

**PLEASANT HILL R-III SCHOOL DISTRICT
PLEASANT HILL, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2024

**PLEASANT HILL R-III SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pleasant Hill R-III School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Pleasant Hill R-III School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pleasant Hill R-III School District as of June 30, 2024 and the respective changes in financial position for the year then ended in accordance with the basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pleasant Hill R-III 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 that describes the basis of accounting. The financial statements are prepared on the 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 cash basis of accounting as described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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

supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, on pages 4 through 11, but does not include the basic financial statements and our auditors' 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 September 27, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond Missouri
September 27, 2024

Pleasant Hill R-III School District

Wayne Burke, Ed. D
Superintendent

Suzanne Brennaman, Ed. D
Assistant Superintendent of
Schools

Michael Weishaar, Ed. D
Director of Business & Finance



Jakqualyn Boden, Ed. D
Director of Curriculum, Instruction, &
Assessment

Sarah Gregory
Director of Special Services

Jim Schlichting
Director of Technology

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Pleasant Hill R-III School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. 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

Key financial highlights for the 2024 fiscal year are as follows:

- 1) Operating fund balances for the District (General Fund and Special Revenue Fund) increased by \$1,425,782 from \$8,277,196 to \$9,702,978.
- 2) District operating funds revenues increased by \$1,893,258 from \$25,540,305 to \$27,433,563.
- 3) District operating funds expenditures increased by \$2,768,269 from \$23,239,512 to \$26,007,781.
- 4) The Capital Projects Fund balance decreased by \$4,581,748 from \$6,218,944 to \$1,637,196.
- 5) The District's long-term debt decreased by \$1,685,000 from \$25,950,000 to \$24,265,000.

Using this Annual Report

This annual report consists of two distinct series of financial statements: the district-wide reports and fund financials.

- 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 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.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the questions, “Are we in a better financial position this year than last?” and “Why” or “Why not.” The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. The statements include *all assets and liabilities* using the *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 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.

These two statements report the District’s *net position* and 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 District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular 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 upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds:

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 2024 and 2023:

TABLE 1

	Governmental Activities	
	2024	2023
ASSETS		
Cash and cash equivalents	<u>\$ 14,750,150</u>	<u>\$ 17,212,954</u>
NET POSITION		
Restricted for:		
Professional development	\$ -	\$ 16,013
Capital outlay	1,637,196	6,218,944
Debt service	3,410,336	2,716,814
Unrestricted	<u>9,702,978</u>	<u>8,261,183</u>
Total Net Position	<u>\$ 14,750,510</u>	<u>\$ 17,212,954</u>

Total assets at June 30, 2024 were reported at \$14,750,150.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements were \$9,702,978. The District has restricted net position of \$3,410,336 to comply with requirements imposed by creditors and \$1,637,196 restricted for capital outlay.

Table 2 shows the change in net position for fiscal years 2024 and 2023.

TABLE 2
REVENUES

	<u>2024</u>	<u>2023</u>
Program Revenues:		
Charges for services	\$ 1,656,113	\$ 1,516,835
Operating grants and contributions	4,314,890	3,867,477
Capital grants and contributions	<u>100,000</u>	<u>40,500</u>
Total Program Revenues	<u>6,071,003</u>	<u>5,424,812</u>
General Revenues:		
Property taxes	11,119,397	10,041,184
Basic formula	8,628,611	8,592,256
Sales tax	2,943,624	2,698,508
State assessed utilities	970,083	842,963
Earnings on investments	787,644	1,523,987
In lieu of tax	739,947	156,618
M & M surtax	111,331	99,641
Fines and escheats	33,982	50,357
Financial institution tax	539	5,300
Other revenue	<u>199,226</u>	<u>14,442</u>
Total General Revenues	25,534,384	24,025,256
Special item - proceeds from bonds	<u>-</u>	<u>18,250,000</u>
Total General Revenues and Special Item	<u>25,534,384</u>	<u>42,275,256</u>
Total Revenues	<u>31,605,387</u>	<u>47,700,068</u>
PROGRAM EXPENSES		
Instruction	12,289,476	12,108,957
Student activities	1,027,279	903,327
Student services	2,037,689	1,437,125
Instructional staff support	1,230,642	747,633
General administration and central services	2,397,560	2,411,390
Building administration	1,110,283	933,991
Operation of plant	2,796,045	2,443,658
Transportation	1,611,707	1,260,291
Food service	1,135,166	702,271
Community services	456,969	360,495
Facility acquisition and construction	5,132,424	9,518,027
Debt Service:		
Principal retirement	1,685,000	9,600,000
Interest and fees	<u>1,157,591</u>	<u>1,127,451</u>
Total Program Expenses	<u>34,067,831</u>	<u>43,554,616</u>
CHANGE IN NET POSITION	(2,462,444)	4,145,452
Net Position Beginning of Year	<u>17,212,954</u>	<u>13,067,502</u>
Net Position End of Year	<u>\$ 14,750,510</u>	<u>\$ 17,212,954</u>

Governmental Activities

Revenues

General revenues totaled \$25,534,384. The three largest sources of general revenue for the District are generated from local property taxes \$11,119,397, the State Basic Foundation Formula \$8,628,611, and Proposition C sales tax \$2,943,624. Program specific revenues in the form of operating grants totaled \$4,314,890. State and federal reimbursement for transportation and food service were \$767,227 and \$367,679, respectively. Charges for services, including student activities and food service, totaled \$1,656,113.

Expenses

Expenses for governmental activities totaled \$34,067,831. Only \$6,071,003 was offset by program specific charges for services, grants or contributions. General revenues, primarily property taxes, sales tax, the basic formula and to a lesser extent state assessed utilities, fines and earnings on investments provided for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,289,476	\$ 9,389,081	\$ 12,108,957	\$ 9,598,366
Student activities	1,027,279	470,640	903,327	348,997
Student services	2,037,689	2,037,689	1,437,125	1,437,125
Instructional staff support	1,230,642	868,131	747,633	602,766
General administration and central services	2,397,560	2,397,560	2,411,390	2,132,570
Building administration	1,110,283	1,110,238	933,991	933,991
Operation of plant	2,796,045	2,696,045	2,443,658	2,417,917
Transportation	1,611,707	844,480	1,260,291	652,917
Food service	1,135,166	180,923	702,271	(197,475)
Community services	456,969	27,026	360,495	(2,348)
Facility acquisition and construction	5,132,424	5,132,424	9,518,027	9,477,527
Debt Service:				
Principal retirement	1,685,000	1,685,000	9,600,000	9,600,000
Interest and fees	1,157,591	1,157,591	1,127,451	1,127,451
Total Governmental Activities	<u>\$ 34,067,831</u>	<u>\$ 27,996,828</u>	<u>\$ 43,554,616</u>	<u>\$ 38,129,804</u>

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

Student activities include activities that add to a student's education experience but are not related to educational activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

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

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

General administration and central services 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 the reporting of this information internally and to the public.

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

Transportation includes activities involved with 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 lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services includes expense related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvement of grounds; construction of buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest and other related charges for debt of the District.

The District's Funds

The District's funds are accounted for using the cash basis of accounting. All governmental funds had total revenues of \$31,605,387 and total expenditures of \$34,067,831. The net change in fund balances for the year were significant in the General Fund, which increased \$1,425,782, and the Capital Projects Fund, which decreased \$4,581,748.

General Fund Budgeting Highlights

Missouri statutes are very specific regarding public school finance. These laws establish funds which must be used in the accounting process and place certain limits upon the use of revenue and expenditure transactions allowed in these funds. The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the cash basis. The most significant budgeted fund is the General Fund.

The General Fund actual revenue was \$13,325,574 representing a \$2,262,066 increase over the original budget estimate of \$11,063,506. Total actual General Fund expenditures were \$11,899,790 representing a \$2,814,905 increase from the original budget estimate of \$9,084,885. In general, the District follows a practice of budgeting for revenue conservatively low and for expenditures conservatively high.

Debt Administration

As of June 30, 2024, the District had \$24,265,000 in outstanding debt. This represents a decrease of \$1,685,000 from the \$25,950,000 in outstanding debt that existed as of June 30, 2023.

TABLE 4

	<u>2024</u>	<u>2023</u>
Series 2013 General Obligation Refunding Bonds	\$ -	\$ 50,000
Series 2018 General Obligation Bonds	-	200,000
Series 2019 General Obligation Bonds	4,000,000	4,000,000
Series 2022 Lease Certificates of Participation	3,265,000	3,450,000
Series 2022A General Obligation Bonds	6,000,000	6,000,000
Series 2023 General Obligation Refunding Bonds	7,000,000	8,250,000
Series 2023A General Obligation Bonds	4,000,000	4,000,000
	<u>\$ 24,265,000</u>	<u>\$ 25,950,000</u>

The Series 2013 Bonds in the amount of \$6,050,000 provided funds to refund the remaining principal of \$1,050,000 Series 2008 Bonds and to advance refund the remaining principal of \$5,000,000 Series 2005 bonds.

The Series 2018 and 2019 Bonds in the total amount of \$13,000,000 provided funds to construct, equip, and furnish additional classroom space and an auxiliary gymnasium and to complete improvements and repairs to existing facilities.

The Series 2022 Lease Certificates of Participation in the amount of \$3,450,000 provided funds to replace interior and exterior lighting, upgrade building automation systems, improve weatherization around windows and doors, and upgrade heating, ventilation, and air conditioning systems on certain property owned by the District.

The Series 2022A and 2023A Bonds in the total amount of \$10,000,000 provided funds to renovate the primary and elementary school to include new paint and flooring; construct, equip, and furnish a new primary school library addition, a new elementary school cafeteria addition, and a middle school library expansion; install a new hard-surface play area and rebrand the gymnasium at the intermediate school; complete improvements at the middle school; repair roofs at the middle school and high school; and complete other repairs and improvements to the existing facilities of the District.

The Series 2023 Refunding Bonds in the amount of \$8,250,000 provided funds to refund \$8,400,000 of the outstanding principal of the Series 2018 Bonds.

Current Financial Issues and Concerns

The Pleasant Hill R-III School District is financially sound, ending FY2024 with 37.31% fund balances in the operating funds. The Capital Projects Fund balance still has a healthy reserve amount of over \$1,600,000. The remaining funds from the last bond issue have been depleted. The assessed valuation saw an increase for the eighth straight year to a total amount of \$245,011,138.

The tax rate approved at the August 2024 board meeting remains steady from previous years which remains one of the lowest in Cass County. The District's intentions are to proactively plan for expenditures within projected revenue without increasing the tax burden on patrons. However, this will continue to be reviewed as the needs of our students change. Local growth may also dictate additional expenditures, which will require increased revenue in the future to maintain current balances. These items will be evaluated on an annual basis during the budget process.

In conclusion, the Pleasant Hill R-III School District has committed itself to maintaining sound financial practices that protect the solvency of the District and promote the academic excellence of its students. The District considers it essential to continue sound fiscal management and that practice will continue into the future, while placing student performance and academic preparedness as a priority when considering local tax dollars.

Contacting the School District's Financial Management

This financial report is designed to provide our taxpayers, investors and creditors with a general overview of the Pleasant Hill R-III School 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 financial information, contact Pleasant Hill R-III School District at 318 Cedar Street, Pleasant Hill, MO 64080 or at 816-540-3161.

PLEASANT HILL R-III SCHOOL DISTRICT
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	<u>\$ 14,750,510</u>
NET POSITION	
Restricted for:	
Capital outlay	\$ 1,637,196
Debt service	3,410,336
Unrestricted	<u>9,702,978</u>
Total net position	<u>\$ 14,750,510</u>

See accompanying notes to the basic financial statements.

**PLEASANT HILL R-III SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>PROGRAM REVENUES</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position</u>
					<u>Governmental</u>
GOVERNMENTAL ACTIVITIES:					
Instruction	\$ 12,289,476	\$ 266,456	\$ 2,633,939	\$ -	\$ (9,389,081)
Student activities	1,027,279	554,439	2,200	-	(470,640)
Student services	2,037,689	-	-	-	(2,037,689)
Instructional staff support	1,230,642	-	362,511	-	(868,131)
General administration and central services	2,397,560	-	-	-	(2,397,560)
Building administration	1,110,283	-	45	-	(1,110,238)
Operation of plant	2,796,045	-	-	100,000	(2,696,045)
Transportation	1,611,707	-	767,227	-	(844,480)
Food service	1,135,166	586,564	367,679	-	(180,923)
Community services	456,969	248,654	181,289	-	(27,026)
Facility acquisition and construction	5,132,424	-	-	-	(5,132,424)
Debt service:					
Principal retirement	1,685,000	-	-	-	(1,685,000)
Interest and fees	1,157,591	-	-	-	(1,157,591)
Total Governmental Activities	\$ 34,067,831	\$ 1,656,113	\$ 4,314,890	\$ 100,000	(27,996,828)

General Revenues:	
Property taxes	11,119,397
Basic formula	8,628,611
Sales tax	2,943,624
State assessed utilities	970,083
Earnings on investments	787,644
In lieu of tax	739,947
M & M surtax	111,331
Fines and escheats	33,982
Financial institution tax	539
Other revenue	199,226
Total General Revenues	25,534,384
Change in net position	(2,462,444)
Net Position Beginning of Year	17,212,954
Net Position End of Year	\$ 14,750,510

See accompanying notes to the basic financial statements.

**PLEASANT HILL R-III SCHOOL DISTRICT
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 9,702,978	\$ -	\$ 3,410,336	\$ 1,637,196	\$ 14,750,510
FUND BALANCES					
Fund balances:					
Restricted	\$ -	\$ -	\$ 3,410,336	\$ -	\$ 3,410,336
Assigned	646,243	-	-	1,637,196	2,283,439
Unassigned	9,056,735	-	-	-	9,056,735
Total fund balances	\$ 9,702,978	\$ -	\$ 3,410,336	\$ 1,637,196	\$ 14,750,510

See accompanying notes to the basic financial statements.

PLEASANT HILL R-III SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 10,348,197	\$ 3,071,871	\$ 3,000,943	\$ 877,833	\$ 17,298,844
County	777,035	33,982	193,048	-	1,004,065
State	1,525,421	9,352,034	-	100,000	10,977,455
Federal	573,094	1,492,952	-	-	2,066,046
Other	101,825	157,152	-	-	258,977
Total Revenues	<u>13,325,572</u>	<u>14,107,991</u>	<u>3,193,991</u>	<u>977,833</u>	<u>31,605,387</u>
EXPENDITURES:					
Instruction	1,723,487	10,561,089	-	4,900	12,289,476
Student activities	823,096	204,183	-	-	1,027,279
Student services	1,053,923	983,766	-	-	2,037,689
Instructional staff support	525,426	705,216	-	-	1,230,642
General administration & central services	1,454,956	917,780	-	24,824	2,397,560
Building level administration	524,443	585,840	-	-	1,110,283
Operation of plant	2,740,734	-	-	55,311	2,796,045
Pupil transportation	1,572,884	38,823	-	-	1,611,707
Food service	1,130,822	4,344	-	-	1,135,166
Community services	350,019	106,950	-	-	456,969
Facility acquisition and construction	-	-	-	5,132,424	5,132,424
Debt service:					
Principal retirement	-	-	1,500,000	185,000	1,685,000
Interest and fees	-	-	1,000,469	157,122	1,157,591
Total Expenditures	<u>11,899,790</u>	<u>14,107,991</u>	<u>2,500,469</u>	<u>5,559,581</u>	<u>34,067,831</u>
Revenues Over (Under) Expenditures	1,425,782	-	693,522	(4,581,748)	(2,462,444)
Fund balance, beginning	8,277,196	-	2,716,814	6,218,944	17,212,954
Fund balance, ending	<u>\$ 9,702,978</u>	<u>\$ -</u>	<u>\$ 3,410,336</u>	<u>\$ 1,637,196</u>	<u>\$ 14,750,510</u>

See accompanying notes to the basic financial statements.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements present separately the financial information of the primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds types are used by the District:

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major Governmental Funds:

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.

Measurement Focus

Government-wide Financial Statements: The government-wide financial statements are prepared using the current financial resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the government-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Pooled Cash: Cash resources of the individual funds are combined to form a pool of cash and temporary investments which is managed by the District's Treasurer. Interest income received is allocated to contributing funds based on cash balances. The investment pool is available for use by all funds except 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).

Paid Time Off: Paid time off (PTO) is considered as expenditures in the year paid. Unused PTO at the end of the fiscal year will roll to the employee's personal sick bank, up to a maximum of 60 days. \$40 per day will be paid for every day accumulated over the maximum 60 days at the end of the year. Upon retirement, employees will receive \$40 per day for any unused PTO and sick bank leave. Resignation will result in forfeiture of any unused PTO and sick bank days.

OPEB Liabilities: As the District uses the cash basis of accounting, other post-employment benefits (OPEB) liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2024, the bank balances of the District's deposits totaled \$5,271,509. Of this amount \$250,000 was covered by FDIC insurance and \$5,021,509 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

Interest rate risk: The District does not have a formal policy regarding interest rate risk.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation. The District does not have a formal policy that limits its investment choices other than the limitations of state law.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the current debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. The District had \$941,113 invested with MOHEFA at June 30, 2024.

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nations' largest administrators of local government investment programs. Money market funds in the MOSIP pool are rated AAAM by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District had \$8,974,543 invested with MOSIP at June 30, 2024, all of which was invested in money market funds and certificates of deposit.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy places no limit on the amount the District may invest in any one issuer.

NOTE C - TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. Cass County collects the property tax and remits it to the District. The District also receives sales tax collected by the state and remitted based on weighted average daily attendance.

The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The District's voters approved a full waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2023.

The assessed valuation of the tangible taxable property for the calendar year 2023 for purposes of local taxation was:

Real Estate:	
Residential	\$ 168,626,820
Agriculture	2,886,040
Commercial	17,648,616
Personal Property	51,801,429
	<u>\$ 240,962,905</u>

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE C - TAXES (continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2023 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.4372	\$ 3.4372
Special Revenue Fund	-	-
Debt Service Fund	1.1599	1.1599
Capital Projects Fund	-	-
	<u>\$ 4.5971</u>	<u>\$ 4.5971</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2024, aggregated approximately 100% of the current assessment computed on the basis of the levy as shown above.

NOTE D - TAX ABATEMENT

The District is subject to a property tax abatement granted by Northeast Cass County Enhanced Enterprise Zone to facilitate a business expansion. Under this abatement, property tax revenues for 2023 were reduced by \$5,950. The District also received \$6,542 associated with the abated taxes from City of Pleasant Hill in fiscal year 2024.

The District is also subject to another property tax abatement agreement with Dogwood Energy. Dogwood Energy made a lump sum payment to the District during fiscal year 2024 for fiscal years 2024 – 2027 in the amount of \$739,947.

NOTE E - INSURANCE

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 has joined with other schools to form the Missouri United School Insurance Council (MUSIC), a public entity risk pool currently operating as a common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,500,000, property claims to various amounts and worker’s compensation claims to statutory limits. Additionally, the District carries excess liability coverage with a per occurrence limit of liability of \$4,000,000.

NOTE F - RETIREMENT PLAN

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 who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3’s 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.psrs-peers.org.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE F - RETIREMENT PLAN (continued)

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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2024. 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. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2024, were \$1,626,196. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2024, were \$20,149.

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.

PEERS is a defined benefit plan providing service 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 five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available 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

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE F - RETIREMENT PLAN (continued)

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-s-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2024. 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 PEERS for the year ended June 30, 2024 were \$240,914, equal to the required contributions.

NOTE G - LONG-TERM DEBT

Changes in debt for the District during the fiscal year were as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount Due Within One Year
General obligation bonds	\$ 22,500,000	\$ -	\$ 1,500,000	\$ 21,000,000	\$ 1,450,000
Lease certificates of participation	3,450,000	-	185,000	3,265,000	200,000
Total	<u>\$ 25,950,000</u>	<u>\$ -</u>	<u>\$ 1,685,000</u>	<u>\$ 24,265,000</u>	<u>\$ 1,650,000</u>

NOTE H - BONDS PAYABLE

Bonds payable at June 30, 2024, consist of:

Series 2019 general obligation bonds due in varying annual installments through March 2033; interest of 3.00% to 3.15%	\$ 4,000,000
Series 2022A general obligation bonds due in varying annual installments through March 2041; interest of 5.00%	6,000,000
Series 2023 general obligation refunding bonds due in varying annual installments through March 2029; interest of 4.00%	7,000,000
Series 2023A general obligation bonds due in varying annual installments through March 2036; interest of 5.00%	4,000,000
	<u>\$ 21,000,000</u>

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H - BONDS PAYABLE (continued)

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,450,000	\$ 902,728	\$ 2,352,728
2026	1,500,000	844,728	2,344,728
2027	1,400,000	784,728	2,184,728
2028	1,450,000	728,728	2,178,728
2029	1,200,000	670,728	1,870,728
2030	1,200,000	622,728	1,822,728
2031	1,295,000	562,728	1,857,728
2032	1,330,000	523,878	1,853,878
2033	1,375,000	483,312	1,858,312
2034	900,000	440,000	1,340,000
2035	925,000	395,000	1,320,000
2036	975,000	348,750	1,323,750
2037	1,000,000	300,000	1,300,000
2038	1,150,000	250,000	1,400,000
2039	1,225,000	192,500	1,417,500
2040	1,275,000	131,250	1,406,250
2041	1,350,000	67,500	1,417,500
Total	<u>\$ 21,000,000</u>	<u>\$ 8,249,286</u>	<u>\$ 29,249,286</u>

NOTE I - LEASE CERTIFICATES OF PARTICIPATION

On July 6, 2022, the District entered into a lease purchase agreement with a financial institution. The District issued \$3,450,000 Series 2022 Certificates of Participation to pay costs to replace interior and exterior lighting, upgrade building automation systems, improve weatherization around windows and doors, and upgrade heating, ventilation, and air conditioning systems on certain property owned by the District. The lease requires varying annual installments through April 15, 2037, interest at 4.00% to 5.00%.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE I - LEASE CERTIFICATES OF PARTICIPATION (continued)

Debt service requirements on the above leases are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 200,000	\$ 147,850	\$ 347,850
2026	200,000	139,850	339,850
2027	215,000	131,850	346,850
2028	225,000	123,250	348,250
2029	225,000	114,250	339,250
2030	235,000	105,250	340,250
2031	240,000	95,850	335,850
2032	255,000	86,250	341,250
2033	265,000	73,500	338,500
2034	280,000	60,250	340,250
2035	295,000	46,250	341,250
2036	305,000	31,500	336,500
2037	325,000	16,250	341,250
Total	<u>\$ 3,265,000</u>	<u>\$ 1,172,150</u>	<u>\$ 4,437,150</u>

NOTE J - LEASE COMMITMENTS

In October 2022, the District entered into a non-cancelable 60-month lease agreement for copier equipment. The lease requires sixty monthly payments of \$5,474 beginning December 2022. Lease expense for the year ended June 30, 2024 was \$65,688.

In April 2024, the District entered into four non-cancelable 58-month and 59-month lease agreements for vehicles. The leases require 58 monthly payments of \$3,412 and a final payment of \$938 beginning August 2024.

Remaining lease payments at June 30, 2024 are as follows:

Year ending June 30,	Copiers	Vehicles	Total
2025	\$ 65,688	\$ 37,535	\$ 103,223
2026	65,688	40,947	106,635
2027	65,688	40,947	106,635
2028	27,370	40,947	68,317
2029	-	38,458	38,458
Total	<u>\$ 224,434</u>	<u>\$ 198,834</u>	<u>\$ 423,268</u>

NOTE K - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) established accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

For committed fund balances (as defined in GASB 54), the District's highest level of decision-making authority is the Board of Education. Restrictions are authorized by the Board based on recommended fund placement in the original adopted and later revised budget, as well as by Board resolution. Further, the Board delegates the authority to assign amounts for specific purpose(s) to the Superintendent or designee.

GASB 54 establishes five (5) fund balances categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Represents amounts that cannot be spent due to form (such as inventory) or are required to be maintained intact.

Restricted fund balance - Represents amounts constrained for a specific purpose - restricted expenditure use.

Committed fund balance - Represents amounts designated for a special purpose by a government using its highest level of decision-making authority - the Board would make the commitment and only the Board can remove such a commitment.

Assigned fund balance - For all governmental funds other than the general fund - the amount reported as assigned should not result in a deficit in unassigned fund balance.

Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose. Intent is expressed by a governing body, a body (budget or finance committee) or an official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Fund. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance - Represents only the General Fund and all remaining fund balances not classified in the first four (4) levels.

The General Fund should be the only fund reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

For all funds except the Debt Service Fund, the Board may consider the order of spending as unassigned, assigned, committed and then restricted amounts as available. For the Debt Service Fund, the Board may approve unrestricted or assigned balances to be spent prior to restricted balances, allowing the spending of interest prior to principal. The year-end audit process will establish the fund balance restriction recommendations for classifying remaining fund balances as required by GASB 54.

Missouri state rules for public school finance require the Teachers' Fund (Special Revenue Fund) be used for revenue sources legally restricted to expenditures for the purpose of teachers' salaries and benefits and tuition payments to other school districts as outlined by the Annual Secretary of the Board Report (ASBR). Substantial sources of revenue for the Teachers' Fund will be through transfers from General Fund balances and the required state basic formula and Proposition C sales tax allocations. The Board establishes the Teachers' Fund as a Special Revenue Fund, and a major fund, in the financial statements.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

The District shall maintain sufficient financial reserves to provide for prudent financial management and for adequacy of cash flow to support operations. The operating fund balance is the combined fund balances for the Teachers' (Special Revenue), General, and Capital Projects Funds. These reserves include elements for an operating reserve and a financial stabilization reserve. The appropriate amount for the operating reserve fund should be reviewed periodically.

As fund balances approach the 18 percent Board-established minimum reserve balance, the Board may determine necessary action to include, but not be limited to, a levy election or significant budget reduction measures.

As of June 30, 2024, fund balances are composed of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Restricted:				
Debt service	\$ -	\$ -	\$ 3,410,336	\$ -
Assigned:				
Capital outlay	-	-	-	1,637,196
Food service	147,479	-	-	-
Student activities	498,764	-	-	-
Total assigned	<u>646,243</u>	<u>-</u>	<u>-</u>	<u>1,637,196</u>
Unassigned	<u>9,056,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 9,702,978</u>	<u>\$ -</u>	<u>\$ 3,410,336</u>	<u>\$ 1,637,196</u>

NOTE L - LITIGATION

As of June 30, 2024, the District is a defendant in ongoing litigation. The District is vigorously defending this case at this time.

SUPPLEMENTARY INFORMATION

**PLEASANT HILL R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 9,107,473	\$ 9,882,682	\$ 10,348,197	\$ 465,515
County	612,250	777,036	777,035	(1)
State	653,015	1,160,208	1,525,421	365,213
Federal	690,768	514,065	573,094	59,029
Other	-	3,137	101,825	98,688
Total Revenues	11,063,506	12,337,128	13,325,572	988,444
EXPENDITURES:				
Instruction	1,241,368	2,320,237	1,723,487	596,750
Student activities	680,312	767,928	823,096	(55,168)
Student services	461,808	953,344	1,053,923	(100,579)
Instructional staff support	189,589	527,808	525,426	2,382
General administration & central services	1,291,356	1,484,365	1,454,956	29,409
Building level administration	509,921	506,107	524,443	(18,336)
Operation of plant	2,456,168	2,505,290	2,740,734	(235,444)
Pupil transportation	1,262,419	1,568,538	1,572,884	(4,346)
Food service	814,400	799,759	1,130,822	(331,063)
Community services	177,544	182,780	350,019	(167,239)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	9,084,885	11,616,156	11,899,790	(283,634)
Revenues Over (Under) Expenditures	1,978,621	720,972	1,425,782	704,810
Other Financing Sources (Uses):				
Transfers	(1,862,500)	-	-	-
Net change in fund balance	116,121	720,972	1,425,782	704,810
Fund balance, beginning	8,277,196	8,277,196	8,277,196	-
Fund balance, ending	\$ 8,393,317	\$ 8,998,168	\$ 9,702,978	\$ 704,810

See accompanying notes to the budgetary comparison schedule.

**PLEASANT HILL R-III SCHOOL DISTRICT
 BUDETARY COMPARISON SCHEDULE - CASH BASIS
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 2,785,613	\$ 2,943,788	\$ 3,071,871	\$ 128,083
County	54,000	162,195	33,982	(128,213)
State	9,591,888	9,667,602	9,352,034	(315,568)
Federal	609,790	1,508,295	1,492,952	(15,343)
Other	232,233	228,408	157,152	(71,256)
Total Revenues	<u>13,273,524</u>	<u>14,510,288</u>	<u>14,107,991</u>	<u>(402,297)</u>
EXPENDITURES:				
Instruction	10,891,396	10,694,456	10,561,089	133,367
Student activities	233,746	172,151	204,183	(32,032)
Student services	977,399	987,045	983,766	3,279
Instructional staff support	586,709	586,505	705,216	(118,711)
General administration & central services	803,490	803,489	917,780	(114,291)
Building level administration	523,786	523,786	585,840	(62,054)
Operation of plant	-	-	-	-
Pupil transportation	96,714	96,715	38,823	57,892
Food service	8,634	8,634	4,344	4,290
Community services	114,150	114,151	106,950	7,201
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>14,236,024</u>	<u>13,986,932</u>	<u>14,107,991</u>	<u>(121,059)</u>
Revenues Over (Under) Expenditures	(962,500)	523,356	-	(523,356)
Other Financing Sources (Uses):				
Transfers	<u>962,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	523,356	-	(523,356)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 523,356</u>	<u>\$ -</u>	<u>\$ (523,356)</u>

See accompanying notes to the budgetary comparison schedule.

**PLEASANT HILL R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 2,212,301	\$ 2,895,301	\$ 3,000,943	\$ 105,642
County	162,750	193,048	193,048	-
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>2,375,051</u>	<u>3,088,349</u>	<u>3,193,991</u>	<u>105,642</u>
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration & central services	-	-	-	-
Building level administration	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	1,695,000	1,500,000	1,500,000	-
Interest and fees	<u>1,147,889</u>	<u>1,000,470</u>	<u>1,000,469</u>	<u>1</u>
Total Expenditures	<u>2,842,889</u>	<u>2,500,470</u>	<u>2,500,469</u>	<u>1</u>
Revenues Over (Under) Expenditures	(467,838)	587,879	693,522	105,643
Fund balance, beginning	<u>2,716,814</u>	<u>2,716,814</u>	<u>2,716,814</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,248,976</u>	<u>\$ 3,304,693</u>	<u>\$ 3,410,336</u>	<u>\$ 105,643</u>

See accompanying notes to the budgetary comparison schedule.

**PLEASANT HILL R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 279,868	\$ 885,497	\$ 877,833	\$ (7,664)
County	-	-	-	-
State	-	100,000	100,000	-
Federal	-	-	-	-
Other	2,500	-	-	-
Total Revenues	<u>282,368</u>	<u>985,497</u>	<u>977,833</u>	<u>(7,664)</u>
EXPENDITURES:				
Instruction	18,200	4,900	4,900	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration & central services	38,000	224,825	24,824	200,001
Building level administration	-	-	-	-
Operation of plant	50,000	68,202	55,311	12,891
Pupil transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	5,200,000	5,132,431	5,132,424	7
Debt service:				
Principal retirement	-	185,000	185,000	-
Interest and fees	-	157,122	157,122	-
Total Expenditures	<u>5,306,200</u>	<u>5,772,480</u>	<u>5,559,581</u>	<u>212,899</u>
Revenues Over (Under) Expenditures	<u>(5,023,832)</u>	<u>(4,786,983)</u>	<u>(4,581,748)</u>	<u>205,235</u>
Other Financing Sources (Uses):				
Transfers	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,123,832)	(4,786,983)	(4,581,748)	205,235
Fund balance, beginning	<u>6,218,944</u>	<u>6,218,944</u>	<u>6,218,944</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,095,112</u>	<u>\$ 1,431,961</u>	<u>\$ 1,637,196</u>	<u>\$ 205,235</u>

See accompanying notes to the budgetary comparison schedule.

PLEASANT HILL R-III SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2024

Budgetary Process

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. 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.
6. Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

Budgetary Compliance

Actual expenditures of \$11,899,790 in the General Fund exceeded budgeted amounts of \$11,616,156 by \$283,634.

Actual expenditures of \$14,107,991 in the Special Revenue Fund exceeded budgeted amounts of \$13,986,932 by \$121,059.

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF REVENUE COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2024**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 8,322,800	\$ -	\$ 2,796,597	\$ -	\$ 11,119,397
Sales tax	-	2,943,624	-	-	2,943,624
Financial institution tax	-	-	-	539	539
In lieu of tax	-	-	-	739,947	739,947
M & M surtax	-	-	-	111,331	111,331
Tuition	7,150	-	-	-	7,150
Earnings on investments	557,248	34	204,346	26,016	787,644
Food service	586,564	-	-	-	586,564
Student activities	550,027	-	-	-	550,027
Community services	248,654	-	-	-	248,654
Other local revenue	75,754	128,213	-	-	203,967
Total Local	<u>10,348,197</u>	<u>3,071,871</u>	<u>3,000,943</u>	<u>877,833</u>	<u>17,298,844</u>
COUNTY:					
Fines and escheats	-	33,982	-	-	33,982
State assessed utilities	777,035	-	193,048	-	970,083
Total County	<u>777,035</u>	<u>33,982</u>	<u>193,048</u>	<u>-</u>	<u>1,004,065</u>
STATE:					
Basic formula	-	8,715,769	-	-	8,715,769
Transportation	684,312	-	-	-	684,312
Early Childhood Special Education	151,539	-	-	-	151,539
Basic formula - Classroom trust fund	342,751	600,291	-	-	943,042
Career education	4,007	23,974	-	-	27,981
Food service	4,615	-	-	-	4,615
High need fund	194,545	-	-	-	194,545
Educational Screening	46,652	-	-	-	46,652
School Safety Grant	97,000	-	-	100,000	197,000
Evidence Based Reading Grant	-	12,000	-	-	12,000
Total State	<u>1,525,421</u>	<u>9,352,034</u>	<u>-</u>	<u>100,000</u>	<u>10,977,455</u>
FEDERAL:					
Title I	-	246,759	-	-	246,759
Title II, A	-	33,049	-	-	33,049
Title IV A	9,579	-	-	-	9,579
Medicaid	140,189	-	-	-	140,189
Individuals with Disabilities	44,521	374,432	-	-	418,953
IDEA grants	13,541	-	-	-	13,541
Early Childhood Special Education	-	32,368	-	-	32,368
Child Nutrition Program	363,064	-	-	-	363,064
Education Stabilization Fund	-	806,044	-	-	806,044
Other federal revenue	2,200	300	-	-	2,500
Total Federal	<u>573,094</u>	<u>1,492,952</u>	<u>-</u>	<u>-</u>	<u>2,066,046</u>
OTHER:					
Sale of other property	3,137	-	-	-	3,137
Contracted educational services	98,688	157,152	-	-	255,840
Total Other	<u>101,825</u>	<u>157,152</u>	<u>-</u>	<u>-</u>	<u>258,977</u>
Total Revenues Collected	<u>\$ 13,325,572</u>	<u>\$ 14,107,991</u>	<u>\$ 3,193,991</u>	<u>\$ 977,833</u>	<u>\$ 31,605,387</u>

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	019-148	\$ 60,483
National School Lunch Program	10.555	019-148	302,581
Non-Cash: Food Distribution Program	10.555	019-148	88,107
Total Child Nutrition Cluster			<u>451,171</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027A	019-148	413,072
Special Education - Preschool Grants	84.173A	019-148	7,268
COVID-19 - Special Education - Grants to States	84.027X	019-148	12,581
COVID-19 - Special Education - Preschool Grants	84.173X	019-148	2,576
Total Special Education Cluster (IDEA)			<u>435,497</u>
Title I - Grants to Local Educational Agencies	84.010	019-148	221,410
Supporting Effective Instruction State Grants	84.367	019-148	33,049
Student Support and Academic Enrichment Program	84.424	019-148	9,579
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	019-148	236,378
COVID-19 - Elementary and Secondary School Emergency Relief (ARP-MKV) Fund	84.425U	019-148	26,739
Total Education Stabilization Fund			<u>263,117</u>
Total U.S. Department of Education			<u>962,652</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Every Student Succeeds Act/Preschool Development Grants	93.434	019-148	2,500
Total Expenditures of Federal Awards			<u>\$ 1,416,323</u>

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pleasant Hill R-III School District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Pleasant Hill R-III School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pleasant Hill R-III School District, it is not intended to and does not present the financial position, change in net position or cash flows of Pleasant Hill R-III School District.

INTERNAL CONTROL AND COMPLIANCE

**INDEPENDENT ACCOUNTANTS' REPORT ON THE ADMINISTRATION'S
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED
REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

To the Board of Education
Pleasant Hill R-III School District

We have examined the administration's assertion, included in its representation letter dated September 27, 2024 that Pleasant Hill R-III School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2023 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2024; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2024. As discussed in that representation letter, the administration is responsible for the District's assertion. Our responsibility is to express an opinion on the administration's assertion about the District's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination of the District's compliance with specified requirements.

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2024 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, the administration 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.

Westbrook & Co., P.C.

Richmond, Missouri
September 27, 2024

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number 019-148

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	2		6.7000	168	1,101.6000
4040	3	4		6.7500	168	1,110.0000
4060	5	6		6.7500	168	1,110.0000
3000	7	8		6.7833	168	1,117.1280
1050	9	12		6.7667	168	1,114.2787

2. ATTENDANCE HOURS

Report the total number of K-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	K-2	403,791.46	896.85			13,037.21	417,725.52
4040	3-4	312,059.55	89.00			8,823.58	320,972.13
4060	5-6	331,928.07				7,398.26	339,326.33
3000	7-8	345,996.89				3,822.88	349,819.77
1050	9-12	694,237.39	5,651.68			27,007.22	726,896.29
RII	K-12	4,069.71					4,069.71
Grand Total		2,092,083.07	6,637.53			60,089.15	2,158,809.75

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	PK-2	398.00	20.21		418.21
4040	3-4	301.00	0.07		301.07
4060	5-6	325.00			325.00
3000	7-8	340.00			340.00
1050	9-12	677.00	5.40		682.40

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number 019-148

Grand Total		2,041.00	25.68		2,066.68
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4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	70.00	22.00			92.00
4040	40.00	18.00			58.00
4060	42.00	8.00			50.00
3000	39.00	8.00			47.00
1050	65.00	27.00			92.00
Grand Total	256.00	83.00			339.00

5. FINANCE

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs - Off Campus	True
	Career Exploration Program - Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number 019-148

	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	True
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number 019-148

5.12	The amount spent for approved professional development committee plan activities was:	\$101,814
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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.	False
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Finding: See “Required Reports” comment in Required Communications Letter.

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district’s/charter school’s pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	1,019.5
	Ineligible ADT	274.0
6.4	The district’s/charter school’s transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	294,564
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	228,550
	Ineligible Miles (Non-Route/Disapproved)	66,014
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	166

**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
Pleasant Hill R-III School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities and each major fund of Pleasant Hill R-III School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond Missouri
September 27, 2024

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

To the Board of Education
Pleasant Hill R-III School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pleasant Hill R-III School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. 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, Pleasant Hill R-III 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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 GAAS, *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 GAAS, *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 Auditors' 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.

Westbrook & Co., P.C.

Richmond, Missouri
September 27, 2024

**PLEASANT HILL R-III SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

Special Education Cluster AL No. 84.027 and 84.173
Title I AL No. 84.010

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None