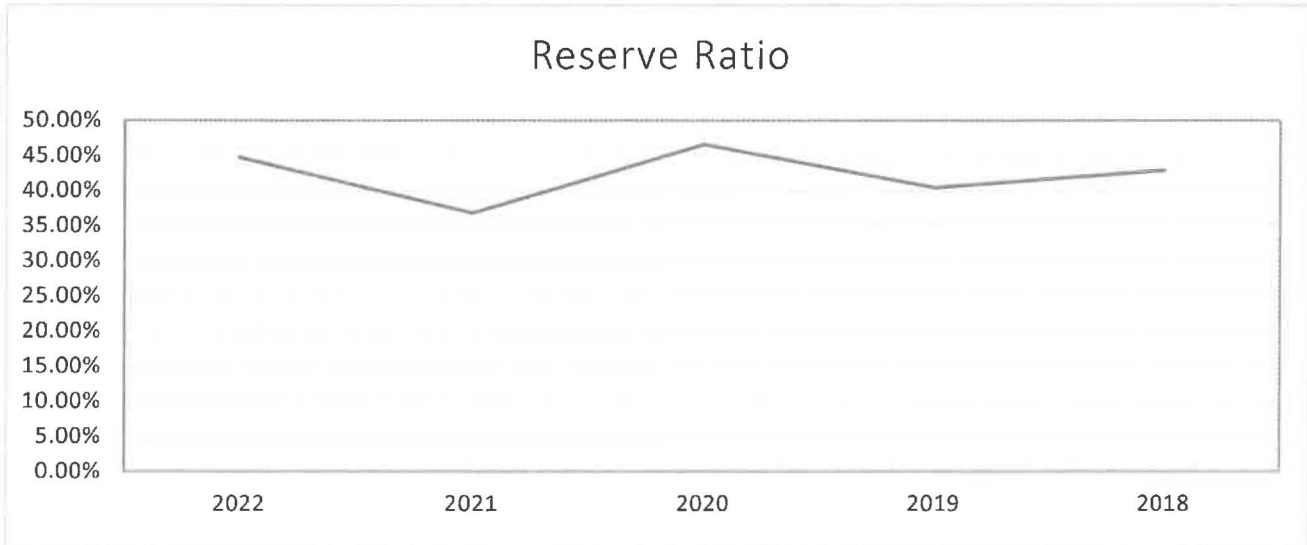


HAMILTON R-II SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 YEAR ENDED JUNE 30, 2022

	District Operated Non-Disabled	District Operated Disabled	Total
Certificated salaries	\$ 454	\$ -	\$ 454
Non-certificated salaries	164,138	7,291	171,429
Employee benefits	28,655	1,058	29,713
Purchased services	23,946	-	23,946
Supplies	67,508	2,069	69,577
Capital Outlay	219,407	-	219,407
	<u>\$ 504,108</u>	<u>\$ 10,417</u>	<u>\$ 514,525</u>

**HAMILTON R-II SCHOOL DISTRICT
SELECTED TRENDS
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH 2018**

	2022	2021	2020	2019	2018
Unrestricted Fund Bal.	\$ 4,268,783	\$ 3,404,614	\$ 3,606,851	\$ 3,134,466	\$ 3,238,233
Revenues	15,845,099	8,806,584	8,432,030	7,854,743	7,956,350
Expenditures	9,533,281	9,244,219	7,740,857	7,752,425	7,549,174
Reserve Ratio	44.78%	36.83%	46.59%	40.43%	42.90%
Average Daily Attendance	581.43	565.35	619.89	613.76	604.18



**OTHER REPORTING
REQUIREMENTS**

Clevenger & Associates, CPA, PC

2881 Grand Drive
Chillicothe, MO 64601
(660) 646-4872

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

To the Board of Education
Hamilton R-II School District
Hamilton, 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 modified cash basis financial statements of the governmental activities and each major fund of Hamilton R-II School District as of and for the year then ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued a report thereon dated December 16, 2022.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Hamilton R-II School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to 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.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri
December 16, 2022

Clevenger & Associates, CPA, PC

2881 Grand Drive
Chillicothe, MO 64601
(660) 646-4872

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

To the Board of Education
Hamilton R-II School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hamilton R-II 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 Hamilton R-II School District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hamilton R-II School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Clevenger & Associates, CPA, PC

Chillicothe, Missouri
December 16, 2022

HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster:			
Passed-through Missouri Department of Elementary and Secondary Education:			
National School Breakfast Program	10.553	013-055	\$ 75,752
National School Lunch Program	10.555	013-055	283,484
National School Lunch Program Supply Chain	10.555	013-055	16,225
Child Nutrition Emergency Op Costs Reimb Prog.	10.555	013-055	8,635
Non-Cash: Food Distribution Program	10.555	013-055	<u>28,332</u>
			412,428
Passed-through Missouri Department of Health and Senior Services:			
Summer Food Service Program	10.559	3MO300305-2022	71,833
Total Child Nutrition Cluster			<u>484,261</u>
U.S. Department of Agriculture			<u>484,261</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Care Development Grant	93.596	013-055	20,000
Child Care Development Block Grant	93.575	013-055	12,480
Child Care Enhancement Grant	93.575	013-055	<u>3,667</u>
U.S. Department of Health and Human Services			<u>36,147</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster:			
Special Education - IDEA, Part B	84.027A	013-055	171,909
Special Education - IDEA Assist Tech Grant	84.027A	013-055	14,895
Special Education - Grants to States	84.027A	013-055	12,041
Special Education - Preschool Grants	84.173A	013-055	<u>5,307</u>
Total Special Education Cluster			<u>204,152</u>
Title I, Part A	84.010A	013-055	168,333
Title II.A	84.367A	013-055	12,224
COVID 19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act:			
CARES - ESSER	COVID-19, 84.425D	013-055	284
CARES - Student Connectivity (ESSER)	COVID-19, 84.425D	013-055	21,066
CARES - Teacher Retention (ESSER)	COVID-19, 84.425D	013-055	5,263
CARES - Transportation Supplement (GEER)	COVID-19, 84.425C	013-055	10,278
CRRSA - ESSER II	COVID-19, 84.425D	013-055	285,191
CRRSA - Grow Your Own (ESSER II)	COVID-19, 84.425D	013-055	145
ARP - ESSER III	COVID-19, 84.425U	013-055	<u>43,629</u>
Total Education Stabilization Cluster			<u>365,856</u>
U.S. Department of Education			<u>750,565</u>
Total Federal Expenditures			<u>\$ 1,270,974</u>

See notes to the schedule of expenditures of federal awards.

HAMILTON R-II SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Hamilton R-II School District (District) under programs of the federal government for the year ended June 30, 2022. This Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position or cash flows of the District.

Note 2 Basis of Accounting

Expenditures reported on the Schedule are reported using the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are not reimbursed. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3 Relationship to Federal Financial Statements

Amounts reported in the schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports.

Note 4 Noncash Programs

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

Note 5 Subrecipients

The District did not provide funds to subrecipients during the year.

**HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

 X Yes _____ No

Noncompliance material to the financial statements identified?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X No

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

Title I Grants to LEAs

Assistance Listing:

84.010A

Education Stabilization Fund

84.425

Dollar threshold used to distinguish between type A and type B

\$750,000

Auditee qualified as a low risk auditee?

_____ Yes X No

HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II -- FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2022-001 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee of the District has access to both physical assets and the related accounting records, or to all phases of a transaction. The District currently has one full time bookkeeper to handle the accounting needs of the District. There are some mitigating controls in place but it is not possible to have segregation in all areas.

Criteria: Duties should be segregated so that no one employee has access to physical assets and the related accounting records, or to all phases of a transaction.

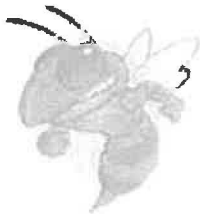
Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Due to limited resources and personnel, management may not be able to achieve a proper segregation of duties.

Management Response: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



Hamilton R-II School District

POST OFFICE BOX 130
HAMILTON, MISSOURI 64644

DR. BILLIE MCGRAW
Superintendent of Schools

MRS. ASHLEY FURRIE, Principal
Hamilton Elementary School

DR. CHRISTOPHER ROSEN, Principal
Parkway High School

MRS. JOCK ROSS, Principal
Hamilton Middle School

December 16, 2022

Clevenger & Associates, CPA, PC
2881 Grand Drive
Chillicothe, MO 64601

Re: Letter of Response

Dear Clevenger & Associates, CPA, PC

We have reviewed the findings relating to our audit for the year ended June 30, 2022. Our response to your findings are below:

Financial Statement Audit Findings

2022-001 Segregation of duties

Recommendation: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Due to limited resources and personnel, management may not be able to achieve a proper segregation of duties.

Action Taken: The limited number of available personnel prohibits segregation of incompatible duties and the District does not have the resources to hire additional accounting personnel.

Completion Date: Not applicable

Regards,

Dr. Billie McGraw, Superintendent

HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Financial Statement Finding

2021-001 Segregation of duties

Auditor's Recommendation:

We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring the lack of segregation of duties to your attention in this report.

Status:

Uncorrected

Federal Award Finding

2021-002 Monitoring over Federal Awards and Expenditures-Child Nutrition Cluster

Auditor's Recommendation:

We recommend that increased monitoring over federal awards funds be implemented and that expenses be checked for compliance and proper reporting in the schedule of expenditures of federal awards.

Status:

Corrected

2021-003 Identification of Pass-through Entities

Auditor's Recommendation:

We recommend that the District update its process for preparing the schedule of expenditures of Federal awards to include determining which grants are received from pass-through entities.

Status:

Corrected

2021-004 Missing Assistance Listing Numbers

Auditor's Recommendation:

We recommend that research be completed to identify each Assistance Listing Number for all grant awards reported on the Schedule of Expenditures of Federal Awards.

Status:

Corrected

2021-005 Reconciliation of SEFA to underlying Financial Statements

Auditor's Recommendation:

We recommend that totals coded as Federal expenditures be analyzed and compared to the financial statement totals for accuracy and reasonableness.

Status:

Corrected

**SUPPLEMENTARY STATE
INFORMATION**

Clevenger & Associates, CPA, PC

2881 Grand Drive
Chillicothe, MO 64601
(660) 646-4872

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

To the Board of Education
Hamilton R-II School District
Hamilton, Missouri

We have examined management of Hamilton R-II School District's assertions that Hamilton R-II School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of the average daily attendance, standard day length, resident membership on the last Wednesday of September, 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 other statutory requirements included in the accompanying Schedule of Selected Statistics during the year ended June 30, 2022. Hamilton R-II School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions about Hamilton R-II School District's compliance with the above specified requirements based on our examination.

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

In our opinion, management's assertions that Hamilton R-II School District complied with the requirements included in the Schedule of Selected Statistics are fairly stated, in all material respects.

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.

Clevenger & Associates, CPA, PC

Chillicothe, Missouri

December 16, 2022

HAMILTON R-II SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2022

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	Beginning Grade	End Grade	Half Day Indicator	Standard		Hours in Session
				Day Length	Days	
4020	PK	5	-	6.45	167.00	1059.55
3000	6	8	-	6.45	167.00	1059.55
1050	7	12	-	6.45	167.00	1059.55
Notes:						

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
4020	PK	9,622.1333	-	-	-	-	9,622.1333
4020	K	54,941.7331	947.3167	-	-	3,392.3000	59,281.3498
4020	1	32,576.2833	-	-	-	2,611.2000	35,187.4833
4020	2	32,528.6001	-	-	-	1,849.5500	34,378.1501
4020	3	49,683.6834	-	-	-	3,665.0000	53,348.6834
4020	4	48,751.0170	-	-	-	3,378.7000	52,129.7170
4020	5	43,580.3182	997.1050	-	-	1,712.8000	46,290.2232
3000	6	52,960.1663	893.2037	-	-	2,415.0000	56,268.3700
3000	7	47,806.9891	537.4830	-	-	1,575.3000	49,919.7721
3000	8	39,735.7896	-	-	-	1,309.0000	41,044.7896
1050	9	45,610.4380	-	-	-	2,070.8000	47,681.2380
1050	10	45,923.2152	-	-	-	2,316.0000	48,239.2152
1050	11	47,705.0499	-	-	-	1,006.2000	48,711.2499
1050	12	32,949.4001	-	-	-	584.5000	33,533.9001
Grand Total		584,374.8166	3,375.1084	-	-	27,886.3500	615,636.2750
Notes:							

HAMILTON R-II SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2022

September Membership

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	PK	9.00	-	-	9.00
4020	K	49.00	3.00	-	52.00
4020	1	32.00	-	-	32.00
4020	2	32.00	-	-	32.00
4020	3	48.00	-	-	48.00
4020	4	47.00	-	-	47.00
4020	5	44.00	0.94	-	44.94
3000	6	53.00	0.94	-	53.94
3000	7	48.00	0.50	-	48.50
3000	8	42.00	-	-	42.00
1050	9	45.00	-	-	45.00
1050	10	46.00	-	-	46.00
1050	11	48.00	-	-	48.00
1050	12	35.00	-	-	35.00
Grand Total		578.00	5.38	-	583.38

Notes:	

Free and Reduced Priced Lunch FTE Count (SECTION 163.011(6), RSMO)

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	100.50	22.00	-	-	122.50
3000	56.00	9.00	-	-	65.00
1050	55.00	17.00	-	-	72.00
Grand Total	211.50	48.00	-	-	259.50

Notes:	

HAMILTON R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2022

Finance

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

Section	Question	Answer (T/F)
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.	T
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	T
	Academic Programs Off-Campus	T
	Career Exploration Program – Off Campus	T
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	T
	Homebound instruction	T
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	T
	Remediation	T
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	T
	Virtual instruction (MOCAP or other option)	T
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	T
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.	T
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$ 50,000.00
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.	T
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.	T
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.	T
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.	N/A

HAMILTON R-II SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2022

Finance (continued)

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

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.	T
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	T
5.12	The amount spent for approved professional development committee plan activities was:	\$ 29,016.26
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.	T

Notes:	

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

Finding:		
Management Letter Comment:		

HAMILTON R-II SCHOOL DISTRICT
 SCHEDULE OF SELECTED STATISTICS
 YEAR ENDED JUNE 30, 2022

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.	T
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.	T
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	398
	Ineligible ADT	27.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	T
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	84,945
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	65,209
	Ineligible Miles(Non-route/Disapproved)	19,736
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	167

Notes:

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

Finding:	
Management Letter Comment:	