

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SPRINGFIELD, MISSOURI**

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

FOR THE YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
The School District of Springfield R-XII

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The School District of Springfield R-XII as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of The School District of Springfield R-XII as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole 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.

The supplementary 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. Such 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 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis on pages 3 through 11 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020 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 and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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 modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Westbrook & Co., P.C.

Richmond, Missouri
November 19, 2020



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Every Learner – Every Day*

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of The School District of Springfield R-XII financial performance provides an overview of the District's financial activities for the fiscal year that ended on June 30, 2020. 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 2020 fiscal year are as follows:

- 1) Operating fund balances for the District (General Fund and Special Revenue Fund) increased by \$3,011,238 from \$48,462,329 to \$51,473,567. Additionally, the General Fund provided for fund transfers of \$11,722,123 to the Capital Projects Fund for necessary capital outlay expenditures.
- 2) District operating fund revenues increased by \$7,211,422 from \$283,130,551 to \$290,341,973. Local revenue decreased \$4,810,889 primarily as a result of premiums on bonds sold in the prior year, overall state funding decreased \$2,609,712 as a result of a decrease in basic formula funding, and federal revenues increased \$1,873,611 as a result of an increase in Title program funding.
- 3) District operating fund expenditures increased by \$7,914,592 from \$267,694,020 to \$275,608,612. This increase was primarily due to negotiated salary and benefit increases for fiscal year 2020.
- 4) The net decrease to the District's long-term debt was \$47,496,124 where total long-term debt changed from \$459,151,334 to \$411,655,210. This net decrease is primarily due to annual principal payments as well as the payoff of Series 2010A, 2010B, 2010D and 2010E Building Bonds and the Series 2015 Refunding Bonds.
- 5) The Capital Projects Fund balance decreased by \$38,062,957 from \$197,075,992 to \$159,013,035. Before the \$11,722,123 transfer from the General Fund, the decrease in the Capital Projects Fund balance was \$49,785,080. This decrease is primarily due to bond expenditures for the Series 2019 Building Bonds.

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 the Statement of Activities.
- Fund Financial Statements: Focus on *individual funds* of the District, reporting activities in *more detail*. These statements show how services were financed in the short-term as well as what remains for future spending.

Reporting the District as a Whole

The 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 *modified cash basis of accounting*.

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

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:

Fiduciary Funds

The District is the trustee, or fiduciary, for a self-insurance fund and private purpose trust fund. All of the District's fiduciary activities are reported in separate statements; these activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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 report 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 2020 and 2019:

| TABLE 1 | Governmental Activities | |
|---------------------------|-------------------------|-----------------------|
| | 2020 | 2019 |
| ASSETS | | |
| Cash and cash equivalents | \$ 166,625,017 | \$ 221,892,862 |
| Investments | 135,000,000 | 150,031,461 |
| Total Assets | <u>\$ 301,625,017</u> | <u>\$ 371,924,323</u> |
| NET POSITION | | |
| Restricted for: | | |
| Capital outlay | \$ 159,013,035 | \$ 197,075,992 |
| Professional development | - | 36,787 |
| Debt service | 91,138,415 | 126,386,002 |
| Unrestricted | <u>51,473,567</u> | <u>48,425,542</u> |
| Total Net Position | <u>\$ 301,625,017</u> | <u>\$ 371,924,323</u> |

Total assets at June 30, 2020 were reported at \$301,625,017.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was \$51,473,567. The District has restricted net position of \$91,138,415 for debt service and \$159,013,035 restricted for capital outlay.

Table 2 shows the change in net position for fiscal years 2020 and 2019.

TABLE 2
REVENUES

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------|-----------------------|
| Program Revenues: | | |
| Charges for services | \$ 11,936,766 | \$ 8,635,171 |
| Operating grants and contributions | 40,041,394 | 37,660,017 |
| Capital grants and contributions | <u>1,033,879</u> | <u>769,445</u> |
| Total Program Revenues | <u>53,012,039</u> | <u>47,064,633</u> |
| General Revenues: | | |
| Basic formula | 65,963,291 | 68,761,689 |
| Property taxes | 157,595,535 | 148,352,439 |
| Sales tax | 25,973,788 | 25,594,135 |
| Earnings on investments | 6,075,359 | 19,458,842 |
| State assessed utilities | 2,257,449 | 2,033,349 |
| M & M surtax | 9,768,132 | 9,610,505 |
| In lieu of tax | 382,466 | 458,101 |
| Other revenue | 3,350,496 | 2,757,256 |
| Fines and escheats | 282,515 | 396,495 |
| County stock insurance fund | 674,766 | 154,002 |
| Financial institution tax | <u>1,035,331</u> | <u>823,206</u> |
| Total General Revenues | 273,359,128 | 278,400,019 |
| Special item - bond proceeds | <u>-</u> | <u>148,000,000</u> |
| Total General Revenues and Special Item | <u>273,359,128</u> | <u>426,400,019</u> |
| Total Revenues | <u>326,371,167</u> | <u>473,464,652</u> |
| PROGRAM EXPENSES | | |
| Instruction | 135,067,157 | 132,306,784 |
| Student activities | 8,694,441 | 9,101,938 |
| Student services | 23,516,737 | 21,645,056 |
| Instructional staff support | 19,941,325 | 15,762,975 |
| General administration and central services | 24,675,829 | 22,319,468 |
| Building level administration | 13,126,316 | 12,798,556 |
| Operation of plant | 27,747,575 | 29,508,409 |
| Transportation | 10,475,938 | 10,823,792 |
| Food service | 11,015,416 | 11,938,450 |
| Community services | 7,952,291 | 6,735,892 |
| Facility acquisition and construction | 45,995,166 | 8,522,039 |
| Debt Service: | | |
| Principal retirement | 50,588,934 | 14,115,579 |
| Interest and fees | <u>17,873,348</u> | <u>14,567,379</u> |
| Total Governmental Activities Expenses | <u>396,670,473</u> | <u>310,146,317</u> |
| CHANGE IN NET POSITION | (70,299,306) | 163,318,335 |
| Net Position Beginning of Year | <u>371,924,323</u> | <u>208,605,988</u> |
| Net Position End of Year | <u>\$ 301,625,017</u> | <u>\$ 371,924,323</u> |

Governmental Activities

Revenues

General revenues totaled \$273,359,128. The three largest sources of general revenue for the School District of Springfield R-XII are generated from local property taxes \$157,595,535, the Basic Foundation Formula \$65,963,291 and Proposition C sales tax \$25,973,788. Program specific revenues in the form of operating grants totaled \$40,041,394. The largest portion of this revenue was from the Individuals with Disabilities (IDEA) program and Title I. State and federal reimbursement for transportation and food service were \$1,683,024 and \$6,962,608, respectively. Charges for services, including student activities and food service, totaled \$11,936,766.

Expenditures

Expenditures for governmental activities totaled \$396,670,473 and \$53,012,039 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 were adequate to provide for program activities. End-of-year fund balances in the General and Special Revenue Funds increased \$3,011,238, from \$48,462,329 to \$51,473,567.

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

| | 2020 | | 2019 | |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Instruction | \$ 135,067,157 | \$ 109,948,543 | \$ 132,306,784 | \$ 112,274,774 |
| Student activities | 8,694,441 | 5,322,172 | 9,101,938 | 5,098,406 |
| Student services | 23,516,737 | 21,847,119 | 21,645,056 | 20,607,180 |
| Instructional staff support | 19,941,325 | 15,325,099 | 15,762,975 | 12,247,670 |
| General administration and central services | 24,675,829 | 23,830,514 | 22,319,468 | 22,253,762 |
| Building level administration | 13,126,316 | 13,126,316 | 12,798,556 | 12,798,556 |
| Operation of plant | 27,747,575 | 27,511,966 | 29,508,409 | 29,267,246 |
| Transportation | 10,475,938 | 8,763,074 | 10,823,792 | 7,888,540 |
| Food service | 11,015,416 | 1,735,765 | 11,938,450 | 228,571 |
| Community services | 7,952,291 | 2,251,065 | 6,735,892 | 3,400,894 |
| Facility acquisition and construction | 45,995,166 | 45,534,519 | 8,522,039 | 8,333,127 |
| Debt Service: | | | | |
| Principal retirement | 50,588,934 | 50,588,934 | 14,115,579 | 14,115,579 |
| Interest and fees | 17,873,348 | 17,873,348 | 14,567,379 | 14,567,379 |
| Total Governmental Activities | \$ 396,670,473 | \$ 343,658,434 | \$ 310,146,317 | \$ 263,081,684 |

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

Student activities includes expenditures related to extracurricular activities and services.

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.

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.

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

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 include expenses 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 modified cash basis of accounting. All governmental funds had total revenues of \$326,371,167 and total expenditures of \$396,670,473. The net change in fund balances for the year was significant in the Debt Service Fund and the Capital Projects Fund which decreased \$35,247,587 and \$38,062,957, respectively. The decrease in the Debt Service Fund was due to principal retirement of \$48,546,000 during the year. The decrease in the Capital Projects Fund is a result of the various construction projects ongoing throughout the district.

General Fund Budgeting Highlights

Missouri statutes 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 modified cash basis.

The General Fund actual revenue was \$134,016,388 representing a \$2,505,851 decrease over the original budget estimate of \$136,522,239. Total actual General Fund expenditures were \$103,087,918 representing a \$11,360,522 decrease from the original budget estimate of \$114,448,440.

Debt Administration

As of June 30, 2020, the District had \$411,655,210 in debt. This represents a decrease of \$47,496,124 from the \$459,151,334 in outstanding debt that existed as of June 30, 2019.

TABLE 4

Outstanding Debt

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| 2010A Build America Bonds | \$ - | \$ 10,067,000 |
| 2010B Build America Bonds | - | 12,183,000 |
| 2010C QSCB Bonds | 7,554,000 | 7,554,000 |
| 2010D Building Bonds | - | 3,600,000 |
| 2010E Build America Bonds | - | 7,596,000 |
| 2011 Building Bonds | 9,000,000 | 9,000,000 |
| 2012 Refunding Bonds | 13,480,000 | 16,245,000 |
| 2013 Building Bonds | 45,000,000 | 45,000,000 |
| 2014A Building Bonds | 26,650,000 | 26,650,000 |
| 2014B Refunding Bonds | 58,680,000 | 63,690,000 |
| 2015 Refunding Bonds | - | 5,325,000 |
| 2017 Refunding Bonds | 98,795,000 | 98,795,000 |
| 2019 Building Bonds | 146,000,000 | 148,000,000 |
| 2525 W College building lease purchase | 1,623,768 | 2,029,710 |
| 2017 Technology equipment lease purchase | - | 760,288 |
| 2018 Technology equipment lease purchase | 430,741 | 854,252 |
| 2019 Technology equipment lease purchase | 1,192,611 | 1,802,084 |
| 2019 Technology equipment lease purchase | 490,135 | - |
| 2020 Technology equipment lease purchase | 2,758,955 | - |
| Total | <u>\$ 411,655,210</u> | <u>\$ 459,151,334</u> |

The Series 2010A through 2010E Bond issue in the amount of \$41,000,000 for the purpose of making improvements, repairs and renovations to existing buildings.

The Series 2011 Bond issue in the amount of \$9,000,000 for the purpose of acquiring title to the Hickory Hills School by paying off certain lease obligations.

The Series 2012 Bond issue in the amount of \$28,265,000 represents refunding of the Series 2003 bond issue and resulted in \$5,085,047 net present value savings.

The Series 2013 Bond issue in the amount of \$45,000,000 for the purpose of constructing new buildings and purchasing new land as well as improving, repairing, renovating, furnishing and equipping existing school buildings, including technology improvements.

The Series 2014A and 2014B Bond issue in the amount of \$103,450,000 for the purpose of constructing new buildings and purchasing land as well as improving, repairing, renovating, furnishing and equipping existing school buildings, including technology improvements as well as refunding the Series 2006 bond.

The Series 2015 Bond issue in the amount of \$21,905,000 represents refunding of the Series 2005 bond issue and resulted in \$2,806,630 net present value savings.

The Series 2017 Bond issue in the amount of \$98,795,000 will cross-over refund the Series 2010A, 2010B, 2010D, 2010E, 2013 and 2014A bond issues on March 1, 2020, March 1, 2022 and March 1, 2023 resulting in \$12,137,045 net present value savings.

The Series 2019 Bond issue in the amount of \$148,000,000 for the purpose of improving, repairing, renovations and acquiring buildings, including security improvements, constructing new buildings and purchasing land, and furnishing and equipping school buildings.

The 2525 W College building lease purchase agreement requires eight varying annual payments, including interest of 1.965%.

The 2017 technology equipment lease allowed for various computer equipment requiring three annual payments of \$771,540, including interest of 1.47%.

The 2018 technology equipment lease allowed for 6,350 chromebooks and 8,000 cases requiring three annual payments of \$443,520, including interest of 2.5%.

The 2019 technology equipment lease allowed for various technology equipment requiring three annual payments of \$618,299, including interest of 2.449%.

The 2019 technology equipment lease allowed for various technology equipment requiring three annual payments of \$251,390, including interest of 1.71%.

The 2020 technology equipment lease allowed for various technology equipment requiring three annual payments of \$934,965, including interest of 1.38%.

Overview of Springfield Public Schools and Future Focus

Springfield Public Schools (SPS) is Missouri's largest school district, representing 25,000 students and nearly 4,000 employees. SPS has built a reputation of academic excellence rooted in a belief that the learning experience should be engaging, relevant and personal - for every learner, every day.

In addition to traditional learning environments across 35 elementary schools, an intermediate school, nine middle schools, five high schools, a center for gifted education and three early childhood centers, SPS collaborates with community partners to offer more than a dozen choice programs that meet the diverse needs of each student and their community.

The District's work is guided by our strategic plan, which focuses on four key areas: student success and learning support; empowered and effective teachers, leaders and support personnel; financial sustainability and operational efficiency; and communication and engagement.

SPS recognizes that our ongoing commitment to fiscal responsibility, accountability and transparency is crucial to fulfilling our mission of providing quality educational experiences that connect an individual's learning to the world around them. To further that cause, SPS is committed to the following:

- Maintenance of a fund balance that provides working capital, that is sufficient for unforeseen expenses or emergencies, and sustains until sufficient revenues are available to fund operations
- Demonstration of the financial stability necessary to preserve and enhance our bond rating, thereby lowering debt issuance costs
- Development of long-range projections as part of the budgeting process to help with determination of available resources for ongoing projects, new programs or initiatives, one-time projects, and facility repairs

These commitments also support the District's work to develop strong collaborative relationships in the community with caring individuals, businesses and organizations. These remarkable citizens help make the engaging, relevant and personal learning experiences for students possible.

The District's goal is to continue to demonstrate financial excellence to those who place their trust in SPS through well-regarded systems of financial planning, budgeting and internal financial controls. At the heart of this work, the District strives to demonstrate that sound fiscal management will always be a major driver in our decision making, in order to serve the best interests of our students.

Contacting the School District's Financial Management

This report is designed to provide our patrons, taxpayers, investors and creditors with a full and complete disclosure of the District's finances and to show the District's accountability for the funding it receives. Questions regarding this report may be directed to the School District of Springfield, R-XII, 1359 E. St. Louis Street, Springfield, MO 65802, phone number 417-523-0000.

Carol L. Embree, SFO
Deputy Superintendent-Operations

Cara Stassel
Director of Business Services

Chasity Daniels
Assistant Director of Business Services

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2020

| | <u>GOVERNMENTAL ACTIVITIES</u> |
|---------------------------|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 166,625,017 |
| Investments | <u>135,000,000</u> |
| Total assets | <u><u>\$ 301,625,017</u></u> |
| NET POSITION | |
| Restricted for: | |
| Capital outlay | \$ 159,013,035 |
| Debt service | 91,138,415 |
| Unrestricted | <u>51,473,567</u> |
| Total net position | <u><u>\$ 301,625,017</u></u> |

See accompanying notes to the basic financial statements.

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

| Functions/Programs | Expenditures | PROGRAM REVENUES | | | Net (Expenditures) |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Change in Net Position |
| | | | | | Governmental |
| GOVERNMENTAL ACTIVITIES | | | | | |
| Instruction | \$ 135,067,157 | \$ 5,919,674 | \$ 18,647,943 | \$ 550,997 | \$ (109,948,543) |
| Student activities | 8,694,441 | 3,372,269 | - | - | (5,322,172) |
| Student services | 23,516,737 | - | 1,669,618 | - | (21,847,119) |
| Instruction staff support | 19,941,325 | - | 4,616,226 | - | (15,325,099) |
| General administration & central services | 24,675,829 | - | 845,315 | - | (23,830,514) |
| Building administration | 13,126,316 | - | - | - | (13,126,316) |
| Operation of plant | 27,747,575 | 235,609 | - | - | (27,511,966) |
| Transportation | 10,475,938 | 29,840 | 1,683,024 | - | (8,763,074) |
| Food service | 11,015,416 | 2,294,808 | 6,962,608 | 22,235 | (1,735,765) |
| Community services | 7,952,291 | 84,566 | 5,616,660 | - | (2,251,065) |
| Facility acquisition and construction | 45,995,166 | - | - | 460,647 | (45,534,519) |
| Debt service: | | | | | |
| Principal retirement | 50,588,934 | - | - | - | (50,588,934) |
| Interest and fees | 17,873,348 | - | - | - | (17,873,348) |
| Total Governmental Activities | \$ 396,670,473 | \$ 11,936,766 | \$ 40,041,394 | \$ 1,033,879 | (343,658,434) |
| General Revenues: | | | | | |
| Basic formula | | | | | 65,963,291 |
| Property taxes | | | | | 157,595,535 |
| Sales tax | | | | | 25,973,788 |
| Earnings on investments | | | | | 6,075,359 |
| State assessed utilities | | | | | 2,257,449 |
| M&M surtax | | | | | 9,768,132 |
| In lieu of tax | | | | | 382,466 |
| Other revenue | | | | | 3,350,496 |
| Fines and escheats | | | | | 282,515 |
| County stock insurance fund | | | | | 674,766 |
| Financial institution tax | | | | | 1,035,331 |
| Total General Revenues | | | | | 273,359,128 |
| Change in net position | | | | | (70,299,306) |
| Net Position Beginning of year | | | | | 371,924,323 |
| Net Position End of year | | | | | <u>\$ 301,625,017</u> |

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2020

| | GENERAL FUND | SPECIAL REVENUE FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL GOVERNMENTAL FUNDS |
|---------------------------|----------------------|----------------------------|-------------------------|-----------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 11,473,567 | \$ - | \$ 91,138,415 | \$ 64,013,035 | \$ 166,625,017 |
| Investments | <u>40,000,000</u> | <u>-</u> | <u>-</u> | <u>95,000,000</u> | <u>135,000,000</u> |
| Total assets | <u>\$ 51,473,567</u> | <u>\$ -</u> | <u>\$ 91,138,415</u> | <u>\$ 159,013,035</u> | <u>\$ 301,625,017</u> |
| FUND BALANCES | | | | | |
| Restricted | \$ - | \$ - | \$ 91,138,415 | \$ 127,192,869 | \$ 218,331,284 |
| Committed | - | - | - | 3,802,001 | 3,802,001 |
| Assigned | 8,973,050 | - | - | 28,018,165 | 36,991,215 |
| Unassigned | <u>42,500,517</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>42,500,517</u> |
| Total fund balances | <u>\$ 51,473,567</u> | <u>\$ -</u> | <u>\$ 91,138,415</u> | <u>\$ 159,013,035</u> | <u>\$ 301,625,017</u> |

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | GENERAL FUND | SPECIAL REVENUE FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL GOVERNMENTAL FUNDS |
|---|----------------------|----------------------------|-------------------------|-----------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local | \$ 90,467,888 | \$ 86,449,350 | \$ 29,393,134 | \$ 2,754,824 | \$ 209,065,196 |
| County | 1,323,032 | 1,364,940 | 526,758 | - | 3,214,730 |
| State | 22,660,602 | 53,702,557 | - | 510,165 | 76,873,324 |
| Federal | 13,780,185 | 14,808,738 | 1,015,971 | 63,067 | 29,667,961 |
| Other | 5,784,681 | - | - | 1,765,275 | 7,549,956 |
| Total Revenues | 134,016,388 | 156,325,585 | 30,935,863 | 5,093,331 | 326,371,167 |
| EXPENDITURES: | | | | | |
| Instruction | 9,273,862 | 125,474,448 | - | 318,847 | 135,067,157 |
| Student activities | 4,852,284 | 3,614,526 | - | 227,631 | 8,694,441 |
| Student services | 10,213,188 | 13,303,549 | - | - | 23,516,737 |
| Instruction staff support | 6,950,247 | 11,017,419 | - | 1,973,659 | 19,941,325 |
| General administration & central services | 18,747,576 | 4,599,278 | - | 1,328,975 | 24,675,829 |
| Building administration | 3,694,544 | 9,431,772 | - | - | 13,126,316 |
| Operation of plant | 26,225,842 | - | - | 1,521,733 | 27,747,575 |
| Transportation | 9,014,073 | 447,810 | - | 1,014,055 | 10,475,938 |
| Food service | 10,795,903 | - | - | 219,513 | 11,015,416 |
| Community services | 3,320,399 | 4,631,892 | - | - | 7,952,291 |
| Facility acquisition and construction | - | - | - | 45,995,166 | 45,995,166 |
| Debt service: | | | | | |
| Principal retirement | - | - | 48,546,000 | 2,042,934 | 50,588,934 |
| Interest and fees | - | - | 17,637,450 | 235,898 | 17,873,348 |
| Total Expenditures | 103,087,918 | 172,520,694 | 66,183,450 | 54,878,411 | 396,670,473 |
| Revenues Over (Under) Expenditures | 30,928,470 | (16,195,109) | (35,247,587) | (49,785,080) | (70,299,306) |
| Other Financing Sources (Uses): | | | | | |
| Transfers | (27,917,232) | 16,195,109 | - | 11,722,123 | - |
| Net change in fund balance | 3,011,238 | - | (35,247,587) | (38,062,957) | (70,299,306) |
| Fund balance, beginning | 48,462,329 | - | 126,386,002 | 197,075,992 | 371,924,323 |
| Fund balance, ending | <u>\$ 51,473,567</u> | <u>\$ -</u> | <u>\$ 91,138,415</u> | <u>\$ 159,013,035</u> | <u>\$ 301,625,017</u> |

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | SELF INSURANCE FUND | PRIVATE-PURPOSE TRUST FUND | TOTAL |
|---------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 6,189,230 | \$ 123,070 | \$ 6,312,300 |
| | <u> </u> | <u> </u> | <u> </u> |
| NET POSITION | | | |
| Unrestricted | \$ 6,189,230 | \$ 123,070 | \$ 6,312,300 |
| | <u> </u> | <u> </u> | <u> </u> |

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | SELF INSURANCE FUND | PRIVATE-PURPOSE TRUST FUND | TOTAL |
|--------------------------------|---------------------------|----------------------------------|---------------------|
| Additions | | | |
| Program funding | \$ - | \$ 609,965 | \$ 609,965 |
| Insurance reimbursement | 469,191 | - | 469,191 |
| Contributions - Employees | 10,734,143 | - | 10,734,143 |
| Contributions - District | 20,678,614 | - | 20,678,614 |
| Forfeitures | 607,554 | - | 607,554 |
| Interest income | 23,685 | 1,681 | 25,366 |
| Total additions | 32,513,187 | 611,646 | 33,124,833 |
| Deductions | | | |
| GO CAPS Program | - | 609,145 | 609,145 |
| Insurance premiums | 1,703,599 | - | 1,703,599 |
| Administrative expenses | 952,160 | - | 952,160 |
| Benefit claims | 29,787,042 | - | 29,787,042 |
| Total deductions | 32,442,801 | 609,145 | 33,051,946 |
| Change in Net Position | 70,386 | 2,501 | 72,887 |
| Net Position, beginning | 6,118,844 | 120,569 | 6,239,413 |
| Net Position, ending | \$ 6,189,230 | \$ 123,070 | \$ 6,312,300 |

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement 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 School District as a whole. These statements include the financial activities of the District, except for fiduciary funds.

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 are used by the District:

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 the accumulation of 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.

Fiduciary Funds:

Self Insurance Fund: Accounts for transactions of the District's self-funded medical plan for the purpose of providing benefits to eligible employees.

Private-Purpose Trust Fund: Accounts for activities that are not District programs but are programs sponsored by private organizations or other governments. Although the District serves as fiscal agent, the funds received and held under these programs are not available to support the District's activities and programs but are received and held for the benefit of individuals, private organization or other governments participating in the sponsored programs. The program accounted for within this fund is the Greater Ozarks Centers for Advanced Professional Studies.

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic 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 District-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 modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Investments are recorded at cost. Also, salaries for teachers are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Cash and Temporary Investments: 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. Investments of the pooled accounts consist primarily of U.S. Government securities and certificates of deposit, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment 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).

Vacation and Sick Leave: Vacation time and sick leave are considered as expenditures in the year paid. Accumulated vacation and sick leave benefits unused and which are vested in the employee are payable upon termination.

Teachers' Salaries: Payroll and benefit checks written and held at June 30, 2020, for July and August 2020 payrolls related to 2019-2020 contracts in the amount of \$15,450,905 are included in the financial statements as an expenditure paid in the month of June.

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

NOTE B - CASH AND CASH EQUIVALENTS

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, 2020, the bank balances of the District's deposits, including certificates of deposit with maturities of less than 90 days, totaled \$147,941,419. Of this amount, \$500,000 was covered by FDIC insurance and \$147,441,419 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

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

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 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 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 \$8,170,558 invested with MOHEFA at June 30, 2020.

The District also has an escrow account to fund the debt service for the Series 2010C Qualified School Construction Bonds. A portion of state aid is intercepted and placed in this fund to pay the current debt service requirement of the Series 2010C bonds. The District had \$151,101 invested in this account at June 30, 2020.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE B - CASH AND CASH EQUIVALENTS (continued)

The Missouri Securities Investment Program (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. All investments in the MOSIP pool are rated AAAM by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District has a total of \$57,815,899 invested with MOSIP at June 30, 2020.

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 states that the portfolio not have a concentration of assets in specific maturity, specific issuer, or specific class of securities.

Refunding Escrow: The District has an escrow fund established with the proceeds of the Series 2017 General Obligation Refunding Bonds for the purpose of refunding the Series 2013 and 2014A Bonds which are callable on March 1, 2022 and 2023. At June 30, 2020, this escrow fund balance was \$72,379,148 which was invested in U.S. Treasury notes, recorded at cost.

NOTE C - INVESTMENTS

As of June 30, 2020, the District had \$135,000,000 invested in certificates of deposit with maturities exceeding 90 days, recorded at cost.

Interest rate risk: In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maturity dates of its investments to less than 180 days.

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.

Concentration of credit risk: The District may invest no more than 5% of their total portfolio in any one issuer and no more than 30% of their total portfolio in commercial paper. As of June 30, 2020, the District complied with these requirements.

NOTE D - RISK MANAGEMENT

The District is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; business interruption; errors and omissions; natural disasters; employee injuries and illnesses; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health and dental benefits.

The District participates in a self-funded medical plan covering substantially all employees. The plan operates on a fiscal year ended September 30. The administration of the plan is provided through a third party claims administrator. Plan contributions for employee and dependent coverage are made by the District and employees. For the year ended June 30, 2020, the District made contributions of \$20,678,614 and employees contributed \$10,734,143 to the plan.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE E - 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. Greene 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 have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2019.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was:

| | |
|-------------------|-------------------------|
| Real Estate: | |
| Residential | \$ 2,002,564,043 |
| Agricultural | 6,775,010 |
| Commercial | 1,189,530,798 |
| Personal property | <u>659,957,784</u> |
| Total | <u>\$ 3,858,827,635</u> |

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2019 for purposes of local taxation was:

| | <u>Unadjusted</u> | <u>Adjusted</u> |
|-----------------------|-------------------|------------------|
| General Fund | \$ 1.9229 | \$ 1.9229 |
| Special Revenue Fund | 1.5732 | 1.5732 |
| Debt Service Fund | 0.6400 | 0.6400 |
| Capital Projects Fund | <u>-</u> | <u>-</u> |
| | <u>\$ 4.1361</u> | <u>\$ 4.1361</u> |

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 99 percent of the current assessment computed on the basis of the levy as shown above.

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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 2020. 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, 2020 were \$19,746,146, equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2020, were \$379,880, equal to the required contributions.

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. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE F - RETIREMENT PLAN (continued)

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 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.psrps-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2020. 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, 2020, were \$3,661,998, equal to the required contributions.

NOTE G - LONG-TERM DEBT

Changes in long-term debt during the fiscal year were as follows:

| | Balance July 1, 2019 | Additions | Retirements | Balance June 30, 2020 | Amount due in one year |
|--------------------------|-------------------------|---------------------|----------------------|--------------------------|------------------------------|
| General Obligation Bonds | \$ 453,705,000 | \$ - | \$ 48,546,000 | \$ 405,159,000 | \$ 14,920,000 |
| Direct Borrowings | 5,446,334 | 3,498,752 | 2,448,876 | 6,496,210 | 2,595,792 |
| Total | \$ 459,151,334 | \$ 3,498,752 | \$ 50,994,876 | \$ 411,655,210 | \$ 17,515,792 |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H - GENERAL OBLIGATION BONDS

Bonds payable at June 30, 2020, consist of:

| | |
|---|-----------------------|
| Series 2010C general obligation construction bonds due in varying annual installments through March 1, 2027; interest at 5.0% | \$ 7,554,000 |
| Series 2011 general obligation building bonds due in varying annual installments through March 1, 2031; interest at 5.0% | 9,000,000 |
| Series 2012 general obligation refunding bonds due in varying annual installments through March 1, 2023; interest at 2.00% to 4.0% | 13,480,000 |
| Series 2013 general obligation building bonds due in varying annual installments through March 1, 2033; interest at 4.00% to 5.0% | 45,000,000 |
| Series 2014A general obligation building bonds due in varying annual installments through March 1, 2026; interest at 4.0% to 5.0% | 26,650,000 |
| Series 2014B general obligation refunding bonds due in varying annual installments through March 1, 2034; interest at 3.0% to 4.25% | 58,680,000 |
| Series 2017 general obligation refunding bonds due in varying annual installments through March 1, 2034; interest at 3.0% to 4.95% | 98,795,000 |
| Series 2019 general obligation bonds due in varying annual installments through March 1, 2039; interest at 3.0% to 5.0% | <u>146,000,000</u> |
| Total | <u>\$ 405,159,000</u> |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H - GENERAL OBLIGATION BONDS (continued)

Debt service requirements to maturity are:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------------------|-----------------------|-----------------------|
| 2021 | \$ 14,920,000 | \$ 16,802,275 | \$ 31,722,275 |
| 2022 | 41,715,000 | 16,229,175 | 57,944,175 |
| 2023 | 61,245,000 | 14,606,600 | 75,851,600 |
| 2024 | 14,730,000 | 11,865,250 | 26,595,250 |
| 2025 | 13,885,000 | 11,210,350 | 25,095,350 |
| 2026 | 14,940,000 | 10,565,800 | 25,505,800 |
| 2027 | 13,025,000 | 9,838,500 | 22,863,500 |
| 2028 | 22,444,000 | 9,023,100 | 31,467,100 |
| 2029 | 15,530,000 | 8,097,250 | 23,627,250 |
| 2030 | 16,080,000 | 7,476,050 | 23,556,050 |
| 2031 | 16,350,000 | 6,832,850 | 23,182,850 |
| 2032 | 7,470,000 | 6,088,850 | 13,558,850 |
| 2033 | 7,510,000 | 5,864,750 | 13,374,750 |
| 2034 | 20,315,000 | 5,639,450 | 25,954,450 |
| 2035 | 20,000,000 | 4,910,000 | 24,910,000 |
| 2036 | 23,000,000 | 4,110,000 | 27,110,000 |
| 2037 | 25,000,000 | 2,960,000 | 27,960,000 |
| 2038 | 27,000,000 | 1,710,000 | 28,710,000 |
| 2039 | 30,000,000 | 900,000 | 30,900,000 |
| Total | <u>\$ 405,159,000</u> | <u>\$ 154,730,250</u> | <u>\$ 559,889,250</u> |

NOTE I - DIRECT BORROWINGS

On August 26, 2016, the District entered into a \$3,247,536 lease purchase agreement for the acquisition, improvements, fixtures, equipment, furnishing and related support facilities for the property located at 2525 W. College, Springfield, Missouri. The agreement requires eight varying annual payments through September 1, 2023, including interest at 1.965%.

On May 10, 2017, the District entered into a \$2,275,450 lease purchase agreement for technology equipment. The agreement requires three annual payments of \$771,540 including interest at 1.47%. This lease was paid off during the year.

On May 4, 2018, the District entered into a \$1,292,210 lease purchase agreement for technology equipment. The agreement requires three annual payments of \$443,520 through July 15, 2020, including interest at 2.4747%.

On May 3, 2019, the District entered into a \$1,802,084 lease purchase agreement for technology equipment. The agreement requires three annual payments of \$618,299 through July 15, 2021, including interest at 2.449%.

On September 27, 2019, the District entered into a \$739,798 lease purchase agreement for iPad Minis. The agreement requires three annual payments of \$251,390 through November 15, 2021, including interest at 1.71%.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE I - DIRECT BORROWINGS (continued)

On May 1, 2020, the District entered into a \$2,758,955 lease purchase agreement for iPad Minis. The agreement requires three annual payments of \$934,965 through July 15, 2022, including interest at 1.38%.

Debt service requirements on the above leases are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 2,595,792 | \$ 88,134 | \$ 2,683,926 |
| 2022 | 2,166,296 | 68,230 | 2,234,526 |
| 2023 | 1,328,180 | 28,680 | 1,356,860 |
| 2024 | <u>405,942</u> | <u>7,977</u> | <u>413,919</u> |
| Total | <u>\$ 6,496,210</u> | <u>\$ 193,021</u> | <u>\$ 6,689,231</u> |

The above leases contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the District is unable to make payment.

NOTE J - INTERFUND TRANSFERS

During the year, the District transferred \$16,195,109 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

The District also made a \$11,522,367 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

The District also made a \$199,756 transfer from the General Fund to the Capital Projects Fund for related food service capital outlay expenditures.

NOTE K - TAX ABATEMENTS

The District's 2019 property tax revenues were reduced by \$3,937,286 under agreements entered into by Greene County. The District also received \$382,466 associated with the abated taxes in fiscal year 2020.

NOTE L - COMMITMENTS

At June 30, 2020, the District was committed to \$42,526,379 in construction contracts, of which \$38,724,377 will be funded with building bond proceeds.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE M - LITIGATION

As of June 30, 2020, the District had several unsettled claims of various natures. These claims are at various stages of litigation and at this time, outcomes cannot be predicted. The District is vigorously defending against each claim.

NOTE N - SUBSEQUENT EVENTS

The COVID-19 outbreak has caused a severe impact to the United States economy. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the District's operations and finances.

NOTE O - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes 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.

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

Nonspendable fund balance - Funds that cannot be spent due to their form (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or 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 - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that 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 fund balance.

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue, Capital Projects and Debt Service Funds in the original, adopted and later revised budget.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE O - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

Upon adoption of a budget where fund balance is used as a source to balance the budget, the Deputy Superintendent of Operations shall record the amount as assigned fund balance. The Board delegates the authority to assign amounts for specific purpose(s) to the Deputy Superintendent of Operations.

When both restricted and unrestricted funds are available for expenditure, unrestricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, unassigned funds should be spent first, assigned funds second and committed funds last.

The Board recognizes that the maintenance of a fund balance is essential to provide for unforeseen expenses or emergencies and to provide working capital in the first several months of the fiscal year, until sufficient revenues are available to fund operations. By maintaining an appropriate fund balance, the District can avoid excessive short-term borrowing and the related interest expense, accumulate sufficient assets to make designated purchases or cover unforeseen expenditure needs, and demonstrate financial stability necessary to preserve or enhance its bond rating, thereby lowering debt issuance costs. The undesignated fund balance in the operating funds will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. The District will strive to maintain a minimum undesignated balance in its operating funds equal to at least 15 percent of its prior year operating expenditures.

As part of the annual budget process, the Deputy Superintendent of Operations will estimate the surplus or deficit for the current year and prepare a projection of the year-end undesignated fund balance. Such projection will include an analysis of trends in fund balance levels on a historical and future projection basis. Any anticipated balance in excess of the minimum undesignated General Fund balance may be budgeted at the discretion of the Board. Any such action must also provide for necessary appropriations to restore the undesignated General Fund balance to the minimum balance. If fund balances decline below the 10 percent floor, the Board will develop a plan to replenish the fund balance to the established minimum level during the next fiscal year.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE O - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

As of June 30, 2020, 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 | \$ - | \$ - | \$ 91,138,415 | \$ - |
| Bond proceeds | <u>-</u> | <u>-</u> | <u>-</u> | <u>127,192,869</u> |
| Total restricted | <u>-</u> | <u>-</u> | <u>91,138,415</u> | <u>127,192,869</u> |
| Committed: | | | | |
| Construction projects | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,802,001</u> |
| Assigned: | | | | |
| Student activities | 7,845,081 | - | - | - |
| Launch program | 1,127,969 | | | |
| Capital projects | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,018,165</u> |
| Total assigned | <u>8,973,050</u> | <u>-</u> | <u>-</u> | <u>28,018,165</u> |
| Unassigned | <u>42,500,517</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>\$ 51,473,567</u> | <u>\$ -</u> | <u>\$ 91,138,415</u> | <u>\$ 159,013,035</u> |

SUPPLEMENTARY INFORMATION

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | BUDGET | | ACTUAL | VARIANCE |
|---|----------------------|----------------------|----------------------|---------------------|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Local | \$ 91,406,868 | \$ 91,625,723 | \$ 90,467,888 | \$ (1,157,835) |
| County | 975,202 | 1,215,550 | 1,323,032 | 107,482 |
| State | 24,062,950 | 23,456,906 | 22,660,602 | (796,304) |
| Federal | 16,566,380 | 14,983,113 | 13,780,185 | (1,202,928) |
| Other | 3,510,839 | 7,063,004 | 5,784,681 | (1,278,323) |
| Total Revenues | <u>136,522,239</u> | <u>138,344,296</u> | <u>134,016,388</u> | <u>(4,327,908)</u> |
| EXPENDITURES: | | | | |
| Instruction | 17,723,028 | 12,407,646 | 9,273,862 | 3,133,784 |
| Student activities | 6,889,356 | 6,912,496 | 4,852,284 | 2,060,212 |
| Student services | 9,631,891 | 10,470,065 | 10,213,188 | 256,877 |
| Instruction staff support | 5,842,990 | 6,534,843 | 6,950,247 | (415,404) |
| General administration & central services | 17,982,260 | 19,816,895 | 18,747,576 | 1,069,319 |
| Building administration | 3,287,122 | 3,769,114 | 3,694,544 | 74,570 |
| Operation of plant | 27,436,279 | 28,037,711 | 26,225,842 | 1,811,869 |
| Transportation | 9,264,808 | 9,419,363 | 9,014,073 | 405,290 |
| Food service | 12,576,228 | 12,577,575 | 10,795,903 | 1,781,672 |
| Community services | 3,814,478 | 3,261,283 | 3,320,399 | (59,116) |
| Facility acquisition and construction | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fees | - | - | - | - |
| Total Expenditures | <u>114,448,440</u> | <u>113,206,991</u> | <u>103,087,918</u> | <u>10,119,073</u> |
| Revenues Over (Under) Expenditures | 22,073,799 | 25,137,305 | 30,928,470 | 5,791,165 |
| Other Financing Sources (Uses): | | | | |
| Transfers | <u>(18,806,895)</u> | <u>(25,063,513)</u> | <u>(27,917,232)</u> | <u>(2,853,719)</u> |
| Net change in fund balance | 3,266,904 | 73,792 | 3,011,238 | 2,937,446 |
| Fund balance, beginning | <u>48,462,329</u> | <u>48,462,329</u> | <u>48,462,329</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 51,729,233</u> | <u>\$ 48,536,121</u> | <u>\$ 51,473,567</u> | <u>\$ 2,937,446</u> |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | BUDGET | | ACTUAL | VARIANCE |
|---|--------------------|--------------------|--------------------|--------------------|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Local | \$ 87,337,054 | \$ 87,855,676 | \$ 86,449,350 | \$ (1,406,326) |
| County | 1,202,926 | 1,399,561 | 1,364,940 | (34,621) |
| State | 56,877,280 | 55,846,819 | 53,702,557 | (2,144,262) |
| Federal | 12,278,923 | 14,672,972 | 14,808,738 | 135,766 |
| Other | - | - | - | - |
| Total Revenues | <u>157,696,183</u> | <u>159,775,028</u> | <u>156,325,585</u> | <u>(3,449,443)</u> |
| EXPENDITURES: | | | | |
| Instruction | 125,075,312 | 126,194,574 | 125,474,448 | 720,126 |
| Student activities | 3,580,432 | 3,632,803 | 3,614,526 | 18,277 |
| Student services | 12,955,705 | 13,349,647 | 13,303,549 | 46,098 |
| Instruction staff support | 12,099,156 | 11,049,860 | 11,017,419 | 32,441 |
| General administration & central services | 4,804,248 | 4,613,299 | 4,599,278 | 14,021 |
| Building administration | 9,618,298 | 9,896,076 | 9,431,772 | 464,304 |
| Operation of plant | - | - | - | - |
| Transportation | - | - | 447,810 | (447,810) |
| Food service | - | - | - | - |
| Community services | 3,369,927 | 4,380,159 | 4,631,892 | (251,733) |
| Facility acquisition and construction | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fees | - | - | - | - |
| Total Expenditures | <u>171,503,078</u> | <u>173,116,418</u> | <u>172,520,694</u> | <u>595,724</u> |
| Revenues Over (Under) Expenditures | (13,806,895) | (13,341,390) | (16,195,109) | (2,853,719) |
| Other Financing Sources (Uses): | | | | |
| Transfers | <u>13,806,895</u> | <u>13,341,390</u> | <u>16,195,109</u> | <u>2,853,719</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | BUDGET | | ACTUAL | VARIANCE |
|---|----------------------|----------------------|----------------------|-------------------|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Local | \$ 25,205,315 | \$ 28,926,891 | \$ 29,393,134 | \$ 466,243 |
| County | 378,371 | 462,151 | 526,758 | 64,607 |
| State | - | - | - | - |
| Federal | 1,006,330 | 1,006,330 | 1,015,971 | 9,641 |
| Other | - | - | - | - |
| Total Revenues | <u>26,590,016</u> | <u>30,395,372</u> | <u>30,935,863</u> | <u>540,491</u> |
| EXPENDITURES: | | | | |
| Instruction | - | - | - | - |
| Student activities | - | - | - | - |
| Student services | - | - | - | - |
| Instruction staff support | - | - | - | - |
| General administration & central services | - | - | - | - |
| Building administration | - | - | - | - |
| Operation of plant | - | - | - | - |
| Transportation | - | - | - | - |
| Food service | - | - | - | - |
| Community services | - | - | - | - |
| Facility acquisition and construction | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 48,546,000 | 48,546,000 | 48,546,000 | - |
| Interest and fees | <u>17,638,652</u> | <u>17,639,002</u> | <u>17,637,450</u> | <u>1,552</u> |
| Total Expenditures | <u>66,184,652</u> | <u>66,185,002</u> | <u>66,183,450</u> | <u>1,552</u> |
| Revenues Over (Under) Expenditures | (39,594,636) | (35,789,630) | (35,247,587) | 542,043 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from sale of bonds | - | - | - | - |
| Net change in fund balance | (39,594,636) | (35,789,630) | (35,247,587) | 542,043 |
| Fund balance, beginning | <u>126,386,002</u> | <u>126,386,002</u> | <u>126,386,002</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 86,791,366</u> | <u>\$ 90,596,372</u> | <u>\$ 91,138,415</u> | <u>\$ 542,043</u> |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | BUDGET | | ACTUAL | VARIANCE |
|---|-----------------------|-----------------------|-----------------------|----------------------|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Local | \$ 3,692,921 | \$ 3,876,445 | \$ 2,754,824 | \$ (1,121,621) |
| County | - | - | - | - |
| State | 405,942 | 514,229 | 510,165 | (4,064) |
| Federal | 15,000 | 55,581 | 63,067 | 7,486 |
| Other | 60,865 | 1,523,390 | 1,765,275 | 241,885 |
| Total Revenues | <u>4,174,728</u> | <u>5,969,645</u> | <u>5,093,331</u> | <u>(876,314)</u> |
| EXPENDITURES: | | | | |
| Instruction | 106,342 | 303,293 | 318,847 | (15,554) |
| Student activities | - | 230,243 | 227,631 | 2,612 |
| Student services | - | - | - | - |
| Instruction staff support | - | 1,973,659 | 1,973,659 | - |
| General administration & central services | 750,000 | 1,385,972 | 1,328,975 | 56,997 |
| Building administration | - | - | - | - |
| Operation of plant | 726,482 | 1,588,239 | 1,521,733 | 66,506 |
| Transportation | 965,000 | 994,108 | 1,014,055 | (19,947) |
| Food service | 206,563 | 219,653 | 219,513 | 140 |
| Community services | - | 1,793 | - | 1,793 |
| Facility acquisition and construction | 72,925,391 | 76,590,577 | 45,995,166 | 30,595,411 |
| Debt service: | | | | |
| Principal retirement | 1,793,272 | 2,042,935 | 2,042,934 | 1 |
| Interest and fees | 84,971 | 237,398 | 235,898 | 1,500 |
| Total Expenditures | <u>77,558,021</u> | <u>85,567,870</u> | <u>54,878,411</u> | <u>30,689,459</u> |
| Revenues Over (Under) Expenditures | <u>(73,383,293)</u> | <u>(79,598,225)</u> | <u>(49,785,080)</u> | <u>29,813,145</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers | 5,000,000 | 11,722,123 | 11,722,123 | - |
| Proceeds from sale of bonds | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>5,000,000</u> | <u>11,722,123</u> | <u>11,722,123</u> | <u>-</u> |
| Net change in fund balance | (68,383,293) | (67,876,102) | (38,062,957) | 29,813,145 |
| Fund balance, beginning | <u>197,075,992</u> | <u>197,075,992</u> | <u>197,075,992</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 128,692,699</u> | <u>\$ 129,199,890</u> | <u>\$ 159,013,035</u> | <u>\$ 29,813,145</u> |

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2020

Budgets and Budgetary Accounting

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
4. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
5. Budgets for the District governmental funds are prepared on the modified cash basis of accounting.

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2020**

| | GENERAL FUND | SPECIAL REVENUE FUND | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL |
|---------------------------------------|-----------------------|----------------------------|-------------------------|-----------------------------|-----------------------|
| LOCAL: | | | | | |
| Property tax | \$ 73,267,189 | \$ 59,942,773 | \$ 24,385,573 | \$ - | \$ 157,595,535 |
| Sales tax | - | 25,973,788 | - | - | 25,973,788 |
| M & M surtax | 6,740,011 | - | 3,028,121.00 | - | 9,768,132 |
| Financial institution tax | 875,129 | - | 160,202 | - | 1,035,331 |
| In lieu of tax | 347,911 | - | 34,555 | - | 382,466 |
| Tuition | 778 | - | - | - | 778 |
| Transportation | 26,190 | - | - | - | 26,190 |
| Earnings on investments | 1,463,710 | 532,789 | 1,784,683 | 2,294,177 | 6,075,359 |
| Food service | 2,294,808 | - | - | - | 2,294,808 |
| Student activities | 3,337,344 | - | - | - | 3,337,344 |
| Other local revenue | 2,114,818 | - | - | 460,647 | 2,575,465 |
| Total Local | 90,467,888 | 86,449,350 | 29,393,134 | 2,754,824 | 209,065,196 |
| COUNTY: | | | | | |
| Fines and escheats | - | 282,515 | - | - | 282,515 |
| State assessed utilities | 1,009,329 | 825,772 | 422,348 | - | 2,257,449 |
| County stock insurance fund | 313,703 | 256,653 | 104,410 | - | 674,766 |
| Total County | 1,323,032 | 1,364,940 | 526,758 | - | 3,214,730 |
| STATE: | | | | | |
| Basic formula | 14,663,271 | 43,989,813 | - | - | 58,653,084 |
| Transportation | 1,643,462 | - | - | - | 1,643,462 |
| Basic formula - classroom trust fund | 1,579,348 | 6,317,390 | - | - | 7,896,738 |
| Early Childhood Special Ed. | 2,622,291 | 3,071,088 | - | 405,942 | 6,099,321 |
| Career Education | 19,613 | 53,791 | - | 104,223 | 177,627 |
| Food service | 86,055 | - | - | - | 86,055 |
| High Need Fund | 1,179,344 | - | - | - | 1,179,344 |
| Residential placement | 146,461 | - | - | - | 146,461 |
| Educational Screening Prog/PAT | 698,345 | 270,475 | - | - | 968,820 |
| Other state revenue | 22,412 | - | - | - | 22,412 |
| Total State | 22,660,602 | 53,702,557 | - | 510,165 | 76,873,324 |
| FEDERAL: | | | | | |
| Title I | 1,349,802 | 8,390,955 | - | 16,194 | 9,756,951 |
| Title II | 112,408 | 885,476 | - | - | 997,884 |
| Title III | 80,309 | 103,776 | - | - | 184,085 |
| Title IV | 409,892 | 293,145 | - | - | 703,037 |
| Title I - Part C, Migrant Education | 506 | 85 | - | - | 591 |
| Homeless Education | 139,177 | - | - | - | 139,177 |
| Childcare development fund grant | 53,372 | - | - | - | 53,372 |
| Medicaid | 910,064 | - | - | - | 910,064 |
| Individuals with Disabilities | 690,305 | 4,214,575 | - | - | 4,904,880 |
| Food Service | 6,876,553 | - | - | - | 6,876,553 |
| Dept of Health Food Service Program | 2,932,026 | - | - | - | 2,932,026 |
| Early Childhood Special Ed. | - | 885,535 | - | - | 885,535 |
| National School Lunch Equipment Grant | - | - | - | 22,235 | 22,235 |
| Reserve Officer Training Corps | - | 35,191 | - | - | 35,191 |
| IDEA grants | 77,774 | - | - | 5,000 | 82,774 |
| Head Start | 146,650 | - | - | - | 146,650 |
| Other federal revenue | 1,347 | - | 1,015,971 | 19,638 | 1,036,956 |
| Total Federal | 13,780,185 | 14,808,738 | 1,015,971 | 63,067 | 29,667,961 |
| OTHER: | | | | | |
| Sale of property | 2,725 | - | - | 1,411,625 | 1,414,350 |
| Sale of buses | - | - | - | 3,650 | 3,650 |
| Payments from other districts | 5,781,817 | - | - | - | 5,781,817 |
| Total Other | 5,784,681 | - | - | 1,765,275 | 7,549,956 |
| Total Revenues Collected | \$ 134,016,388 | \$ 156,325,585 | \$ 30,935,863 | \$ 5,093,331 | \$ 326,371,167 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

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 |
|-------------|-------------|-----------|--------------------|---------------------|------|------------------|
| | PK | PK | | 6.2500 | 129 | 793.75 |
| | K | 05 | | 6.2500 | 129 | 806.25 |
| | 06 | 08 | | 6.2500 | 129 | 806.25 |
| 4100 | K | 05 | | 6.2500 | 129 | 796.25 |
| 4240 | K | 05 | | 6.2500 | 129 | 796.25 |
| 4260 | K | 05 | | 6.1667 | 129 | 795.50 |
| 4280 | K | 05 | | 6.3333 | 129 | 817.00 |
| 4560 | K | 05 | | 6.2500 | 129 | 743.75 |
| 4580 | K | 05 | | 6.2500 | 129 | 796.25 |
| 4780 | K | 05 | | 6.3333 | 129 | 817.00 |
| 4830 | 05 | 06 | | 6.2500 | 129 | 806.25 |
| 3040 | 06 | 08 | | 6.3333 | 129 | 817.00 |
| 3080 | 06 | 08 | | 6.5500 | 129 | 844.95 |
| 3140 | 06 | 08 | | 6.3333 | 129 | 817.00 |
| 3160 | 06 | 08 | | 6.4167 | 129 | 827.75 |
| 1050 | 06 | 12 | | 6.5833 | 129 | 840.92 |
| 1075 | 09 | 12 | | 6.5833 | 129 | 836.75 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | | | | | |
|-------------|----|----|--|--------|-----|--------|
| 1080 | 09 | 12 | | 6.5833 | 129 | 835.38 |
| 1085 | 09 | 12 | | 6.5000 | 129 | 836.75 |
| 1095 | 09 | 12 | | 6.5333 | 129 | 829.80 |

2. AVERAGE DAILY ATTENDANCE (ADA)

Report the total number of PK-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 |
|-------------|-------------|-----------|-----------|----------------|-------|---------------|-----------|
| | PK | 343,426 | | | | | 343,426 |
| | K-05 | 6,536,786 | 55,579 | 53,355 | | 720,081 | 7,365,801 |
| | 06-08 | 2,151,241 | 115,691 | 1,582 | | 152,400 | 2,420,914 |
| 4100 | K-05 | 113,184 | 1,691 | 1,211 | | 8,816 | 124,902 |
| 4240 | K-05 | 304,086 | 4,525 | 1,648 | | 32,203 | 342,462 |
| 4260 | K-05 | 278,014 | 527 | 2,008 | | 28,355 | 308,904 |
| 4280 | K-05 | 296,440 | 4,073 | 1,289 | | 30,306 | 332,108 |
| 4560 | K-05 | 131,087 | 188 | 1,108 | | 12,889 | 145,272 |
| 4580 | K-05 | 183,632 | 1,563 | 728 | | 20,754 | 206,677 |
| 4780 | K-05 | 296,851 | 3,512 | 1,246 | | 30,678 | 332,287 |
| 4830 | 05-06 | 352,856 | 4,174 | 1,038 | | 26,355 | 384,423 |
| 3040 | 06-08 | 408,134 | 5,780 | 263 | | 25,673 | 439,850 |
| 3080 | 06-08 | 536,828 | 79,949 | 87 | | 35,154 | 652,018 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | | | | | | |
|--------------------|-------|-------------------|----------------|---------------|--------------|------------------|-------------------|
| 3140 | 06-08 | 529,973 | 12,010 | 192 | | 47,235 | 589,410 |
| 3160 | 06-08 | 320,075 | 28,130 | 448 | | 27,679 | 376,332 |
| 1050 | 06-12 | 1,066,038 | 127,824 | | | 123,939 | 1,317,801 |
| 1075 | 09-12 | 852,196 | 123,911 | | | 40,615 | 1,016,722 |
| 1080 | 09-12 | 619,791 | 124,991 | | | 40,839 | 785,621 |
| 1085 | 09-12 | 1,417,681 | 78,126 | | 756 | 67,846 | 1,564,409 |
| 1095 | 09-12 | 853,240 | 100,178 | | 769 | 78,029 | 1,032,216 |
| Grand Total | | 17,591,559 | 872,422 | 66,203 | 1,525 | 1,549,846 | 20,081,555 |

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 |
|-------------|-------------|-----------|-----------|-------|----------|
| | PK | 447 | | | 447.00 |
| | K-05 | 8,684 | 66.67 | | 8,750.67 |
| | 06-08 | 2,947 | 88.80 | | 3,035.80 |
| 4100 | K-05 | 154 | 1.88 | | 155.88 |
| 4240 | K-05 | 412 | 1.12 | | 413.12 |
| 4260 | PK-05 | 406 | 0.96 | | 406.96 |
| 4280 | K-05 | 379 | 13.86 | | 392.86 |
| 4560 | K-05 | 194 | | | 194 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | | | | |
|--------------------|-------|---------------|---------------|--|------------------|
| 4580 | K-05 | 251 | 0.96 | | 251.96 |
| 4780 | K-05 | 398 | 4.22 | | 402.22 |
| 4830 | 05-06 | 459 | 12.21 | | 471.21 |
| 3040 | 06-08 | 538 | 8.75 | | 546.75 |
| 3080 | 06-08 | 760 | 33.28 | | 793.28 |
| 3140 | 06-08 | 705 | 11.09 | | 716.09 |
| 3160 | 06-08 | 451 | 17.71 | | 468.71 |
| 1050 | 06-12 | 1,550 | 136.56 | | 1,686.56 |
| 1075 | 09-12 | 1,159 | 177.89 | | 1,336.89 |
| 1080 | 09-12 | 908 | 150.73 | | 1,058.73 |
| 1085 | 09-12 | 1,846 | 119.35 | | 1,965.35 |
| 1095 | 09-12 | 1,248 | 118.55 | | 1,366.55 |
| Grand Total | | 23,896 | 964.59 | | 24,860.59 |

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.

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| School Code | Free Lunch | Reduced Lunch | Deseg In Free | Deseg In Reduced | Total |
|--------------------|-------------------|----------------------|----------------------|-------------------------|--------------|
| Resident II | 2.00 | | | | 2.00 |
| PK-05 | 4,314.85 | 741.00 | | | 5,055.86 |
| 06-08 | 1,333.58 | 235.58 | | | 1,569.16 |
| 4100 | 112.00 | 11.89 | | | 123.89 |
| 4240 | 68.48 | 10.00 | | | 78.48 |
| 4260 | 266.48 | 33.00 | | | 299.48 |
| 4280 | 69.00 | 15.00 | | | 84.00 |
| 4560 | 142.00 | 24.00 | | | 166.00 |
| 4580 | 93.12 | 10.00 | | | 103.12 |
| 4780 | 329.67 | 25.00 | | | 354.67 |
| 4830 | 81.63 | 45.99 | | | 127.02 |
| 3040 | 227.84 | 46.98 | | | 274.82 |
| 3080 | 251.54 | 70.44 | | | 321.98 |
| 3140 | 467.43 | 63.99 | | | 531.42 |
| 3160 | 362.40 | 36.71 | | | 399.11 |
| 1050 | 706.58 | 109.18 | | | 815.76 |
| 1075 | 313.09 | 80.75 | | | 393.84 |
| 1080 | 546.40 | 74.45 | | | 620.85 |
| 1085 | 346.03 | 116.12 | | | 462.15 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | | | | |
|--------------------|------------------|-----------------|--|--|------------------|
| 1095 | 667.46 | 131.72 | | | 799.18 |
| Grand Total | 10,701.58 | 1,881.80 | | | 12,583.38 |

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 of Average Daily Attendance 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 | True |
| | Prekindergarten eligible to be claimed for state aid | True |
| | Remediation | True |
| | Sheltered Workshop participation | N/A |
| | Students participating in the school flex program | True |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | |
|-------------|---|-------------|
| | 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/charter school's treasurer in the total amount of: | \$3,000,000 |
| 5.6 | The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | 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. | 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) | N/A |
| 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 | True |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | |
|-------------|---|-----------|
| | current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.) | |
| 5.12 | The amount spent for approved professional development committee plan activities was: | \$509,784 |
| 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. | True |

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: | True |
| | Eligible ADT | 7,134.0 |
| | Ineligible ADT | 371.5 |
| 6.4 | The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. | True |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2020**

County District Number 039-141

| | | |
|------------|--|-----------|
| 6.5 | Actual odometer records show the total district/charter-operated and contracted mileage for the year was: | 1,584,070 |
| 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 | 1,263,964 |
| | Ineligible Miles (Non-Route/Disapproved) | 320,106 |
| 6.7 | Number of days the district/charter school operated the school transportation system during the regular school year: | 129 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH GRANTOR NUMBER | PASSED THROUGH TO SUBRECIPIENTS | EXPENDITURES |
|--|----------------|--------------------------------|---------------------------------------|--------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Child Nutrition Cluster: | | | | |
| Passed-through Missouri Department of Elementary and Secondary Education: | | | | |
| School Breakfast Program | 10.553 | 039-141 | \$ - | \$ 2,167,583 |
| National School Lunch Program | 10.555 | 039-141 | - | 4,451,233 |
| Non-Cash: Food Distribution Program | 10.555 | 039-141 | - | 650,801 |
| | | | - | 7,269,617 |
| Passed-through Missouri Department of Health and Senior Services: | | | | |
| Summer Food Service Program | 10.559 | ERS0462026S | - | 852,879 |
| COVID-19 - Summer Food Service Program | 10.559 | ERS0462026S | - | 1,678,634 |
| Total Child Nutrition Cluster | | | - | 9,801,130 |
| Passed-through Missouri Department of Health and Senior Services: | | | | |
| Child and Adult Care Food Program | 10.558 | ERS46132026 | - | 407,004 |
| Passed-through Missouri Department of Elementary and Secondary Education: | | | | |
| Fresh Fruit and Vegetable Program | 10.582 | 039-141 | - | 242,317 |
| Total U.S. Department of Agriculture | | | - | 10,450,451 |
| <u>U.S. Department of Defense</u> | | | | |
| Direct: | | | | |
| Reserve Officer Training Corps | 12.000 | | - | 33,889 |
| <u>U.S. Department of Treasury</u> | | | | |
| Passed-through Missouri Department of Elementary and Secondary Education: | | | | |
| COVID-19 - Coronavirus Relief Fund | 21.019 | 039-141 | - | 189,413 |
| Passed-through Green County, Missouri: | | | | |
| COVID-19 - Coronavirus Relief Fund | 21.019 | 205523.6500.650 | - | 595,737 |
| Total COVID-19 - Coronavirus Relief Fund | | | - | 785,150 |
| <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 | 039-141 | - | 5,597,870 |
| Special Education - Preschool Grants | 84.173A | 039-141 | - | 200,965 |
| Total Special Education Cluster (IDEA) | | | - | 5,798,835 |
| Title I - Grants to Local Educational Agencies | 84.010A | 039-141 | - | 8,639,322 |
| Migrant Education - State Grant Program | 84.011A | 039-141 | - | 591 |
| Title I - School Improvement Grant, Section 1003(G) | 84.377A | 039-141 | - | 1,769,353 |
| Career and Technical Education - Basic Grants to States | 84.048A | 039-141 | - | 24,347 |
| Education for Homeless Children and Youth | 84.196A | 039-141 | - | 141,091 |
| English Language Acquisition State Grants | 84.365A | 039-141 | - | 184,162 |
| Supporting Effective Instruction State Grants | 84.367A | 039-141 | - | 1,043,578 |
| Student Support and Academic Enrichment Program | 84.424A | 039-141 | - | 575,076 |
| COVID-19 - Education Stabilization Fund | 84.425D | 039-141 | - | 3,500,000 |
| Total U.S. Department of Education | | | - | 21,676,355 |

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | PASS-THROUGH GRANTOR NUMBER | PASSED THROUGH TO SUBRECIPIENTS | EXPENDITURES |
|--|---------------------------|--------------------------------|---------------------------------------|----------------------|
| <u>U.S. Department of Health & Human Services</u> | | | | |
| Passed-through Missouri Department of Social Services: | | | | |
| Community Services Block Grant - No Kid Hungry | 93.569 | 19B1MOCOSR | - | 20,985 |
| Total TANF Cluster | | | - | 20,985 |
| CCDF Cluster: | | | | |
| Passed-through Missouri Department of Elementary and Secondary Education: | | | | |
| Child Care and Development Block Grant | 93.575 | 039-141 | 50,307 | 50,307 |
| Emergency Worker Childcare Block Grant | 93.575 | 039-141 | - | 472,856 |
| Total CCDF Cluster | | | 50,307 | 523,163 |
| Passed-through Ozarks Area Community Action Corporation: | | | | |
| Head Start | 93.600 | | - | 146,650 |
| Total U.S. Department of Health & Human Services | | | 50,307 | 690,798 |
| Total Expenditures of Federal Awards | | | <u>\$ 50,307</u> | <u>\$ 33,636,643</u> |

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The School District of Springfield R-XII under programs of the federal government for the year ended June 30, 2020. 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 The School District of Springfield R-XII, it is not intended to and does not present the financial position, change in net position or cash flows of The School District of Springfield R-XII.

Note 2. Summary of Significant Accounting Policies

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

INTERNAL CONTROL AND COMPLIANCE

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

To the Board of Education
The School District of Springfield R-XII

We have audited the administration's assertions, included in its representation letter dated November 19, 2020 that The School District of Springfield R-XII 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, 2019 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2020; 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 actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2020. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2020, are fairly stated in all material respects.

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

November 19, 2020

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

None

**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
The School District of Springfield R-XII

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information for The School District of Springfield R-XII as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2020.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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 intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
November 19, 2020

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

To the Board of Education
The School District of Springfield R-XII

Report on Compliance for Each Major Federal Program

We have audited The School District of Springfield R-XII's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the 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, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 upon the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
November 19, 2020

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ 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 auditors' 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:

| | |
|--|------------------|
| Title I, Part A | CFDA No. 84.010A |
| Title I, School Improvement Grant Section 1003 (G) | CFDA No. 84.377A |
| COVID-19 - Education Stabilization Fund | CFDA No. 84.425D |

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

\$ 1,009,099

Auditee qualified as low-risk auditee?

_____ Yes X No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None