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Certified Public Accountants
A Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Reorganized School District No. VIII of Vernon County, Missouri
Sheldon, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Reorganized School District No. VIII of Vernon County, Missouri, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Reorganized School District No. VIII of Vernon County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Reorganized School District No. VIII of Vernon County, Missouri, as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the fiscal year then ended in accordance with the modified cash basis of accounting described in Note 1.

**REORGANIZED SCHOOL DISTRICT NO. VIII OF VERNON COUNTY, MISSOURI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

| | General | Special Revenue (Teachers') Fund | Capital Projects | Total Governmental Funds |
|--|-------------------|---|---------------------|--------------------------------|
| Revenues | | | | |
| Local | \$ 664,842 | \$ 195,955 | \$ - | \$ 860,797 |
| County | 63,906 | 4,592 | - | 68,498 |
| State | 198,023 | 748,846 | 16,220 | 961,089 |
| Federal | 431,854 | 76,647 | - | 508,501 |
| Total revenues | <u>1,366,625</u> | <u>1,026,040</u> | <u>16,220</u> | <u>2,398,885</u> |
| Expenditures | | | | |
| Instructional services | | | | |
| Regular | 95,420 | 804,210 | - | 899,630 |
| Special | 84,553 | 179,767 | - | 244,320 |
| Vocational | 498 | 48,780 | - | 49,258 |
| Student activities | 66,877 | - | - | 66,877 |
| Payments to other districts | 12,731 | - | - | 12,731 |
| Supporting services | | | | |
| Students | 16,055 | 33,831 | - | 49,886 |
| Instructional staff | 25,963 | 55,585 | - | 81,528 |
| Building administration | 94,126 | 80,630 | - | 174,756 |
| General administration | 149,532 | 99,365 | - | 248,897 |
| Operation and maintenance of facilities | 129,855 | - | 30,264 | 169,919 |
| Transportation | 102,428 | - | - | 102,428 |
| Food service | 137,106 | - | 3,518 | 140,624 |
| Other services | | | | |
| Community services | 35,644 | 5,206 | - | 40,850 |
| Total expenditures | <u>990,588</u> | <u>1,307,334</u> | <u>33,782</u> | <u>2,271,704</u> |
| Excess of revenues over (under) expenditures | <u>426,037</u> | <u>(281,294)</u> | <u>(17,562)</u> | <u>127,181</u> |
| Other financing sources (uses) | | | | |
| Transfers in (out) | (347,294) | 281,294 | 66,000 | - |
| Total other financing sources (uses) | <u>(347,294)</u> | <u>281,294</u> | <u>66,000</u> | <u>-</u> |
| Net change in fund balances | 78,743 | - | 48,438 | 127,181 |
| Fund balances - beginning | 838,865 | - | 1,739 | 840,604 |
| Fund balances - ending | <u>\$ 917,608</u> | <u>\$ -</u> | <u>\$ 50,177</u> | <u>\$ 967,785</u> |

"A complete copy of the Audit Report can be viewed in the Superintendent's office."

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