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INDEPENDENT AUDITOR'S REPORT

Board of Education
Valley R-VI School District
Caledonia, Missouri

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Valley R-VI School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's 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 Valley R-VI School District, as of June 30, 2022, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements 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.

Change in Accounting Principle

As described in Note 1P to the financial statements, during the year ended June 30, 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 twelve months beyond the financial statement date.

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 financial statements. The accompanying cash basis budgetary comparison information, Schedule of Expenditures by Object – Cash Basis, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the cash basis budgetary comparison information, Schedule of Expenditures by Object – Cash Basis, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 November 29, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements. 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 *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Catlett & Associates, LLC

November 29, 2022

Valley R-VI School District
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis
All Governmental Funds
Year ended June 30, 2022

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|--|---------------------|----------------------------|-----------------------------|---------------------|
| CASH RECEIPTS | | | | |
| Local | \$ 1,181,005 | \$ 411,934 | \$ 92,582 | \$ 1,685,521 |
| County | 351,790 | 5,516 | 86,013 | 443,319 |
| State | 504,629 | 2,077,210 | - | 2,581,839 |
| Federal | 701,257 | 200,703 | 21,683 | 923,643 |
| Other | - | 154,246 | - | 154,246 |
| TOTAL CASH RECEIPTS | <u>2,738,681</u> | <u>2,849,609</u> | <u>200,278</u> | <u>5,788,568</u> |
| CASH DISBURSEMENTS | | | | |
| Current | | | | |
| Instruction | 432,494 | 2,265,126 | 20,495 | 2,718,115 |
| Attendance and social work services | 42,023 | 59,184 | - | 101,207 |
| Guidance | 545 | 98,339 | 1,548 | 100,432 |
| Health services | 42,939 | 15,128 | 2,225 | 60,292 |
| Improvement of instruction | 6,000 | - | - | 6,000 |
| Professional development | 25,412 | 2,713 | - | 28,125 |
| Media services | 14,564 | 88,177 | - | 102,741 |
| Board of Education services | 47,433 | - | - | 47,433 |
| Executive administration | 147,887 | 121,755 | 1,014 | 270,656 |
| Building level administration | 56,395 | 114,043 | 23,521 | 193,959 |
| Operation of plant | 601,426 | - | 1,199 | 602,625 |
| Security services | 55,895 | - | - | 55,895 |
| Pupil transportation | 305,594 | 28,666 | 16,066 | 350,326 |
| Food service | 332,469 | - | 27,579 | 360,048 |
| Central office support services | 782 | - | - | 782 |
| Community services | 36,409 | 56,478 | - | 92,887 |
| Capital outlay | - | - | 206,811 | 206,811 |
| Debt service | | | | |
| Principal | - | - | 30,737 | 30,737 |
| Interest and other charges | - | - | 431 | 431 |
| TOTAL CASH DISBURSEMENTS | <u>2,148,267</u> | <u>2,849,609</u> | <u>331,626</u> | <u>5,329,502</u> |
| Cash receipts in excess of (less than) cash disbursements | 590,414 | - | (131,348) | 459,066 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers | (162,326) | - | 162,326 | - |
| Fund balance, beginning of year | 3,250,266 | - | 331,032 | 3,581,298 |
| Fund balance, end of year | <u>\$ 3,678,354</u> | <u>\$ -</u> | <u>\$ 362,010</u> | <u>\$ 4,040,364</u> |

The above Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis was prepared by our independent auditor, Catlett & Associates, LLC, CPA's, and is part of the June 30, 2022 Audit Report. The Valley R-VI School District's financial statements were audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The auditor's opinion of the financial statements was unmodified. The complete audit report is available for inspection at the Superintendent's office. The independent auditor's opinion is as follows:

"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 Valley R-VI School District, as of June 30, 2022, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1."