

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

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

FOR THE YEAR ENDED JUNE 30, 2023

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
TABLE OF CONTENTS**

Independent Auditors’ Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position - Modified Cash Basis.....	13
Statement of Activities - Modified Cash Basis	14
Balance Sheet - Modified Cash Basis - Governmental Funds	15
Statement of Revenues, Expenditures and Change in Fund Balances - Modified Cash Basis - Governmental Funds	16
Statement of Fiduciary Net Position - Modified Cash Basis	17
Statement of Changes in Fiduciary Net Position - Modified Cash Basis.....	18
Notes to the Basic Financial Statements	19
Supplementary Information:	
Budgetary Comparison Schedule - Modified Cash Basis:	
General Fund.....	31
Special Revenue Fund.....	32
Debt Service Fund.....	33
Capital Projects Fund.....	34
Notes to the Budgetary Comparison Schedule.....	35
Schedule of Revenues Collected by Source.....	36
Schedule of Expenditures of Federal Awards.....	37
Internal Control and Compliance:	
Independent Accountants’ Report on the Administration's Assertion About Compliance with Specified Requirements of Missouri Laws and Regulations	39
Schedule of Selected Statistics - Unaudited.....	40
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 <i>Government Auditing Standards</i>	47
Independent Auditors’ Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	49
Schedule of Findings and Questioned Costs.....	52

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2023, 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.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 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.

Responsibilities of Management 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, on pages 4 through 12, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond, Missouri
November 8, 2023



Springfield Public Schools

Committed to the well-being of each student by providing high-quality academic opportunities.

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, 2023. 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 2023 fiscal year are as follows:

- 1) Operating fund balances for the District (General Fund and Special Revenue Fund) increased by \$16,756,376 from \$83,618,882 to \$100,375,258. Additionally, the General Fund provided for fund transfers of \$11,568,851 to the Capital Projects Fund for necessary capital outlay expenditures.
- 2) District operating fund revenues increased by \$31,581,107 from \$337,061,110 to \$368,642,217. This increase was primarily due to the receipt of ESSER III stimulus funds.
- 3) District operating fund expenditures increased by \$31,724,513 from \$308,592,477 to \$340,316,990. This increase is primarily due to the increase in salary and benefits as well as adding staff to meet the needs of students.
- 4) The increase to the District's long-term debt was \$123,775,116 where total long-term debt changed from \$369,193,640 to \$492,968,756. This net increase is primarily due to annual principal payments as well as the issuance of the Series 2023 General Obligation School Building Bonds.
- 5) The Capital Projects Fund balance increased by \$166,273,681 from \$67,389,737 to \$233,663,418. Before the \$11,568,851 transfer from the General Fund, the increase in the Capital Projects Fund balance was \$154,704,830. This increase is primarily due to proceeds from the Series 2023 General Obligation School Building Bonds.

Using this Annual Reports

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 reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The District as A Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary and comparison of the District’s net position for 2023 and 2022:

TABLE 1	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 270,119,491	\$ 143,331,866
Investments	78,619,281	19,982,587
Escrow funds	10,670,317	52,346,221
Total Assets	<u><u>\$ 359,409,089</u></u>	<u><u>\$ 215,660,674</u></u>
NET POSITION		
Restricted for:		
Capital outlay	\$ 233,663,418	\$ 67,389,737
Debt service	25,370,413	64,652,055
Unrestricted	<u>100,375,258</u>	<u>83,618,882</u>
Total Net Position	<u><u>\$ 359,409,089</u></u>	<u><u>\$ 215,660,674</u></u>

Total assets at June 30, 2023 were reported at \$359,409,089.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was \$100,375,258. The District has restricted net position of \$233,663,418 for capital outlay and \$25,370,413 for debt service.

Table 2 shows the change in net position for fiscal years 2023 and 2022.

TABLE 2
REVENUES

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services	\$ 19,432,028	\$ 25,732,381
Operating grants and contributions	86,748,201	70,674,335
Capital grants and contributions	<u>515,545</u>	<u>2,328,637</u>
Total Program Revenues	<u>106,695,774</u>	<u>98,735,353</u>
General Revenues:		
Property taxes	176,695,050	164,032,790
Basic formula	72,576,231	69,756,417
Sales tax	33,221,331	31,361,420
Earnings on investments	24,587,799	2,254,873
M&M surtax	10,133,059	9,178,002
State assessed utilities	2,317,653	2,254,945
Financial institution tax	581,230	909,748
Fines and escheats	451,152	377,838
In lieu of tax	358,956	271,437
County stock insurance fund	29,709	223,346
Other revenue	<u>1,254,976</u>	<u>779,421</u>
Total General Revenues	322,207,146	281,400,237
Special item - bond proceeds	<u>190,000,000</u>	<u>-</u>
Total General Revenues and Special Item	<u>512,207,146</u>	<u>281,400,237</u>
Total Revenues	<u>618,902,920</u>	<u>380,135,590</u>

PROGRAM EXPENSES

Instruction	158,491,190	147,758,952
Student activities	10,420,470	9,323,329
Student services	28,647,103	27,175,381
Instructional staff support	23,287,395	22,391,912
General administration and central services	38,508,110	28,754,120
Building level administration	18,412,654	14,951,639
Operation of plant	32,017,626	28,007,639
Pupil transportation	13,815,679	12,924,250
Food service	14,861,669	14,025,039
Community services	12,206,044	8,531,479
Facility acquisition and construction	43,386,467	68,976,178
Debt Service:		
Principal retirement	65,413,000	46,230,751
Interest and fees	<u>15,687,098</u>	<u>16,436,510</u>
Total Governmental Activities Expenses	<u>475,154,505</u>	<u>445,487,179</u>
CHANGE IN NET POSITION	143,748,415	(65,351,589)
Net Position Beginning of Year	<u>215,660,674</u>	<u>281,012,263</u>
Net Position End of Year	<u>\$ 359,409,089</u>	<u>\$ 215,660,674</u>

Governmental Activities

Revenues

General revenues and special item totaled \$512,207,146. The three largest sources of general revenue for the School District of Springfield R-XII are generated from local property taxes \$176,695,050, the Basic Foundation Formula \$72,576,231 and Proposition C sales tax \$33,221,331. Program specific revenues in the form of operating and capital grants totaled \$87,263,746. The largest portion of this revenue was from the food service programs, Title I program, Education Stabilization Fund and Individuals with Disabilities (IDEA) program. State reimbursement for food service and transportation were \$12,836,212 and \$8,098,018, respectively. Charges for services, including tuition, student activities and food service, totaled \$19,432,028.

Expenditures

Expenditures for governmental activities totaled \$475,154,505 and \$106,695,774 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.

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

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 158,491,190	\$ 101,962,453	\$ 147,758,952	\$ 88,436,043
Student activities	10,420,470	7,133,792	9,323,329	6,354,855
Student services	28,647,103	22,204,853	27,175,381	22,733,940
Instructional staff support	23,287,395	16,513,697	22,391,912	16,461,325
General administration and central services	38,508,110	36,832,266	28,754,120	27,872,881
Building level administration	18,412,654	17,125,676	14,951,639	14,951,639
Operation of plant	32,017,626	29,817,737	28,007,639	26,164,183
Pupil transportation	13,815,679	5,678,985	12,924,250	9,585,848
Food service	14,861,669	(564,729)	14,025,039	(1,040,208)
Community services	12,206,044	7,486,601	8,531,479	4,536,384
Facility acquisition and construction	43,386,467	43,167,302	68,976,178	68,027,675
Debt Service:				
Principal retirement	65,413,000	65,413,000	46,230,751	46,230,751
Interest and fees	15,687,098	15,687,098	16,436,510	16,436,510
Total Governmental Activities	<u>\$ 475,154,505</u>	<u>\$ 368,458,731</u>	<u>\$ 445,487,179</u>	<u>\$ 346,751,826</u>

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.

Pupil 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 \$618,902,920 and total expenditures of \$475,154,505. The net change in fund balances for the year was significant in the Debt Service Fund and the Capital Projects Fund which decreased \$39,281,642 and increased \$166,273,681, respectively. The decrease in the Debt Service Fund was due to paying off the Series 2013 bonds. The net increase in the Capital Projects Fund is a result of the various construction projects ongoing throughout the District and the issuance of the Series 2023 General Obligation School Building Bonds.

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 \$167,948,096 representing a \$13,806,916 decrease from the original budget estimate of \$181,755,012. Total actual General Fund expenditures were \$136,006,966 representing an \$8,646,844 increase from the original budget estimate of \$127,360,122.

Debt Administration

As of June 30, 2023, the District had \$492,968,756 in debt. This represents an increase of \$123,775,116 from the \$369,193,640 in outstanding debt that existed as of June 30, 2022.

TABLE 4

Outstanding Debt

	<u>2023</u>	<u>2022</u>
Series 2010C G.O. School Construction Bonds	\$ 7,554,000	\$ 7,554,000
Series 2012 G.O. School Refunding Bonds	-	4,745,000
Series 2013 G.O. School Building Bonds	-	45,000,000
Series 2014B G.O. School Refunding Bonds	32,930,000	42,430,000
Series 2017 G.O. School Refunding Bonds	98,795,000	98,795,000
Series 2019 G.O. School Building Bonds	139,000,000	141,000,000
Series 2020 G.O. School Refunding & Improvement Bonds	22,960,000	24,960,000
Series 2023 G.O. School Building Bonds	190,000,000	-
2525 W College building lease purchase	-	811,884
2020 Technology equipment lease purchase	-	922,238
2021 Technology equipment lease purchase	755,009	1,505,008
2022 Technology equipment lease purchase	974,747	1,470,510
Total	<u>\$ 492,968,756</u>	<u>\$ 369,193,640</u>

The Series 2010C Bond issue in the amount of \$7,554,000 for the purpose of making improvements, repairs and renovations to existing buildings.

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 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 issue.

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 Series 2020 Bond issue in the amount of \$28,960,000 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, as well as refunding the Series 2011 Bond issue, resulting in \$2,621,411 net present value savings.

The Series 2023 Bond issue in the amount of \$190,000,000 for the purpose of constructing, improving, extending, repairing, rebuilding, renovating, acquiring, furnishing and equipping new and existing school facilities and purchasing land therefor, including (a) safety and security upgrades at all school facilities, (b) constructing a new Pipkin Middle School and a new Reed Middle School, (c) renovating Pershing School,

and (d) constructing storm shelters at the following elementary schools: Cowden, Holland, Mann, Pittman, Watkins, and Wilder.

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

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

The 2021 technology equipment lease allowed for various chromebooks requiring three annual payments of \$760,053, including interest of 0.668%.

The 2022 technology equipment lease allowed for various chromebooks requiring three annual payments of \$501,381, including interest of 1.910%.

Overview of Springfield Public Schools and Future Focus

Springfield Public Schools (SPS) is Missouri's largest school district, representing over 24,000 students and over 3,600 employees.

In addition to traditional learning environments across 31 elementary schools, an intermediate school, six middle-level schools, four K-8 schools, five high schools, a virtual learning center, an alternative education center, a center for gifted education, four academy schools, and four early childhood centers, SPS collaborates with community partners to offer more than a dozen programs that meet the diverse needs of students and their community.

The District's work is guided by the strategic plan, which focuses on four priorities: student success-ready students; organizational efficiency and excellence, collaborative culture and quality learning environments.

SPS recognizes that the ongoing commitment to fiscal responsibility, accountability, and transparency is crucial to fulfilling the mission of being committed to the well-being of each student by providing high-quality academic opportunities. 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 the 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 individuals, businesses and organizations. These remarkable citizens help the District's vision to be the district of choice that equips each student to pursue their goals and highest potential as an engaged contributor to society.

The District's goal is to continue demonstrating financial excellence to those who trust 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 decision-making, to serve the best interests of 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.

Travis Shaw, Ed.D.
Deputy Superintendent of Operations

Cara Stassel
Executive Director of Business Services

Tammy Short
Director of Business Services

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 270,119,491
Investments	78,619,281
Escrow funds	<u>10,670,317</u>
Total assets	<u>359,409,089</u>
NET POSITION	
Restricted for:	
Capital outlay	233,663,418
Debt service	25,370,413
Unrestricted	<u>100,375,258</u>
Total net position	<u>\$ 359,409,089</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, 2023

	PROGRAM REVENUES				Net (Expenditures)
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position <u>Governmental</u>
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 158,491,190	\$ 13,179,278	\$ 43,276,118	\$ 73,341	\$ (101,962,453)
Student activities	10,420,470	3,273,501	13,177	-	(7,133,792)
Student services	28,647,103	-	6,442,250	-	(22,204,853)
Instruction staff support	23,287,395	-	6,773,698	-	(16,513,697)
General administration & central services	38,508,110	-	1,675,844	-	(36,832,266)
Building administration	18,412,654	-	1,286,978	-	(17,125,676)
Operation of plant	32,017,626	197,452	1,823,937	178,500	(29,817,737)
Pupil transportation	13,815,679	38,676	8,098,018	-	(5,678,985)
Food service	14,861,669	2,590,186	12,814,417	21,795	564,729
Community services	12,206,044	152,935	4,543,764	22,744	(7,486,601)
Facility acquisition and construction	43,386,467	-	-	219,165	(43,167,302)
Debt service:					
Principal retirement	65,413,000	-	-	-	(65,413,000)
Interest and fees	15,687,098	-	-	-	(15,687,098)
Total Governmental Activities	\$ 475,154,505	\$ 19,432,028	\$ 86,748,201	\$ 515,545	(368,458,731)
			General Revenues:		
			Property taxes		176,695,050
			Basic formula		72,576,231
			Sales tax		33,221,331
			Earnings on investments		24,587,799
			M&M surtax		10,133,059
			State assessed utilities		2,317,653
			Financial institution tax		581,230
			Fines and escheats		451,152
			In lieu of tax		358,956
			County stock insurance fund		29,709
			Other revenue		1,254,976
			Total General Revenues		322,207,146
			Special item - bond proceeds		190,000,000
			Total General Revenues and Special item		512,207,146
			Change in net position		143,748,415
			Net Position Beginning of year		215,660,674
			Net Position End of year		\$ 359,409,089

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 100,375,258	\$ -	\$ 14,700,096	\$ 155,044,137	\$ 270,119,491
Investments	-	-	-	78,619,281	78,619,281
Escrow funds	-	-	10,670,317	-	10,670,317
Total assets	<u>\$ 100,375,258</u>	<u>\$ -</u>	<u>\$ 25,370,413</u>	<u>\$ 233,663,418</u>	<u>\$ 359,409,089</u>
FUND BALANCES					
Fund balances:					
Restricted	\$ 1,910,339	\$ -	\$ 25,370,413	\$ 199,864,440	\$ 227,145,192
Committed	-	-	-	16,139,050	16,139,050
Assigned	12,034,735	-	-	17,659,928	29,694,663
Unassigned	<u>86,430,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,430,184</u>
Total fund balances	<u>\$ 100,375,258</u>	<u>\$ -</u>	<u>\$ 25,370,413</u>	<u>\$ 233,663,418</u>	<u>\$ 359,409,089</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, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 96,468,534	\$ 100,114,457	\$ 37,662,223	\$ 21,042,080	\$ 255,287,294
County	1,033,152	1,296,443	468,919	-	2,798,514
State	30,782,793	59,130,256	-	126,343	90,039,392
Federal	26,630,583	40,152,965	513,066	60,027	67,356,641
Other	13,033,034	-	-	388,045	13,421,079
Total Revenues	167,948,096	200,694,121	38,644,208	21,616,495	428,902,920
EXPENDITURES:					
Instruction	13,641,991	144,150,139	-	699,060	158,491,190
Student activities	5,986,801	4,362,106	-	71,563	10,420,470
Student services	13,063,071	15,584,032	-	-	28,647,103
Instruction staff support	7,976,058	15,033,915	-	277,422	23,287,395
General administration & central services	24,985,546	6,101,427	-	7,421,137	38,508,110
Building administration	5,479,343	12,933,311	-	-	18,412,654
Operation of plant	30,859,085	-	-	1,158,541	32,017,626
Pupil transportation	13,030,714	258,205	-	526,760	13,815,679
Food service	14,691,137	-	-	170,532	14,861,669
Community services	6,293,220	5,886,889	-	25,935	12,206,044
Facility acquisition and construction	-	-	-	43,386,467	43,386,467
Debt service:					
Principal retirement	-	-	63,245,000	2,168,000	65,413,000
Interest and fees	-	-	14,680,850	1,006,248	15,687,098
Total Expenditures	136,006,966	204,310,024	77,925,850	56,911,665	475,154,505
Revenues Over (Under) Expenditures	31,941,130	(3,615,903)	(39,281,642)	(35,295,170)	(46,251,585)
Other Financing Sources (Uses):					
Transfers	(15,184,754)	3,615,903	-	11,568,851	-
Proceeds from sale of bonds	-	-	-	190,000,000	190,000,000
Total Other Financing Sources (Uses)	(15,184,754)	3,615,903	-	201,568,851	190,000,000
Net change in fund balance	16,756,376	-	(39,281,642)	166,273,681	143,748,415
Fund balance, beginning	83,618,882	-	64,652,055	67,389,737	215,660,674
Fund balance, ending	\$ 100,375,258	\$ -	\$ 25,370,413	\$ 233,663,418	\$ 359,409,089

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, 2023**

	<u>SELF INSURANCE FUND</u>	<u>PRIVATE-PURPOSE TRUST FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ <u>6,457,540</u>	\$ <u>99,583</u>	\$ <u>6,557,123</u>
NET POSITION			
Unrestricted	\$ <u>6,457,540</u>	\$ <u>99,583</u>	\$ <u>6,557,123</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, 2023

	SELF INSURANCE FUND	PRIVATE-PURPOSE TRUST FUND	TOTAL
Additions			
Program funding	\$ -	\$ 350,782	\$ 350,782
Insurance reimbursement	1,386,543	-	1,386,543
Contributions - Employees	8,987,622	-	8,987,622
Contributions - District	21,108,780	-	21,108,780
Forfeitures	1,678,929	-	1,678,929
Interest income	80,094	540	80,634
Total additions	<u>33,241,968</u>	<u>351,322</u>	<u>33,593,290</u>
Deductions			
GO CAPS Program	-	344,654	344,654
Insurance premiums	1,918,094	-	1,918,094
Administrative expenses	935,166	-	935,166
Benefit claims	32,000,254	-	32,000,254
Total deductions	<u>34,853,514</u>	<u>344,654</u>	<u>35,198,168</u>
Change in Net Position	(1,611,546)	6,668	(1,604,878)
Net Position, beginning	<u>8,069,086</u>	<u>92,915</u>	<u>8,162,001</u>
Net Position, ending	<u>\$ 6,457,540</u>	<u>\$ 99,583</u>	<u>\$ 6,557,123</u>

See accompanying notes to the basic financial statements.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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:

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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).

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2023, for July and August 2023 payrolls related to 2022-2023 contracts in the amount of \$17,368,803 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, 2023, the bank balances of the District's deposits totaled \$179,330,485. Of this amount, \$44,491,762 was covered by FDIC insurance and \$134,838,723 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits and sweep/repurchase agreements.

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.

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.

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 \$7,327,020 invested with MOHEFA at June 30, 2023.

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 \$3,343,297 invested in this account at June 30, 2023.

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 \$52,947,858 invested with MOSIP at June 30, 2023.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE B - CASH AND CASH EQUIVALENTS (continued)

The Missouri Capital Asset Advantage Treasury (MOCAAT) is professionally managed by PMA Financial Network, a registered investment adviser, who is one of the midwests' largest administrators of local government investment programs. All investments in the MOCAAT liquid series are rated AAAM by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. At June 30, 2023, the District has a total of \$175,066,646 invested with MOCAAT, in savings deposit accounts and certificates of deposit.

NOTE C - INVESTMENTS

As of June 30, 2023, the District had \$78,619,281 invested with MOCAAT in U.S. Treasury notes, reported at cost.

Interest rate risk: In accordance with its investment policy, the District will minimize the risk that the market value of securities 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: The District will minimize credit risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business and diversifying the portfolio so that potential loss on individual securities will be minimized.

Concentration of credit risk: The maximum allocation to banker's acceptances is 25%. The District may invest no more than 5% of the total market value of the portfolio in bankers' acceptances issued by any one commercial bank. Maximum allocation to commercial paper of 50%. No more than 5% of the total market value of the portfolio may be invested in any one issuer of commercial paper.

NOTE D - TAX ABATEMENTS

The District's 2022 property tax revenues were reduced by \$4,285,169 under agreements entered into by City of Springfield. The District also received \$358,956 associated with the abated taxes in fiscal year 2023.

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 2022.

The assessed valuation of the tangible taxable property for the calendar year 2022 for purposes of local taxation was:

Real Estate:	
Residential	\$ 2,212,745,569
Agricultural	7,349,520
Commercial	1,267,707,294
Personal property	848,442,497
Total	<u><u>\$ 4,336,244,880</u></u>

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE E - TAXES (continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.8407	\$ 1.8407
Special Revenue Fund	1.5060	1.5060
Debt Service Fund	0.7300	0.7300
Capital Projects Fund	-	-
	<u>\$ 4.0767</u>	<u>\$ 4.0767</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

NOTE F - INSURANCE

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, 2023, the District made contributions of \$21,108,780 and employees contributed \$8,987,622 to the plan.

NOTE G - RETIREMENT PLAN

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psr-peers.org.

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

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE G - RETIREMENT PLAN (continued)

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 2023. 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, 2023 were \$22,359,890, equal to the required contributions. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2023, were \$382,329, 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. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psr-peers.org.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 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.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2023. 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 SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE G - RETIREMENT PLAN (continued)

The District's contributions to PEERS for the year ended June 30, 2023, were \$4,694,487, equal to the required contributions.

NOTE H - LONG-TERM DEBT

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

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Amount due in one year
General Obligation Bonds	\$ 364,484,000	\$ 190,000,000	\$ 63,245,000	\$ 491,239,000	\$ 16,430,000
Direct Borrowings	4,709,640	-	2,979,884	1,729,756	1,237,772
Total	\$ 369,193,640	\$ 190,000,000	\$ 66,224,884	\$ 492,968,756	\$ 17,667,772

NOTE I - GENERAL OBLIGATION BONDS

Bonds payable at June 30, 2023, 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 2014B general obligation refunding bonds due in varying annual installments through March 1, 2026; interest at 4.794% to 5.0%	32,930,000
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%	139,000,000
Series 2020 general obligation refunding & improvement bonds due in varying annual installments through March 1, 2040; interest at 1.75% to 3.0%	22,960,000
Series 2023 general building bonds due in varying annual installments through March 1, 2043; interest at 4.0% to 5.0%	190,000,000
Total	\$ 491,239,000

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE I - GENERAL OBLIGATION BONDS (continued)

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 16,430,000	\$ 18,127,369	\$ 34,557,369
2025	15,885,000	19,715,550	35,600,550
2026	16,740,000	19,070,550	35,810,550
2027	18,225,000	18,110,300	36,335,300
2028	23,944,000	17,561,900	41,505,900
2029	16,230,000	17,353,600	33,583,600
2030	18,080,000	16,692,050	34,772,050
2031	19,905,000	15,855,050	35,760,050
2032	21,575,000	14,962,300	36,537,300
2033	23,810,000	13,613,850	37,423,850
2034	23,315,000	12,504,850	35,819,850
2035	23,600,000	11,650,750	35,250,750
2036	26,100,000	10,445,450	36,545,450
2037	28,900,000	8,891,000	37,791,000
2038	31,600,000	7,446,000	39,046,000
2039	34,200,000	6,406,000	40,606,000
2040	31,800,000	5,296,000	37,096,000
2041	30,500,000	4,036,000	34,536,000
2042	33,600,000	2,816,000	36,416,000
2043	36,800,000	1,472,000	38,272,000
Total	<u>\$ 491,239,000</u>	<u>\$ 242,026,569</u>	<u>\$ 733,265,569</u>

NOTE J - 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%. This lease was paid off on September 1, 2022.

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%.

On April 2, 2021, the District entered into a \$2,260,405 lease purchase agreement for Chromebooks. The agreement requires three annual payments of \$760,053 through July 23, 2023, including interest at 0.668%.

On May 4, 2022, the District entered into a \$1,470,510 lease purchase agreement for Chromebooks. The agreement requires three annual payments of \$501,381 through July 15, 2024, including interest at 1.910%.

Debt service requirements on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,237,772	\$ 23,661	\$ 1,261,433
2025	491,984	9,397	501,381
Total	<u>\$ 1,729,756</u>	<u>\$ 33,058</u>	<u>\$ 1,762,814</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.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE K - INTERFUND TRANSFERS

During the year, the District transferred \$3,615,903 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

The District also made a \$10,011,320 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 \$1,557,531 transfer from the General Fund to the Capital Projects Fund for related transportation and food service capital outlay expenditures.

NOTE L - 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.

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.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE L - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

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.

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt service	\$ -	\$ -	\$ 25,370,413	\$ -
Launch program	1,910,339	-	-	-
Unspent bond proceeds	-	-	-	199,864,440
Total restricted	<u>1,910,339</u>	<u>-</u>	<u>25,370,413</u>	<u>199,864,440</u>
Committed:				
Construction projects	-	-	-	16,139,050
Assigned:				
Capital projects	-	-	-	17,659,928
Food service	2,626,680	-	-	-
Student activities	9,408,055	-	-	-
Total assigned	<u>12,034,735</u>	<u>-</u>	<u>-</u>	<u>17,659,928</u>
Unassigned	<u>86,430,184</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 100,375,258</u>	<u>\$ -</u>	<u>\$ 25,370,413</u>	<u>\$ 233,663,418</u>

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE M - COMMITMENTS

At June 30, 2023, the District was committed to \$16,290,458 in construction contracts, technology purchases, vehicle purchases, and various supply purchases of which \$5,923,430 will be funded with building bond proceeds.

NOTE N - LITIGATION

As of June 30, 2023, 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.

SUPPLEMENTARY INFORMATION

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 86,137,596	\$ 96,050,596	\$ 96,468,534	\$ 417,938
County	1,181,153	1,181,153	1,033,152	(148,001)
State	26,149,496	30,091,335	30,782,793	691,458
Federal	50,471,698	43,903,760	26,630,583	(17,273,177)
Other	17,815,069	12,587,573	13,033,034	445,461
Total Revenues	<u>181,755,012</u>	<u>183,814,417</u>	<u>167,948,096</u>	<u>(15,866,321)</u>
EXPENDITURES:				
Instruction	12,408,853	13,137,213	13,641,991	(504,778)
Student activities	7,218,643	7,783,962	5,986,801	1,797,161
Student services	12,444,293	12,886,281	13,063,071	(176,790)
Instruction staff support	8,531,680	9,071,969	7,976,058	1,095,911
General administration & central services	23,374,108	24,823,450	24,985,546	(162,096)
Building administration	4,612,586	4,915,057	5,479,343	(564,286)
Operation of plant	29,572,249	31,142,668	30,859,085	283,583
Pupil transportation	11,944,745	13,062,484	13,030,714	31,770
Food service	13,355,876	15,175,190	14,691,137	484,053
Community services	3,897,089	5,883,364	6,293,220	(409,856)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>127,360,122</u>	<u>137,881,638</u>	<u>136,006,966</u>	<u>1,874,672</u>
Revenues Over (Under) Expenditures	54,394,890	45,932,779	31,941,130	(13,991,649)
Other Financing Sources (Uses):				
Transfers	<u>(52,738,695)</u>	<u>(37,721,343)</u>	<u>(15,184,754)</u>	<u>22,536,589</u>
Net change in fund balance	1,656,195	8,211,436	16,756,376	8,544,940
Fund balance, beginning	<u>83,618,882</u>	<u>83,618,882</u>	<u>83,618,882</u>	<u>-</u>
Fund balance, ending	<u>\$ 85,275,077</u>	<u>\$ 91,830,318</u>	<u>\$ 100,375,258</u>	<u>\$ 8,544,940</u>

See accompanying notes to the budgetary comparison schedule.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 94,559,872	\$ 99,802,267	\$ 100,114,457	\$ 312,190
County	1,223,133	1,413,133	1,296,443	(116,690)
State	56,687,315	60,128,540	59,130,256	(998,284)
Federal	17,216,623	22,383,975	40,152,965	17,768,990
Other	-	-	-	-
Total Revenues	<u>169,686,943</u>	<u>183,727,915</u>	<u>200,694,121</u>	<u>16,966,206</u>
EXPENDITURES:				
Instruction	154,993,164	152,411,783	144,150,139	8,261,644
Student activities	4,574,575	4,290,839	4,362,106	(71,267)
Student services	15,363,182	15,395,882	15,584,032	(188,150)
Instruction staff support	12,841,074	13,394,776	15,033,915	(1,639,139)
General administration & central services	6,281,599	6,166,212	6,101,427	64,785
Building administration	11,525,987	12,233,593	12,933,311	(699,718)
Operation of plant	-	-	-	-
Pupil transportation	141,006	141,006	258,205	(117,199)
Food service	-	-	-	-
Community services	5,705,051	5,846,316	5,886,889	(40,573)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>211,425,638</u>	<u>209,880,407</u>	<u>204,310,024</u>	<u>5,570,383</u>
Revenues Over (Under) Expenditures	(41,738,695)	(26,152,492)	(3,615,903)	22,536,589
Other Financing Sources (Uses):				
Transfers	<u>41,738,695</u>	<u>26,152,492</u>	<u>3,615,903</u>	<u>(22,536,589)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the budgetary comparison schedule.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 34,156,330	\$ 37,657,344	\$ 37,662,223	\$ 4,879
County	483,130	483,130	468,919	(14,211)
State	-	-	-	-
Federal	-	341,300	513,066	171,766
Other	-	-	-	-
Total Revenues	<u>34,639,460</u>	<u>38,481,774</u>	<u>38,644,208</u>	<u>162,434</u>
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
General administration & central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	63,245,000	63,245,000	63,245,000	-
Interest and fees	<u>14,680,900</u>	<u>14,680,900</u>	<u>14,680,850</u>	<u>50</u>
Total Expenditures	<u>77,925,900</u>	<u>77,925,900</u>	<u>77,925,850</u>	<u>50</u>
Revenues Over (Under) Expenditures	(43,286,440)	(39,444,126)	(39,281,642)	162,484
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Net change in fund balance	(43,286,440)	(39,444,126)	(39,281,642)	162,484
Fund balance, beginning	<u>64,652,055</u>	<u>64,652,055</u>	<u>64,652,055</u>	<u>-</u>
Fund balance, ending	<u>\$ 21,365,615</u>	<u>\$ 25,207,929</u>	<u>\$ 25,370,413</u>	<u>\$ 162,484</u>

See accompanying notes to the budgetary comparison schedule.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 8,427,843	\$ 20,752,859	\$ 21,042,080	\$ 289,221
County	-	-	-	-
State	458,573	52,631	126,343	73,712
Federal	50,938	82,572	60,027	(22,545)
Other	100,000	250,000	388,045	138,045
Total Revenues	<u>9,037,354</u>	<u>21,138,062</u>	<u>21,616,495</u>	<u>478,433</u>
EXPENDITURES:				
Instruction	269,900	464,101	699,060	(234,959)
Student activities	-	68,965	71,563	(2,598)
Student services	-	-	-	-
Instruction staff support	-	226,881	277,422	(50,541)
General administration & central services	8,332,179	8,336,053	7,421,137	914,916
Building administration	-	-	-	-
Operation of plant	736,408	857,768	1,158,541	(300,773)
Pupil transportation	1,113,000	1,145,136	526,760	618,376
Food service	231,000	256,974	170,532	86,442
Community services	-	-	25,935	(25,935)
Facility acquisition and construction	44,506,704	50,445,637	43,386,467	7,059,170
Debt service:				
Principal retirement	2,168,001	2,168,001	2,168,000	1
Interest and fees	49,352	714,352	1,006,248	(291,896)
Total Expenditures	<u>57,406,544</u>	<u>64,683,868</u>	<u>56,911,665</u>	<u>7,772,203</u>
Revenues Over (Under) Expenditures	<u>(48,369,190)</u>	<u>(43,545,806)</u>	<u>(35,295,170)</u>	<u>8,250,636</u>
Other Financing Sources (Uses):				
Transfers	11,000,000	11,568,851	11,568,851	-
Proceeds from sale of bonds	-	190,000,000	190,000,000	-
Total Other Financing Sources (Uses)	<u>11,000,000</u>	<u>201,568,851</u>	<u>201,568,851</u>	<u>-</u>
Net change in fund balance	(37,369,190)	158,023,045	166,273,681	8,250,636
Fund balance, beginning	<u>67,389,737</u>	<u>67,389,737</u>	<u>67,389,737</u>	<u>-</u>
Fund balance, ending	<u>\$ 30,020,547</u>	<u>\$ 225,412,782</u>	<u>\$ 233,663,418</u>	<u>\$ 8,250,636</u>

See accompanying notes to the budgetary comparison schedule.

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2023

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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 79,780,847	\$ 65,274,056	\$ 31,640,147	\$ -	\$ 176,695,050
Sales tax	-	33,221,331	-	-	33,221,331
M & M surtax	3,000,000	-	-	7,133,059	10,133,059
Financial institution tax	477,151	-	104,079	-	581,230
In lieu of tax	327,705	-	31,251	-	358,956
Tuition	17,272	-	-	-	17,272
Transportation	27,843	-	-	-	27,843
Earnings on investments	3,570,798	1,550,409	5,886,746	13,579,846	24,587,799
Food service	2,590,186	-	-	-	2,590,186
Student activities	3,424,436	-	-	-	3,424,436
Community services	2,000	-	-	-	2,000
Other local revenue	3,250,296	68,661	-	329,175	3,648,132
Total Local	<u>96,468,534</u>	<u>100,114,457</u>	<u>37,662,223</u>	<u>21,042,080</u>	<u>255,287,294</u>
COUNTY:					
Fines and escheats	-	451,152	-	-	451,152
State assessed utilities	1,019,738	834,316	463,599	-	2,317,653
County stock insurance fund	13,414	10,975	5,320	-	29,709
Total County	<u>1,033,152</u>	<u>1,296,443</u>	<u>468,919</u>	<u>-</u>	<u>2,798,514</u>
STATE:					
Basic formula	15,649,528	47,250,507	-	-	62,900,035
Transportation	7,027,101	-	-	-	7,027,101
Basic formula - classroom trust fund	2,576,299	7,728,897	-	-	10,305,196
Early Childhood Special Ed.	2,253,115	3,600,653	-	-	5,853,768
Career Education	15,628	28,752	-	57,853	102,233
Food service	46,046	-	-	-	46,046
High Need Fund	976,244	-	-	-	976,244
Residential placement	89,602	-	-	-	89,602
Educational Screening Prog/PAT	1,077,185	236,705	-	-	1,313,890
Other state revenue	1,072,045	284,742	-	68,490	1,425,277
Total State	<u>30,782,793</u>	<u>59,130,256</u>	<u>-</u>	<u>126,343</u>	<u>90,039,392</u>
FEDERAL:					
Title I	1,608,593	9,711,000	-	12,109	11,331,702
Title II	177,803	835,272	-	-	1,013,075
Title III	223,843	36,100	-	-	259,943
Title IV	232,297	288,848	-	-	521,145
Medicaid	1,843,514	-	-	-	1,843,514
Homeless Education	148,551	-	-	-	148,551
Childcare Development Fund grants	64,403	-	-	-	64,403
Perkins Basic Grant	21,626	-	-	-	21,626
Reserve Officer Training Corps	-	62,219	-	-	62,219
Individuals with Disabilities	1,005,378	5,413,080	-	3,379	6,421,837
IDEA grants	33,190	-	-	-	33,190
Early Childhood Special Ed.	-	298,600	-	-	298,600
Child Nutrition Program	11,674,098	-	-	21,795	11,695,893
Dept of Health Food Service Program	1,050,171	-	-	-	1,050,171
Education Stabilization Fund	8,422,160	23,507,846	-	22,744	31,952,750
Other federal revenue	124,956	-	513,066	-	638,022
Total Federal	<u>26,630,583</u>	<u>40,152,965</u>	<u>513,066</u>	<u>60,027</u>	<u>67,356,641</u>
OTHER:					
Sale of other property	3,001	-	-	383,429	386,430
Sale of buses	-	-	-	4,616	4,616
Net insurance recovery	45,076	-	-	-	45,076
Bond proceeds	-	-	-	190,000,000	190,000,000
Payments from other districts	12,984,957	-	-	-	12,984,957
Total Other	<u>13,033,034</u>	<u>-</u>	<u>-</u>	<u>190,388,045</u>	<u>203,421,079</u>
Total Revenues Collected	<u>\$ 167,948,096</u>	<u>\$ 200,694,121</u>	<u>\$ 38,644,208</u>	<u>\$ 211,616,495</u>	<u>\$ 618,902,920</u>

THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	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	\$ -	\$ 2,849,847
National School Lunch Program	10.555	039-141	-	7,751,993
Non-Cash: Food Distribution Program	10.555	039-141	-	1,089,297
Fresh Fruit and Vegetable Program	10.582	039-141	-	<u>405,302</u>
Passed-through Missouri Department of Health and Senior Services:			-	12,096,439
Summer Food Service Program	10.559	ERS0462026S	-	<u>578,279</u>
Total Child Nutrition Cluster			-	<u>12,674,718</u>
Passed-through Missouri Department of Health and Senior Services:				
Child and Adult Care Food Program	10.558	ERS46132026	-	487,975
Passed-through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Discretionary Grants Limited Availability	10.579	039-141	-	<u>21,795</u>
Total U.S. Department of Agriculture			-	<u>13,184,488</u>
<u>U.S. Department of Defense</u>				
Direct:				
Reserve Officer Training Corps	12.000		-	<u>62,525</u>
<u>U.S. Department of Education</u>				
Passed-through Missouri Department of Elementary and Secondary Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027A	039-141	-	5,581,520
COVID-19 - Special Education - Grants to States	84.027X	039-141	-	1,322,139
Special Education - Preschool Grants	84.173A	039-141	-	199,254
COVID-19 - Special Education - Preschool Grants	84.173X	039-141	-	<u>92,647</u>
Total Special Education Cluster (IDEA)			-	<u>7,195,560</u>
Title I - Grants to Local Educational Agencies	84.010	039-141	-	9,451,120
Career and Technical Education - Basic Grants to States	84.048	039-141	13,800	15,625
Education for Homeless Children and Youth	84.196	039-141	-	149,562
English Language Acquisition State Grants	84.365	039-141	-	228,532
Supporting Effective Instruction State Grants	84.367	039-141	-	979,933
Grants for State Assessments and Related Activities	84.369	039-141	-	576
Student Support and Academic Enrichment Program	84.424	039-141	-	506,275
Education Stabilization Fund:				
COVID-19 - Elementary and Secondary School Emergency Relief (GEER) Fund	84.425C	039-141	-	16,080
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	039-141	-	383,643
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	039-141	-	25,549,208
COVID-19 - Elementary and Secondary School Emergency Relief (ARP HCY) Fund	84.425W	039-141	-	<u>19,389</u>
Total Education Stabilization Fund			-	<u>25,968,320</u>
Total U.S. Department of Education			13,800	<u>44,495,503</u>
<u>U.S. Department of Health & Human Services</u>				
Passed-through Missouri Department of Elementary and Secondary Education:				
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	039-141	48,165	48,165
Cooperative Agreements to Promote Adolescent Health	93.079	039-141	-	650
Every Student Succeeds Act/Preschool Development Grants	93.434	039-141	-	39,240
Passed-through Missouri Department of Social Services:				
Temporary Assistance for Needy Families	93.558	M00681-052-002	-	58,000
Passed-through Missouri Office of Refugee Administration:				
Refugee and Entrant Assistance State/Replacement Designee				
Administered Programs (Afghan Refugee School Impact Grant)	93.566		-	<u>44,973</u>
Total U.S. Department of Health & Human Services			<u>48,165</u>	<u>191,028</u>
Total Expenditures of Federal Awards			<u>\$ 61,965</u>	<u>\$ 57,933,544</u>

Note 1. 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.

Note 2. 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, 2023. 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.

INTERNAL CONTROL AND COMPLIANCE

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

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

We have examined the administration's assertion, included in its representation letter dated November 8, 2023 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 2022 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2023; 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, 2023. 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 assertion about the District's compliance based on our examination.

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

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

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2023, is 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.



Richmond, Missouri
November 8, 2023

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

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		6.5000	166	1,064.00
	K	05		6.5000	166	1,077.00
	06	08		6.5000	166	1,077.00
	09	12		6.5000	166	1,059.50
4100	PK	05		6.5000	166	1,065.00
4240	K	05		6.5000	166	1,065.00
4560	K	05		6.5000	166	1,077.00
4580	K	05		6.5000	166	1,065.00
1050	06	12		6.5000	166	1,059.50
8000	K	12		6.5000	166	1,077.00

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	372,312					372,312
	K-05	9,367,626	69,621	57,778	42,860	585,959	10,123,844
	06-08	4,815,210	992	3,690	8,538	79,431	4,907,861

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

	09-12	4,235,732	774,825		7,526	3,205	5,021,288
4100	PK-05	148,855	1,127	1,586	853	25,311	177,732
4240	K-05	372,629	2,522	2,947			378,098
4560	K-05	165,225	1,198	1,377			167,800
4580	K-05	216,817	1,835	2,276			220,928
1050	06-12	1,099,238	222,629		480	657,063	1,979,410
8000	K-12	569,280					569,280
Grand Total		21,362,924	1,074,749	69,654	60,257	1,350,969	23,918,553

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				0.00
	K-05	9,485	39.44		9,524.44
	06-08	4,757	99.03		4,856.03
	09-12	4,834	420.88		5,254.88
4100	K-05	137	0.54		137.54
4240	K-05	375	0.65		375.65
4560	K-05	165	0.50		165.50
4580	K-05	223	1.82		224.82

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

1050	06-12	1,323	103.93		1,426.93
8000	K-12	386			386.00
Grand Total		21,685	666.79		22,351.79

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
PK-05	4,753.49	1,120.77			5,874.26
06-08	2,140.58	488.36			2,628.94
4100	100.00	6.54			106.54
4240	86.39	27.00			113.39
4560	134.00	18.00			152.00
4580	89.23	21.00			110.23
1050	591.18	142.19			733.37
1075	326.49	102.93			429.42
1080	507.95	92.41			600.36
1085	347.00	147.75			494.75
1095	570.31	151.21			721.52
Grand Total	9,646.62	2,318.16			11,964.78

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

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	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

	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 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	True

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

	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:	\$737,944
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:	
	Eligible ADT	6,928.0
	Ineligible ADT	455.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	2,074,443

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023**

County District Number 039-141

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	1,546,357
	Ineligible Miles (Non-Route/Disapproved)	528,086
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	166

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
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, 2023, 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 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Westbrook & Co., P.C.

Richmond, Missouri
November 8, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on 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, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
November 8, 2023

**THE SCHOOL DISTRICT OF SPRINGFIELD R-XII
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 - Grants to Local Educational Agencies AL No. 84.010
Education Stabilization Fund AL No. 84.425

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

\$ 1,738,006

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