POLICY

It is the policy of the District to practice responsible financial management, which includes:

- The maintenance of accurate records of the District's financial activities in accordance with the spirit of generally accepted accounting principles for governmental accounting;
- Accurate and timely financial reporting;
- A framework of operating standards and behavioral expectations;
- External audits by certified public accountants;
- Conformance with agreements and covenants; and,
- Compliance with Federal and State legal and reporting requirements.

It is the policy of the District to prepare Financial Statements that demonstrate transparency and compliance with the modified cash basis and budget laws of the State of Missouri.

It is the policy of the District to use the financial reporting model in existence prior to the financial statement reporting model as prescribed by Governmental Accounting Standards Board Statement Number 34 (GASB 34) and as such it is the policy of the District that its financial statements do not purport to be presented in exact conformity with accounting principles generally accepted in the United States of America.

It is the policy of the District for the accounts of the District to be organized on the basis of funds and groups of accounts, each of which are considered to be a separate accounting entity, that is, the operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues, and expenditures.

It is the policy of the District to comply with the provisions of state law regarding custodial credit risk for District depositories, including full collateralization of all depositories.

RESPONSIBILITIES

It is the responsibility of all **Directors, officers** (Chair/President, Secretary, Treasurer, Custodian of Records, and Budget Officer)**, employees,** and the **District's Attorney** to work together to make certain that all financial matters of the District are addressed with care, integrity, and within the best interest of the District and its patrons.

The **Treasurer** is responsible for administering this Policy except as noted.

It is the responsibility of the **Board** to secure an annual, independent audit by a certified public accountant if required or desired and to approve the annual budget, financial reports, and any audit.

Every **Director** and every **officer** and **employee** with finance-related responsibility is expected to be familiar with and operate within the parameters of this Policy.

DEFINITIONS:

Account – A record in the District's General Ledger that is used to collect and store related information for reporting and comparative analysis and trending, e.g., property tax revenue; utilities expenses; etc.

Chart of Accounts – A listing of accounts in *Chart of Accounts Form 896-1* tailored to reflect the management and operations of the District that are available in the District's Accounting System in which entries are recorded in the balance sheet accounts (assets, liabilities, fund equities) and revenue and expenditures statement accounts (revenues, expenses, surpluses, deficits).

PRACTICES

1. Reporting Periods. The following reporting periods will be as follows:
    a. The monthly reporting period is each calendar month; and
    b. The annual reporting period is one calendar year (January 1st to December 31st).
2. Fund Accounting. The following fund types and account groups that are to be used by the District are as follows:
    a. General Fund: the principal fund of the District, it accounts for all financial transactions not accounted for in other funds;
    b. Capital Projects Fund: accounts for any bond proceeds restricted to the acquisition of capital items by the District (at this time, the District does not need this fund);
    c. Debt Service Fund: accounts for the accumulation of resources for, and the payment of, principal, interest, and other related costs of any District general obligation bonds (at this time, the District does not need this fund);
    d. General Fixed Assets Accounts Group: accounts for all fixed assets of the District; and
    e. General Long-Term Debt Account Group: accounts for all long-term debt of the District (at this time, the District does not need this fund).

3. Compliance. This Policy is intended to comply with Federal and State regulations and generally accepted accounting principles for governmental accounting; therefore, employees, officers, or Directors who believe there is an error in the financial reporting or believe it is not in accordance with such regulations and principles should contact the Treasurer or District President as soon as possible so that an investigation of the problem can be conducted and adjustments, if required, made promptly.

   If the Treasurer or District President does not investigate the problem to the satisfaction of an employee, officer, or Director, the District's Attorney or any external, independently certified public accountant chosen by the Board should be notified in writing.

4. General Fixed Assets. General fixed assets are to be acquired for a general governmental purpose related to the protection of property and life and:

   a. Such asset purchases shall be recorded as expenditures in the government funds and capitalized at cost or estimated historical cost in the General Fixed Assets Group; and

      Gifted and donated assets shall be recorded at fair market value at the time received.

5. Reporting Model. The District shall implement the financial reporting model as prescribed.

6. Accounting System. The Treasurer will function as the District's Accountant with primary responsibility for designing and maintaining the accounting system; however, bookkeeping support may be provided by others, as designated by the Board.

7. Accounting Software. The Treasurer or Bookkeeper(s) is responsible for inputting the financial data into the accounting software for financial reporting and only the Treasurer or Bookkeeper(s) or designees shall have password-protected access to the accounting software.

8. Employee Privacy. The Treasurer and Bookkeeper(s) shall protect the privacy of employees, officers, and Directors, e.g., social security numbers, garnishments, etc.

9. Chart of Accounts. In conjunction with approval of the annual budget, the Treasurer shall provide the Board with a proposed Chart of Accounts for approval by the Board and as necessary, the Treasurer shall provide for approval by the Board proposed updates to the Chart of Accounts.

10. Annual Budget. The **Budget Officer** shall provide the Board with a proposed annual budget in accordance with State law, which is prior to setting of the annual ad valorem property tax rates. The Board shall approve an annual budget prior to setting of the annual ad valorem property tax rates.
11. Setting Ad Valorem Property Tax Rates. Before September 1st of each year, the Board shall set the ad valorem property tax rates in accordance with State law, including any public hearing of the proposed ad valorem property tax rates. The **Budget Officer** shall publish any public notices required by State law regarding the setting ad valorem property tax rates.
12. Monthly Financial Reporting. The Treasurer will provide on a timely basis the following monthly financial report to the Board:
    a. Revenues and expenditures by Chart of Accounts
    b. Budget comparisons
    c. Schedule of any Accounts Payable
    d. Balance of all other asset, liability, and retained earnings by Chart of Account, including:
        i. Balance of cash and investment accounts
        ii. Balance of accounts payable

    The Board shall NOT approve monthly financial report, but rather file the monthly financial report for any audit.
13. Annual Financial Reporting. The Treasurer will provide on a timely basis the following annual financial report to any external, independently certified public accountant chosen by the Board:
    a. Revenues and expenditures
    b. Budget comparisons
    c. Schedule of accounts payable
    d. Schedule of general fixed assets
    e. Schedule of any leases and any bonds payable
    f. Balance of all other asset, liability, and retained earnings by Chart of Account, including
        i. Balance of cash and any investment accounts
        ii. Balance of any accounts payable
        iii. Balance of uncollected taxes
    g. General Ledger Listing of all accounts by Chart of Accounts

h. Bank account reconciliations

i. Missing Check Report

j. Trial Balance by Chart of Accounts

14. Management Letter. The **District President** is authorized to sign a letter from management to any external, independently certified public accountant chosen by the Board, describing the District's accounting processes and significant changes in operation from the previous annual financial reporting.

15. Legal Opinion Letter. The **District's Attorney** is authorized to send a letter to any external, independently certified public accountant chosen by the Board, opining the District's Attorney's knowledge of legal matters and claims against the District.

16. Annual Financial Reporting. Any external, independently certified public accountant chosen by the Board will provide audited annual financial reports to the Board for approval by the Board.

17. Annual Audit. Any external, independently certified public accountant chosen by the Board will provide the Board with an annual audit of the financial report for approval by the Board and the Board may provide a written response to the audit.

18. Record Retention. The **Custodian of Records** shall retain District financial records in accordance with The State and Local Records Law unless otherwise directed by the District's Attorney or any external, independently certified public accountant chosen by the Board.

RELATED POLICIES

Record Retention 801
Disposal of Assets 806
Donations of Gifts 816
Receipts 820
Purchasing 824
Reimbursements 830
Budgeting and Setting Property Tax Rates 834
Disbursements 836
Compensation and Attendance Fees 838
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Charge Accounts 842
Fixed Assets and Inventory 848
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Excess Funds Investment 878
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RELATED STATUTES AND REGULATIONS

RSMo §67.020
RSMo §67.030
RSMo §67.110
RSMo §105.145.2.2
RSMo §109.200-310 (The State and Local Records Law)
RSMo §321.180
RSMo §321.250
RSMo §321.690
15 CSR 40.3.030

REVISION HISTORY

Revision Date	Author	Revision Details
August 3, 2021	Monte Olsen	Initial version
April 20, 2023	Monte Olsen	Removed prohibition of depreciation; removed typographical error of "not" implementing reporting model; modified monthly and annual financial reporting models to match actual best practice model implemented; added Record Retention Policy; added footer
May 21, 2026	Monte Olsen	Added reference to *Chart of Accounts Form 896-1*; clarified when the Treasurer provides the proposed Chart of Accounts and updates to the Chart of Accounts to the Board for approval; clarified Board authority to determine the need for an annual audit; added the District's Attorney as the recipient of last resort for whistleblowing; grammatical and typographical corrections