

WEBSTER GROVES SCHOOL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

**WEBSTER GROVES SCHOOL DISTRICT
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YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Education
Webster Groves School District
Webster Groves, Missouri

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities and each major fund of the Webster Groves School District as of June 30, 2020, and the respective changes in financial position – cash basis, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund – cash basis for the year then ended, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

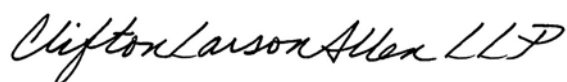
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District’s basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information on pages 25 to 28 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of the Webster Groves School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Webster Groves School 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 Webster Groves School District’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2020

**WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF NET POSITION — CASH BASIS
JUNE 30, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 36,831,668
Restricted Assets:	
Cash	21,260,730
Cash in Escrow	<u>3,717,540</u>
Total Assets	<u>61,809,938</u>
LIABILITIES	
Payroll Deductions and Withholdings	<u>3,915,894</u>
Total Liabilities	3,915,894
NET POSITION	
Restricted for:	
Debt Service	4,444,345
Capital Projects	20,533,925
Unrestricted	<u>32,915,774</u>
Total Net Position	<u><u>\$ 57,894,044</u></u>

See accompanying Notes to Basic Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES — CASH BASIS
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Disbursements	Program Receipts		Net
		Charges for Services and Sales	Operating Grants and Contributions	(Disbursements) Receipts and Changes in Net Position
				Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 34,914,387	\$ 1,996,531	\$ 943,641	\$ (31,974,215)
Student Services	3,394,043	-	-	(3,394,043)
Instructional Staff Support	1,160,400	-	77,695	(1,082,705)
Building Administration	3,516,135	-	-	(3,516,135)
General Administration and Central Services	5,813,248	-	-	(5,813,248)
Operation of Plant	7,879,135	-	-	(7,879,135)
Transportation	481,202	-	5,177	(476,025)
Food Service	1,096,477	551,864	277,610	(267,003)
Community Services	2,796,288	2,135,477	-	(660,811)
Facility Acquisition and Construction	3,194,166	-	-	(3,194,166)
Debt Service and Fiscal Charges	24,099,384	-	-	(24,099,384)
Total Governmental Activities	<u>\$ 88,344,865</u>	<u>\$ 4,683,872</u>	<u>\$ 1,304,123</u>	<u>(82,356,870)</u>
GENERAL RECEIPTS:				
Taxes				
Property Taxes, Levied for General Purposes				27,610,042
Property Taxes, Levied for Instruction				19,428,214
Property Taxes, Levied for Debt Services				5,625,069
Property Taxes, Levied for Capital Projects				1,067,797
Federal and State Aid Not Restricted to Specific Purposes				
General				9,385,805
State Assessed Utilities				811,176
Interest and Investment Earnings				1,154,027
Bond Premium				673,590
Sale of General Obligations Bonds				9,500,000
Miscellaneous				820,213
Total General Receipts				<u>76,075,933</u>
CHANGE IN NET POSITION				(6,280,937)
Net Position - Beginning of Year				<u>64,174,981</u>
NET POSITION - END OF YEAR				<u>\$ 57,894,044</u>

See accompanying Notes to Basic Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE ARISING FROM
CASH TRANSACTIONS — GOVERNMENTAL FUNDS
JUNE 30, 2020

	Governmental Fund Types				Total
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	
ASSETS					
Cash and Investments	\$ 36,831,668	\$ -	\$ -	\$ -	\$ 36,831,668
Restricted Assets:					
Cash	-	-	726,805	20,533,925	21,260,730
Cash in Escrow	-	-	3,717,540	-	3,717,540
Total Assets	<u>\$ 36,831,668</u>	<u>\$ -</u>	<u>\$ 4,444,345</u>	<u>\$ 20,533,925</u>	<u>\$ 61,809,938</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Payroll Deductions and Withholdings	\$ 3,915,894	\$ -	\$ -	\$ -	\$ 3,915,894
Total Liabilities	<u>3,915,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,915,894</u>
FUND BALANCE					
Restricted:					
Debt Service	-	-	4,444,345	-	4,444,345
Capital Projects	-	-	-	20,533,925	20,533,925
Unassigned	32,915,774	-	-	-	32,915,774
Total Fund Balance	<u>32,915,774</u>	<u>-</u>	<u>4,444,345</u>	<u>20,533,925</u>	<u>57,894,044</u>
Total Liabilities and Fund Balance	<u>\$ 36,831,668</u>	<u>\$ -</u>	<u>\$ 4,444,345</u>	<u>\$ 20,533,925</u>	<u>\$ 61,809,938</u>

See accompanying Notes to Basic Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE (CASH BASIS)
TO NET POSITION (CASH BASIS) OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Amounts reported for governmental activities in the statement of activities are different because:

Total Fund Balance - Cash Basis - Governmental Funds	\$ 57,894,044
There are no Reconciling Items	<u>-</u>
Total Net Position - Cash Basis - Governmental Activities	<u><u>\$ 57,894,044</u></u>

See accompanying Notes to Basic Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE —
CASH BASIS — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
RECEIPTS					
Local	\$ 33,293,599	\$ 19,462,275	\$ 5,998,970	\$ 1,328,212	\$ 60,083,056
County	362,712	329,045	119,310	68,462	879,529
State	625,525	8,703,550	-	-	9,329,075
Federal	746,306	-	546,194	-	1,292,500
Other	17,867	288,311	-	-	306,178
Total Receipts	<u>35,046,009</u>	<u>28,783,181</u>	<u>6,664,474</u>	<u>1,396,674</u>	<u>71,890,338</u>
DISBURSEMENTS					
Instruction	4,143,245	30,533,924	-	237,218	34,914,387
Student Services	849,486	2,544,557	-	-	3,394,043
Instructional Staff Support	231,433	928,967	-	-	1,160,400
Building Administration	1,052,880	2,463,255	-	-	3,516,135
General Administration and Central Services	4,203,144	1,488,907	-	121,197	5,813,248
Operation of Plant	7,103,013	-	-	776,122	7,879,135
Transportation	481,202	-	-	-	481,202
Food Service	1,096,477	-	-	-	1,096,477
Community Services	1,962,985	817,871	-	15,432	2,796,288
Facility Acquisition and Construction	-	-	-	3,194,166	3,194,166
Debt Service and Fiscal Charges	-	-	23,714,951	384,433	24,099,384
Total Disbursements	<u>21,123,865</u>	<u>38,777,481</u>	<u>23,714,951</u>	<u>4,728,568</u>	<u>88,344,865</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,922,144	(9,994,300)	(17,050,477)	(3,331,894)	(16,454,527)
OTHER FINANCING SOURCES (USES)					
Transfer From	(9,643,000)	-	-	-	(9,643,000)
Transfer To	-	8,738,634	-	904,366	9,643,000
Issuance of General Obligation Bonds	-	-	-	9,500,000	9,500,000
Bond Premium	-	-	-	673,590	673,590
Total Other Financing Sources (Uses)	<u>(9,643,000)</u>	<u>8,738,634</u>	<u>-</u>	<u>11,077,956</u>	<u>10,173,590</u>
NET CHANGE IN FUND BALANCE	4,279,144	(1,255,666)	(17,050,477)	7,746,062	(6,280,937)
Fund Balance - July 1, 2019	<u>28,636,630</u>	<u>1,255,666</u>	<u>21,494,822</u>	<u>12,787,863</u>	<u>64,174,981</u>
FUND BALANCE - JUNE 30, 2020	<u>\$ 32,915,774</u>	<u>\$ -</u>	<u>\$ 4,444,345</u>	<u>\$ 20,533,925</u>	<u>\$ 57,894,044</u>

See accompanying Notes to Basic Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CASH BASIS) TO THE
STATEMENT OF ACTIVITIES (CASH BASIS)
YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balance - Cash Basis - Governmental Funds	\$ (6,280,937)
There are no Reconciling Items	<u>-</u>
Change in Net Position - Cash Basis - Governmental Activities	<u>\$ (6,280,937)</u>

See accompanying Notes to Basic Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — GENERAL FUND AND SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020

	General (Incidental) Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS				
Local	\$ 35,488,700	\$ 32,799,129	\$ 33,293,599	\$ 494,470
County	416,300	416,300	362,712	(53,588)
State	477,200	477,200	625,525	148,325
Federal	734,200	734,200	746,306	12,106
Other	24,000	24,000	17,867	(6,133)
Total Receipts	<u>37,140,400</u>	<u>34,450,829</u>	<u>35,046,009</u>	<u>595,180</u>
DISBURSEMENTS				
Instruction	2,718,903	3,019,145	4,143,245	(1,124,100)
Student Services	1,147,923	1,147,923	849,486	298,437
Instructional Staff Support	342,907	398,353	231,433	166,920
Building Administration	1,131,383	1,131,383	1,052,880	78,503
General Administration and Central Services	3,569,903	3,611,582	4,203,144	(591,562)
Operation of Plant	7,263,303	7,263,303	7,103,013	160,290
Transportation	472,600	472,600	481,202	(8,602)
Food Service	1,166,500	1,166,500	1,096,477	70,023
Community Services	4,245,210	4,205,641	1,962,985	2,242,656
Total Disbursements	<u>22,058,632</u>	<u>22,416,430</u>	<u>21,123,865</u>	<u>1,292,565</u>
				-
RECEIPTS OVER (UNDER) DISBURSEMENTS	15,081,768	12,034,399	13,922,144	1,887,745
OTHER FINANCING SOURCES (USES)				
Transfer From	(15,103,663)	(9,643,000)	(9,643,000)	-
Transfer To	-	-	-	-
Total Other Financing Sources (Uses)	<u>(15,103,663)</u>	<u>(9,643,000)</u>	<u>(9,643,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(21,895)	2,391,399	4,279,144	1,887,745
Fund Balance - July 1, 2019	<u>19,709,833</u>	<u>27,544,986</u>	<u>28,636,630</u>	<u>1,091,644</u>
FUND BALANCE - JUNE 30, 2020	<u>\$ 19,687,938</u>	<u>\$ 29,936,385</u>	<u>\$ 32,915,774</u>	<u>\$ 2,979,389</u>

See accompanying Notes to Basic Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — GENERAL FUND AND SPECIAL REVENUE FUND (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Special Revenue (Teachers) Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 15,927,000	\$ 18,373,024	\$ 19,462,275	\$ 1,089,251
244,400	244,400	329,045	84,645
8,825,100	8,782,125	8,703,550	(78,575)
200,000	200,000	-	(200,000)
121,000	121,000	288,311	167,311
<u>25,317,500</u>	<u>27,720,549</u>	<u>28,783,181</u>	<u>1,062,632</u>
30,761,670	30,736,952	30,533,924	203,028
2,518,744	2,518,744	2,544,557	(25,813)
910,860	910,936	928,967	(18,031)
2,428,737	2,428,737	2,463,255	(34,518)
1,369,769	1,425,477	1,488,907	(63,430)
-	-	-	-
-	-	-	-
-	-	-	-
750,290	713,359	817,871	(104,512)
<u>38,740,070</u>	<u>38,734,205</u>	<u>38,777,481</u>	<u>(43,276)</u>
(13,422,570)	(11,013,656)	(9,994,300)	1,019,356
-	-	-	-
13,422,570	8,738,634	8,738,634	-
<u>13,422,570</u>	<u>8,738,634</u>	<u>8,738,634</u>	<u>-</u>
-	(2,275,022)	(1,255,666)	1,019,356
<u>(24,713)</u>	<u>(1,009,259)</u>	<u>1,255,666</u>	<u>2,264,925</u>
<u>\$ (24,713)</u>	<u>\$ (3,284,281)</u>	<u>\$ -</u>	<u>\$ 3,284,281</u>

See accompanying Notes to Basic Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Webster Groves School District (the District) was established in 1846 under the statutes of the state of Missouri. The District operates as a “six director” district (with seven members of the board of education) as described in RSMo Chapter 162.

The School District, located in St. Louis County serves an area of approximately ten square miles. It is staffed by 230 noncertificated employees, 326 certificated full-time teaching personnel, 11 certificated part-time teaching personnel, 147 certificated substitutes, and 35 administrative employees who provide services to over 4,412 students and other community members. The School District currently operates seven elementary/middle schools (K-8), one high school (9-12), and one other education center.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Webster Groves School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. As of June 30, 2020, the School District has no component units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School 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. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. For the year ended June 30, 2020, all of the District’s activities are classified as governmental type.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the School District. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

Fund Financial Statements

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses only the governmental category of funds. All the funds of the District are considered major due in part to an administrative directive from the Missouri Department of Elementary and Secondary Education.

General (Incidental) Fund

Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers) Fund

Accounts for expenditures for certified employees involved in administration and instruction. It includes receipts restricted by the state and local tax levy for the payment of teacher salaries and certain employee benefits.

Debt Service Fund

Accounts for the accumulation of resources for, and in payment of, principal, interest, and finance charges on long-term debt.

Capital Projects Fund

Accounts for the proceeds of long-term debt, taxes, and other receipts restricted for acquisition or construction of major capital assets, payment of capital leases, and certain equipment and expenditures designated by Missouri statute.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The School District's policy is to prepare its government-wide financial statements on the cash basis of accounting, consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the government-wide financial statements do not present the net position and activities of the School District in accordance with U.S. generally accepted accounting principles.

Fund Financial Statements

The School District's policy is to prepare its fund financial statements on the cash basis of accounting; consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the fund financial statements do not present the financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Budgetary Accounting

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- Prior to July, the Superintendent, who serves as the budget officer, submits to the board of education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- The District held public board meetings to discuss both the preliminary and final budgets and at which time public comments were invited.
- The budget was legally enacted by the vote of the board of education on June 10, 2019.
- Budgets for District funds for the current year were originally prepared and adopted on the cash basis of accounting, recognizing receipts when collected and disbursements when paid. 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. Budget adjustments made during the year are reflected in the final budget information included in the financial statements. The following amounts represent variances from original budget to actual balances: increases (decreases) equal \$(2,094,391) receipts and \$3,465,681 disbursements (General Fund), \$(3,465,681) receipts and \$37,411 disbursements (Special Revenue Fund), \$303,374 receipts and \$17,888,551 disbursements (Debt Service Fund) and \$410,074 receipts and \$(10,724,432) disbursements (Capital Projects Fund).

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Cash consists of interest bearing accounts and deposits in the Missouri Securities Investment Program (MOSIP). Cash balances from all funds are combined and invested to the extent available in various short-term securities as authorized by Missouri statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash in Escrow Held by Trustee

Cash in escrow held by trustee at a financial institution consists of state and local government holdings.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The nature of the restriction is:

Restricted for Debt Service: The District has \$4,444,345 of segregated resources for purposes of servicing general obligation bonds.

Restricted for Capital Projects: The District has \$20,533,925 of segregated resources for purposes of servicing capital projects.

Teachers' Salaries

Payroll checks written and dated in June 2020, for July and August 2020 payrolls from 2019–2020 contracts are included in the financial statements as a disbursement paid in the month of June.

Postemployment Benefits

In addition to the pension benefits described in Note 7, the District provides postretirement healthcare benefits to all employees who retire from the District. The premium is paid fully by the retiree either monthly or quarterly at the retiree's discretion for the next period's coverage. There is no associated cost to the District under this program.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The District reports fund balances as restricted and unassigned in its governmental fund types. In the fund financial statements, restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Unassigned fund balances are those in the General Fund which are available for any purpose. Since the District has not established a policy regarding when committed, assigned and unassigned balances are used, the standard requires governments to report as if it is their policy to use committed resources first, then assigned resources, then unassigned resources. The District had only restricted and unassigned fund balances at June 30, 2020.

The nature and purpose of the restricted balances are:

Restricted for Debt Service: The District has \$4,444,345 of segregated resources for purposes of servicing general obligation bonds.

Restricted for Capital Projects: The District has \$20,533,925 of segregated resources for purposes of servicing capital projects.

Interfund Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

NOTE 3 CASH AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows Missouri statutes for deposits.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk (Continued)

The District maintains a cash and investment pool that 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.) Each fund type's portion of this pool is displayed on the combined statement of assets, and fund balances arising from cash transactions under each fund's caption.

In accordance with applicable Missouri statute, the District maintains deposits at depository banks authorized by the School District's board.

Missouri statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

The District places its cash balances at financial institutions where such balances may, at times, be in excess of federally insured limits. For the year ended June 30, 2020, deposits at the bank had uninsured deposits of \$642,153.

Investments

The District may purchase any investments allowed by the Missouri State Treasurer and Repurchase Agreements. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The Missouri Securities Investment Program and the Missouri School District Direct Deposit Program also operate under state law and are restricted to the above investments as of June 30, 2020, the District had the following investments:

<u>Type of Investments</u>	<u>S&P Credit Rating</u>	<u>Average Maturity</u>	<u>Carrying Amount</u>
External Investment Pool:			
MOSIP Liquid Series	AAAm	N/A	\$ 36,641,566
Total			<u>\$ 36,641,566</u>

The Liquid Series is recorded at amortized cost and has no unfunded commitments or redemption requirements.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has a custodial credit risk policy to minimize credit risk by (1) pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business and (2) diversifying the portfolio so that potential losses on individual securities will be minimized. The District’s investments were not exposed to custodial credit risk at year-end.

Investment Credit Risk

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by pre-qualifying the institution with which the District will do business and diversifying the portfolio so that potential losses on individual securities will be minimized.

Investment Interest Rate Risk

The District has policies in place to minimize 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 by investing operating funds primarily in shorter-term securities. Investments in banker’s acceptances and commercial paper shall mature in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five (5) years from the purchase date.

NOTE 4 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. The county collects the property tax and remits it to the District.

The assessed valuation of the tangible taxable property for the calendar year 2019 for purposes of local taxation was \$952,943,860.

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General (Incidental) Fund	\$ 2.4905	\$ 2.4905
Special Revenue (Teachers) Fund	1.7900	1.7900
Debt Service Fund	0.5699	0.5699
Capital Projects Fund	0.1058	0.1058
Total	<u>\$ 4.9562</u>	<u>\$ 4.9562</u>

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 TAXES (CONTINUED)

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020 aggregated approximately 99.86% of the current assessment computed on the basis of the levy as shown above.

NOTE 5 LONG-TERM DEBT

Long-term liability balances and activity of the District's Governmental Activities for the year ended June 30, 2020 were as follows:

	Balance			Balance	
	June 30, 2019	Additions	Reductions	June 30, 2020	Due Within One Year
General Obligation Bonds	\$ 77,329,000	\$ 9,500,000	\$ (20,775,000)	\$ 66,054,000	\$ 3,005,000
Capital Lease Liabilities	360,522	234,442	(275,410)	319,554	16,535
Total Long-Term Liabilities	<u>\$ 77,689,522</u>	<u>\$ 9,734,442</u>	<u>\$ (21,050,410)</u>	<u>\$ 66,373,554</u>	<u>\$ 3,021,535</u>

The District had a bond issuance during the year ended June 30, 2020, resulting in receipts of \$9,500,000 and the new General Obligation Bond, Series 2019B. The new bonds were issued in October 2019.

General Obligation Bonds

<u>Description</u>	<u>Amount</u>
General obligation bonds, Series 2007, due in varying annual installments through March 1, 2026, interest at 3.82%.	\$ 3,255,000
General obligation bonds, Series 2010C, maturing on March 1, 2027, interest at 5.70%.	4,254,000
General obligation bonds, Series 2012A, maturing on March 1, 2026, interest at 2.00%.	9,195,000
General obligation bonds, Series 2013A, maturing on March 1, 2033, interest at 2.00% - 3.00%.	9,885,000
General obligation bonds, Series 2014A, maturing on March 1, 2021, interest at 3.00% to 4.00%.	475,000
General obligation bonds, Series 2017A, maturing on March 1, 2030, interest at 4.45% to 5.70%.	16,990,000
General obligation bonds, Series 2019, maturing on March 1, 2039, interest at 2.63% - 5.00%.	12,500,000
General obligation bonds, Series 2019B, maturing on March 1, 2039,	9,500,000
Total General Obligation Bonds Payable	<u>\$ 66,054,000</u>

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General obligation bond debt service requirements to maturity are:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,005,000	\$ 2,189,670	\$ 5,194,670
2022	3,120,000	2,115,811	5,235,811
2023	3,350,000	2,044,129	5,394,129
2024	3,420,000	1,965,808	5,385,808
2025	3,700,000	1,883,982	5,583,982
2026-2030	20,959,000	7,348,948	28,307,948
2031-2035	20,060,000	3,157,538	23,217,538
2036-2040	8,440,000	558,900	8,998,900
Total	<u>\$ 66,054,000</u>	<u>\$ 21,264,786</u>	<u>\$ 87,318,786</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a District (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2020.

Capital Leases

The District has leases for computers which provide for interest at variable percentage rates.

Future minimum lease obligations and the net present value of these minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Payment</u>
2021	\$ 191,548
2022	94,529
2023	62,842
Future Minimum Lease Payments	348,919
Less: Amounts Representing Interest	(29,365)
Present Value of Future Minimum Lease Payments	<u>\$ 319,554</u>

NOTE 6 OPERATING LEASES

The District has entered into several operating leases for various pieces of office equipment with various vendors. Payment terms vary by vendor and lease. Rent payments were \$57,289 in 2020.

Future annual lease payments for all equipment consist of the following:

<u>Year Ended June 30,</u>	<u>Payment</u>
2021	\$ 14,485
Total Minimum Lease Payments	<u>\$ 14,485</u>

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 RETIREMENT PLAN

PEERS

Plan Description

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo.

The statutes place responsibility for the operation of PEERS on the board of trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psr-peers.org.

Benefits Provided

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.

Cost-of-Living Adjustments (COLA)

The PEERS board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 2.00%. If the CPI increase is greater than 5.00%, the board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 RETIREMENT PLAN (CONTINUED)

PEERS (Continued)

Contributions

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2019. 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's contributions to PEERS for the years ended June 30, 2020, 2019 and 2018 were \$610,941, \$570,625, and \$862,820, respectively, equal to the required contributions for each year.

PSRS

Plan Description

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989.

The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute."

PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psr-peers.org.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 RETIREMENT PLAN (CONTINUED)

PSRS (Continued)

Benefits Provided

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 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 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Cost-of-Living Adjustments (COLA)

The PSRS board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 2.00%. If the CPI increase is greater than 5.00%, the board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2019. 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 School District's contributions to PSRS for the years ended June 30, 2020, 2019 and 2018 were \$4,684,538, \$4,560,150, and \$4,424,848, respectively, equal to the required contributions for each year.

**WEBSTER GROVES SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 PARTICIPATION IN PUBLIC ENTITY RISK POOL - (MUSIC)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable and therefore joined together with approximately 467 other Missouri Public School Districts to form the Missouri School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk-sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

The District has not seen any decreases in insurance coverage over the prior year and settled claims have not exceeded coverage in any of the proceeding three years.

NOTE 9 TAX ABATEMENTS

Tax abatements, as defined by Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures (GASB 77), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Since the District does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the county and municipalities within the District's boundary, that have reduced the District's tax revenues.

Tax Increment Financing Affecting Webster Groves School District

Missouri's Real Property Tax Increment Allocation Redevelopment Act enables cities to finance certain redevelopment costs with the revenue generated from (i) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (ii) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing (TIF) plan is adopted, real estate taxes in the redevelopment are affected. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced.

**WEBSTER GROVES SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2020**

NOTE 9 TAX ABATEMENTS (CONTINUED)

Tax Increment Financing Affecting Webster Groves School District (Continued)

The estimated TIF incremental values and the District's net reduced tax revenue resulting from the TIFs adopted are as follows for the year ended June 30, 2020:

	TIF Incremental <u>Value/Assessments</u>	<u>Reduced Tax Revenues</u>
Various Redevelopment Project Areas Within the District's Geographic Area	<u>\$ 7,318,500</u>	<u>\$ 362,719</u>

NOTE 10 COMMITMENTS AND CONTINGENCIES

Litigation

The District is subject to asserted and unasserted claims encountered in the normal course of business. The District's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the District or unasserted claims that may result in such proceedings, the District's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the District's financial condition or results of operations.

Federal and State Receivables

Amounts received or receivable from federal or state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — DEBT SERVICE FUND AND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2020**

	Debt Service Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
RECEIPTS				
Local	\$ 5,700,700	\$ 5,760,323	\$ 5,998,970	\$ 238,647
County	110,400	110,400	119,310	8,910
Federal	550,000	550,000	546,194	(3,806)
Total Receipts	<u>6,361,100</u>	<u>6,420,723</u>	<u>6,664,474</u>	<u>243,751</u>
DISBURSEMENTS				
Instruction	-	-	-	-
General Administration and Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Food Service	-	-	-	-
Community Service	-	-	-	-
Facility Acquisition and Construction	-	-	-	-
Debt Service and Fiscal Charges	<u>5,826,400</u>	<u>23,843,663</u>	<u>23,714,951</u>	<u>128,712</u>
Total Disbursements	<u>5,826,400</u>	<u>23,843,663</u>	<u>23,714,951</u>	<u>128,712</u>
RECEIPTS OVER DISBURSEMENTS	534,700	(17,422,940)	(17,050,477)	372,463
OTHER FINANCING SOURCES				
Transfer To	-	-	-	-
Sale of General Obligation Bonds	-	-	-	-
Bond Premium	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	534,700	(17,422,940)	(17,050,477)	372,463
Fund Balance - July 1, 2019	<u>8,623,694</u>	<u>19,730,276</u>	<u>21,494,822</u>	<u>1,764,546</u>
FUND BALANCE - JUNE 30, 2020	<u><u>\$ 9,158,394</u></u>	<u><u>\$ 2,307,336</u></u>	<u><u>\$ 4,444,345</u></u>	<u><u>\$ 2,137,009</u></u>

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE —
BUDGET TO ACTUAL — DEBT SERVICE FUND AND CAPITAL PROJECTS FUND (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Capital Projects Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 981,700	\$ 1,458,071	\$ 1,328,212	\$ (129,859)
4,900	4,900	68,462	63,562
-	-	-	-
<u>986,600</u>	<u>1,462,971</u>	<u>1,396,674</u>	<u>(66,297)</u>
222,763	268,389	237,218	31,171
164,718	164,718	121,197	43,521
1,371,800	1,371,800	776,122	595,678
14,000	14,000	-	14,000
-	-	15,432	(15,432)
13,100,000	6,100,000	3,194,166	2,905,834
579,719	579,719	384,433	195,286
<u>15,453,000</u>	<u>8,498,626</u>	<u>4,728,568</u>	<u>3,770,058</u>
(14,466,400)	(7,035,655)	(3,331,894)	3,703,761
1,681,094	904,366	904,366	-
-	9,500,000	9,500,000	-
-	673,590	673,590	-
<u>1,681,094</u>	<u>11,077,956</u>	<u>11,077,956</u>	<u>-</u>
(12,785,306)	4,042,301	7,746,062	3,703,761
<u>155,607</u>	<u>(2,718,824)</u>	<u>12,787,863</u>	<u>15,506,687</u>
<u>\$ (12,629,699)</u>	<u>\$ 1,323,477</u>	<u>\$ 20,533,925</u>	<u>\$ 19,210,448</u>

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE — ALL GOVERNMENT FUNDS — CASH BASIS
YEAR ENDED JUNE 30, 2020**

	Government Funds				
	General (Incidental) Fund	Special		Capital Projects Fund	Total
		Revenue (Teachers) Fund	Debt Service Fund		
LOCAL					
Current Taxes	\$ 23,274,130	\$ 16,727,842	\$ 5,325,809	\$ 988,718	\$ 46,316,499
Delinquent Taxes	424,678	305,229	97,179	18,041	845,127
School District Trust Fund	2,640,018	1,584,011	-	-	4,224,029
Financial Institution Taxes	388,108	176,413	-	23,522	588,043
M & M Surcharge Tax	883,108	634,718	202,081	37,516	1,757,423
Tuition from Individuals K - 12	-	1,250	-	-	1,250
Transportation from Individuals	73,155	-	-	-	73,155
Earnings on Investment	486,899	32,812	373,901	260,415	1,154,027
Food Service Program	333,899	-	-	-	333,899
Food Service Nonprogram	217,965	-	-	-	217,965
Student Activities	1,633,815	-	-	-	1,633,815
Community Services	2,135,477	-	-	-	2,135,477
Other Local	802,347	-	-	-	802,347
Total Local	<u>33,293,599</u>	<u>19,462,275</u>	<u>5,998,970</u>	<u>1,328,212</u>	<u>60,083,056</u>
COUNTY					
Fines, etc.	-	68,353	-	-	68,353
State Assessed Utilities	362,712	260,692	119,310	68,462	811,176
Total County	<u>362,712</u>	<u>329,045</u>	<u>119,310</u>	<u>68,462</u>	<u>879,529</u>
STATE					
Basic Formula	-	7,329,220	-	-	7,329,220
Transportation	5,177	-	-	-	5,177
Basic Formula - Classroom Trust Fund	-	1,374,330	-	-	1,374,330
Educational Screening Program	79,120	-	-	-	79,120
Career Education	15,770	-	-	-	15,770
Food Service	7,915	-	-	-	7,915
Residential Placement/Excess Cost	517,543	-	-	-	517,543
Total State	<u>625,525</u>	<u>8,703,550</u>	<u>-</u>	<u>-</u>	<u>9,329,075</u>
FEDERAL					
Food Service	316,341	-	-	-	316,341
Title I - ESEA	245,474	-	-	-	245,474
Title II, Part A & B, ESEA	77,695	-	-	-	77,695
Title VI, Part A, SSAE	18,725	-	-	-	18,725
Childcare Development Fund Grant	20,000	-	-	-	20,000
Other Federal	68,071	-	546,194	-	614,265
Total Federal	<u>746,306</u>	<u>-</u>	<u>546,194</u>	<u>-</u>	<u>1,292,500</u>
OTHER AND TRANSPORTATION					
Tuition and Transportation from Other Districts	17,867	288,311	-	-	306,178
Sale of General Obligation Bonds	-	-	-	9,500,000	9,500,000
Bond Premium	-	-	-	673,590	673,590
Total Other	<u>17,867</u>	<u>288,311</u>	<u>-</u>	<u>10,173,590</u>	<u>10,479,768</u>
Total - All Sources	<u>\$ 35,046,009</u>	<u>\$ 28,783,181</u>	<u>\$ 6,664,474</u>	<u>\$ 11,570,264</u>	<u>\$ 82,063,928</u>

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT — CASH BASIS
YEAR ENDED JUNE 30, 2020**

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
Salaries	\$ 8,646,549	\$ 29,407,815	\$ -	\$ -
Employee Benefits	2,941,028	8,331,423	-	-
Purchased Services	5,032,981	1,038,243	-	-
Supplies	4,503,307	-	-	-
Capital Outlay	-	-	-	4,344,135
Debt Service and Fiscal Charges	-	-	23,714,951	384,433
	<u>\$ 21,123,865</u>	<u>\$ 38,777,481</u>	<u>\$ 23,714,951</u>	<u>\$ 4,728,568</u>
Total				



**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***

Board of Education
Webster Groves School District
Webster Groves, Missouri

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 financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Webster Groves School District's basic financial statements, and have issued our report thereon dated October 22, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Webster Groves School 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2020



INDEPENDENT AUDITORS' REPORT ON TRANSPORTATION COSTS ELIGIBLE FOR STATE AID

Board of Education
Webster Groves School District
Webster Groves, Missouri

Report on Transportation Costs

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents. We have issued our report thereon dated October 22, 2020, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District's basic financial statements. The accompanying Schedule of Transportation Disbursements is presented for purposes of additional analysis as required by the Missouri Department of Elementary and Secondary Education (DESE) and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Transportation Disbursements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and the use of the administration, management, board of education, 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 specific parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2020

**WEBSTER GROVES SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION DISBURSEMENTS — CASH BASIS
 YEAR ENDED JUNE 30, 2020**

	<u>Pupil District Contracted</u>	<u>Pupil District Owned</u>	<u>Total</u>
Purchased Services	<u>\$ 481,202</u>	<u>\$ -</u>	<u>\$ 481,202</u>
Total	<u><u>\$ 481,202</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 481,202</u></u>



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education
Webster Groves School District
Webster Groves, Missouri

We have examined management of Webster Groves School District's assertions that Webster Groves School District (the District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, attendance, and pupil transportation records and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2020. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertions about the District's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Webster Groves School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Webster Groves School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

The purpose of this report is to provide information to the administration, Board, management, and the MO DESE concerning the District's compliance with the aforementioned requirements. The report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2020

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020**

Single Audit Year Ended June 30, 2020
County District Number 096-110

1. Calendar (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
N/A	KA	KA	A	3.0000	130	390.0000
1050	9	12		6.3000	129	780.4660
3000	7	8		6.2000	130	796.3500
4020	K	5		6.1667	130	794.9200
4040	K	5		6.1667	130	794.9200
4050	PK	PK		6.2500	129	804.7500
4060	K	5		6.1667	130	794.7500
4100	K	5		6.1667	130	794.7500
4120	K	5		6.1667	130	799.9200
4160	K	5		6.1667	130	795.4166
4180	6	6		6.1667	130	795.4166

2. Average Daily Attendance (ADA)

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	1,150.56	79.72	-	38.75	26.40	1,295.43
3000	7-8	671.91	2.98	-	19.92	3.71	698.52
4020	K-5	470.43	0.30	-	0.05	26.85	497.63
4040	K-5	442.58	0.98	-	1.85	-	445.41
4050	PK	18.28	-	-	-	1.48	19.76
4060	K-5	317.79	1.76	-	-	-	319.55
4100	K-5	405.34	0.20	-	0.99	-	406.53
4120	K-5	198.93	-	-	0.97	-	199.90
4160	K-5	99.36	1.87	-	11.59	-	112.82
4180	6	297.93	1.15	-	4.71	2.07	305.86
Grand Total		4,073.11	88.96	-	78.83	60.51	4,301.41

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020**

3. September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
N/A	K	292.00	1.20	5.00	298.20
N/A	1	319.00	0.60	2.00	321.60
N/A	2	374.00	0.50	2.00	376.50
N/A	3	350.00	-	1.00	351.00
N/A	4	337.00	0.80	1.00	338.80
N/A	5	346.00	0.88	6.00	352.88
N/A	6	309.00	0.32	5.00	314.32
N/A	7	374.00	-	11.00	384.00
N/A	8	337.00	1.15	14.00	349.15
N/A	9	320.00	2.53	13.00	333.53
N/A	10	379.00	3.00	6.00	388.00
N/A	11	398.00	15.30	14.71	326.01
N/A	12	259.00	31.90	11.00	300.90
Grand Total		4,394.00	58.18	91.71	4,434.89

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

School Code	Free Lunch	Reduced Lunch	Desg In Free	Deseg In Reduced	Total	
1050	165.99	17.37	26.57	1.57	211.50	
3000	78.30	14.57	15.00	-	107.87	
4020	75.00	-	-	-	75.00	
4040	37.00	2.00	1.00	-	40.00	
4060	16.50	5.00	-	-	21.50	
4100	49.00	4.00	1.00	-	54.00	
4120	36.00	-	1.00	-	37.00	
4160	15.00	-	8.00	1.00	24.00	
4180	36.65	3.00	4.00	1.00	44.65	
Grand Total		509.44	45.94	56.57	3.57	615.52

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020**

5. Finance

5.1	The district 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 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:	
	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
	Work Experience for Students with Disabilities	TRUE
5.3	The district 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 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:	\$50,000
5.6	The district’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.	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 approve 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.	N/A
5.10	The district 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 schools for transportation is less than twenty-five percent (25%) of allowable cost.	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$72,898

**WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020**

6. Transportation (Section 163.161, RSMo)

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 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	31.0
	Ineligible ADT	405.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	TRUE
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	45,861
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	22,476
	Ineligible Miles (Non-Route/Disapproved)	23,385
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	130