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*SCHOOL DISTRICT OF UNIVERSITY CITY*

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION*

*JUNE 30, 2021*

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# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
School District of University City

### ***Report on the Financial Statements***

We have audited the accompanying modified cash-basis financial statements of the governmental activities and each major fund of School District of University City ("District"), Missouri, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash-basis of accounting described in Note I; 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.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 modified cash-basis financial position of the governmental activities and each major fund of the District as of June 30, 2021, and the respective changes in modified cash-basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

## ***Basis of Accounting***

We draw attention to Note I of the financial statements, which 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.

## **Other Matters**

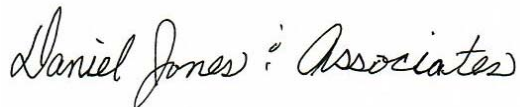
### ***Report on Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The management's discussion and analysis, budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules presented on pages 37 through 40 and the schedule of expenditures of federal awards presented on page 48 are the responsibility of management and were derived from and relate 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 Budgetary Comparison Schedules and the schedule of expenditures of federals are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 11, 2021

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 - UNAUDITED**

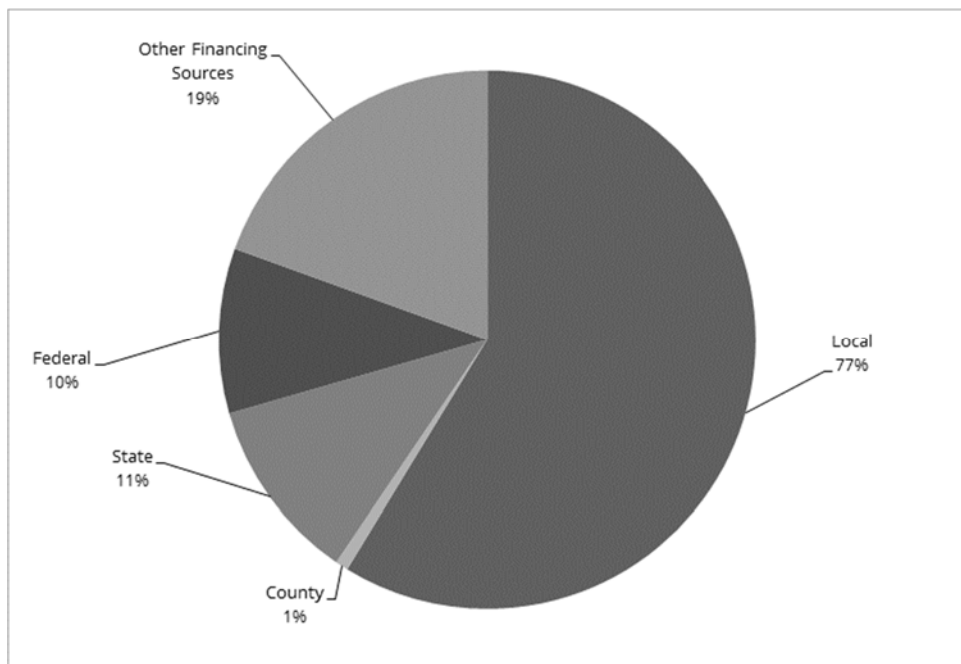
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The discussion and analysis of The School District of University City's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

- ◆ The District completed the fiscal year ended June 30, 2021, with a total fund balance of \$21.1 million. The District's operating fund balance for fiscal year ended June 30, 2021, was \$11.8 million. This represents a 33% increase from the prior year.
- ◆ Total revenues and other financing sources for the District were \$65.2 million in the fiscal year ended June 30, 2021. The primary resources available to the District were:

LOCAL REVENUE	\$38.3 million
Personal Property Taxes, Real Estate Taxes, Sales Tax	
COUNTY REVENUE	\$0.5 million
State Assessed Utility Tax	
STATE REVENUE	\$7.2 million
Basic Formula, At Risk, State Funded Grants	
FEDERAL REVENUE	\$6.5 million
Federal Funded Grants	
OTHER FINANCING SOURCES	\$12.7 million



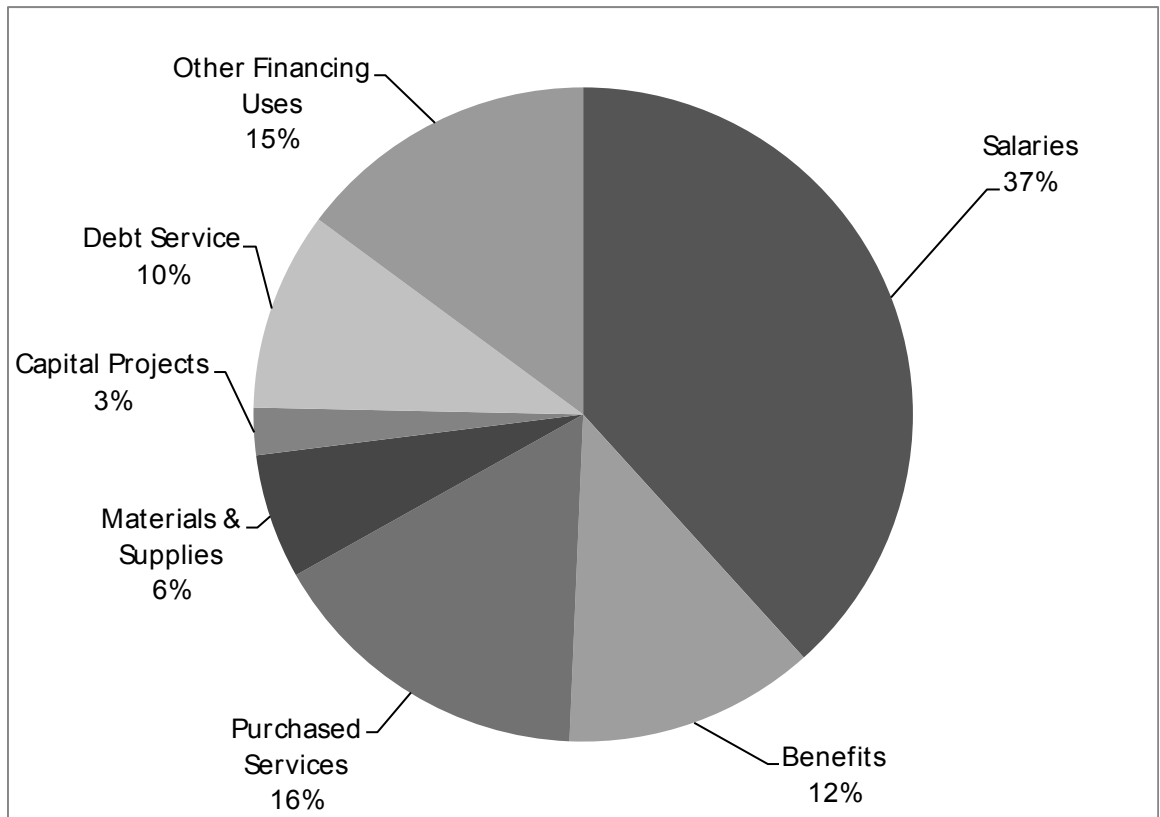
- ◆ Total expenditures and other financing uses for the District were \$60 million for the fiscal year ended June 30, 2021. The following are expenditures by object for fiscal year 2021:

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Management's Discussion and Analysis (continued)*

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SALARIES	\$23.0 million
BENEFITS	\$7.4 million
PURCHASED SERVICES Transportation, Food Service, Conferences, Building Repairs	\$9.7 million
MATERIALS & SUPPLIES Textbooks, Testing, Library, Custodial, Gas & Electric	\$3.7 million
CAPITAL PROJECTS Computers, Vehicles, Furniture, Equipment	\$1.4 million
DEBT SERVICE Principal & Interest on Bonds	\$5.9 million
OTHER FINANCING USES	\$8.9 million



## **SCHOOL DISTRICT OF UNIVERSITY CITY**

### *Management's Discussions and Analysis (continued)*

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#### **Using This Annual Report**

This annual report has been prepared in accordance with the Governmental Accounting Standards Board ("GASB") Statement Number 34. As such, the report includes financial statements that show information about the District as a whole and its significant funds. The Statement of Net Position and the Statement of Activities provide a government-wide perspective on the District's financial condition. The fund financial statements provide more detail about the most significant funds.

#### **Reporting the District as a Whole**

##### ***The Statement of Net Position and the Statement of Activities:***

The analysis of the District as a whole provides answers as to whether the District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information on the District as a whole and its activities, which help to provide this answer. These statements include all assets and liabilities using the modified cash basis of accounting, which measures transactions based on when the exchange takes place.

These two statements report the District's net position and changes in net position. The change in net position is the difference between assets and liabilities and represents one way to measure the District's financial position and whether it is improving or declining. The relationship between revenue and expense indicates the District's operating results.

#### **Reporting the District's Most Significant Funds**

##### ***Fund Financial Statements:***

The District's fund financial statements provide information about major funds, not the District as a whole. The District utilizes several funds to account for a wide range of financial transactions. However, these fund financial statements focus on the District's most significant funds, which are the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.

Governmental Funds – All of the District's services are reported in governmental funds, which focus on money flows into and out of the funds and the balances remaining at year-end available for spending in future years. The governmental fund statements provide a detailed short-term view of the District's operations and services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the District's programs.

#### **The District as a Whole**

The analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities. Restricted net position is reported separately to reflect legal constraints from debt covenants and enabling legislation that limit the District's ability to use restricted net position for day-to-day operations. The District's net position was \$21.1 million at June 30, 2021.



**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Management's Discussion and Analysis (continued)*

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**TABLE 1**  
**NET POSITION**  
**(In Millions)**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and Other Assets	\$ 24.7	\$ 19.0
Total Assets	24.7	19.0
Liabilities	3.6	3.1
Restricted	13.9	8.1
Unrestricted	7.2	7.8
<b>Total Net Position</b>	<b>\$ 21.1</b>	<b>\$ 15.9</b>

The results of this year's operations for the District as a whole are reported in the Statement of Activities. This information is summarized in Table 2.

**TABLE 2**  
**CHANGES IN NET POSITION**  
**(In Millions)**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program Revenues:		
Charges for Services	\$ 4.1	\$ 1.2
Operating Grants, Contributions, and Bond Proceeds	17.1	4.8
General Revenues:		
Taxes	38.0	38.6
State Aid	5.9	5.7
Other	0.1	1.0
<b>Total Revenues</b>	<b>\$ 65.2</b>	<b>\$ 51.3</b>

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Management's Discussion and Analysis (continued)*

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**TABLE 2**  
**CHANGES IN NET POSITION**  
**(In Millions)**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Functions/Program Expenses		
Instruction	\$ 20.5	\$ 20.6
Attendance and social work services	1.0	1.0
Guidance services	1.3	1.2
Health services	0.9	0.5
Improvement of instruction	1.5	1.5
Professional development	0.1	0.1
Educational media services	1.9	1.7
Board of Education services	0.3	0.3
Executive administration	1.5	1.4
Building level administration	2.4	2.5
Operation and maintenance of plant services	7.2	7.1
Pupil transportation	0.7	1.1
Food services	2.0	1.5
Business and central services	1.3	1.4
Security services	0.5	0.6
Adult basic education	0.2	0.3
Community services	1.1	0.9
Facilities acquisition and construction	0.8	-
Debt services	5.9	6.5
Payment to bond refunding escrow agent	8.9	12.5
	<hr/>	<hr/>
<b>Total Expenses</b>	<b>60.0</b>	<b>62.7</b>
	<hr/>	<hr/>
Increase (Decrease) in Net Position	5.2	(11.4)
Net Position, Beginning of Year	15.9	27.3
	<hr/>	<hr/>
<b>Net Position, End of Year</b>	<b>\$ 21.1</b>	<b>\$ 15.9</b>
	<hr/>	<hr/>

**Governmental Activities**

The cost of all governmental activities totaled \$60 million in fiscal year 2021. The District's taxpayers funded \$38.1 million. In the table below, the cost of each of the District's largest functions, as well as each function's net cost (total cost less revenue generated by the activities), is presented. This clearly shows the District's reliance on local taxpayers.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Management's Discussions and Analysis (continued)*

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**TABLE 3**  
**FISCAL YEAR ENDED JUNE 30, 2021**  
**(In Millions)**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction	\$ 20.5	\$ 15.8
Attendance and social work services	1.0	1.0
Guidance services	1.3	1.2
Health services	0.9	0.8
Improvement of instruction	1.5	1.3
Professional development	0.1	0.1
Educational media services	1.9	1.9
Board of Education services	0.3	0.3
Executive administration	1.5	1.5
Building level administration	2.4	2.4
Operation and maintenance of plant services	7.2	3.4
Pupil transportation	0.7	0.5
Food services	2.0	(0.4)
Business and central services	1.3	1.3
Security services	0.5	0.5
Adult basic education	0.2	0.1
Community services	1.1	0.5
Facilities acquisition and construction	0.8	0.8
Debt services	5.9	(3.1)
Payment to bond refunding escrow agent	8.9	8.9
<b>Total Governmental Activities</b>	<b>\$ 60.0</b>	<b>\$ 38.8</b>

**The District's Funds**

The District uses funds to control and manage money for particular purposes. Some funds are required to be established by state law and by bond covenants. The fund basis financial statement allows the District to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. The statements also allow the reader to obtain more insight into the financial workings of the District, and assess further the District's overall financial health.

**General Fund Budget Highlights**

The preliminary budget for the fiscal year 2021 was approved by the Board of Education on May 21, 2020. The final revised budget was presented and approved by the Board on May 20, 2021.

Operating revenue totaled \$46.7 million, compared to the budget of \$47.7 million. Operating expenses totaled \$43.7 million, compared to the budget of \$46.0 million. Schedules showing the District's final budget compared with actual operating results are provided in the Supplementary Information section of this report.

## **SCHOOL DISTRICT OF UNIVERSITY CITY**

### *Management's Discussion and Analysis (continued)*

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#### **Capital Assets and Debt Administration**

##### **Capital Assets:**

The District operates under the modified cash basis of accounting; therefore, capital assets are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

##### **Debt:**

At June 30, 2021, the District had outstanding general obligation bonded indebtedness of \$55,808,033.

#### **Economic Factors and Fiscal Year 2022 Budget**

The School District of University City is financially solid. The fund balances of the operating funds are expected to total approximately 22% of annual operating expenditures.

Total operating revenue projected for fiscal year 2022 is expected to decrease by approximately \$2.64 million, or 5.5%, as compared to fiscal year 2021. However, approximately \$2.8 million of this decrease is due to one-time CARES Act funding received in fiscal year 2021. Also, these estimates do not include the effects of additional federal COVID-19 stimulus funding. The District anticipates that it will receive an additional \$4.8 million in funding through the American Rescue Plan Act (ESSER III). The District is in the process of developing a fiscal plan for these funds. The administration is expecting an increase in local property tax revenue of approximately \$900,000, due to the reassessment of property by St. Louis County. Revenue from the State's Foundation Formula is estimated to decline by \$100,000, due to a decline in student enrollment. Capital projects revenue is expected to decline by \$3.62 million in fiscal year 2022, as compared to fiscal year 2021. This decrease is due to the one-time receipt of capital funding from the sale of the McNair central office building (\$3.75 million). Lastly, the District is projecting an increase in debt service revenue of approximately \$750,000, primarily due to an increase in property tax collections due to the reassessment of property.

Operating expenditures for fiscal year 2022 are projected to decrease by approximately \$225,000, or 0.5%, as compared to fiscal year 2021. Capital projects expenditures are forecasted to decrease by approximately \$1.09 million in fiscal year 2022. Due to the sale of the McNair central office building in fiscal year 2021, the District acquired a new property and is performing renovation projects. These are one-time costs that will not be realized in fiscal year 2022.

#### **Contacting The District's Financial Management**

This discussion and analysis is intended to provide full and complete disclosure of the financial condition and operations of the District. If you wish to request additional financial information, please contact Scott Hafertepe, Chief Financial Officer, at the School District of University City, 8136 Groby Road, University City, Missouri 63130.

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## Basic Financial Statements

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SCHOOL DISTRICT OF UNIVERSITY CITY

STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2021

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	<u>Governmental Activities</u>
<b>-- ASSETS --</b>	
Cash and investments	\$ 22,112,450
Restricted cash and investments	2,636,809
<b>TOTAL ASSETS</b>	<b>\$ 24,749,259</b>
<b>-- LIABILITIES AND NET POSITION --</b>	
<b>LIABILITIES:</b>	
Medical claims	\$ 3,636,974
<b>Total Liabilities</b>	<b>3,636,974</b>
<b>NET POSITION:</b>	
Restricted for:	
Capital projects	3,463,655
Debt service	5,822,597
Teacher salary and benefits	4,602,123
Unrestricted	7,223,910
<b>Total Net Position</b>	<b>21,112,285</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 24,749,259</b>

See accompanying notes to basic financial statements

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions, and Bond Proceeds	Revenue and Changes in Net Position
				Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instruction	\$ 20,462,840	\$ 305,483	\$ 4,350,071	\$ (15,807,286)
Attendance and social work services	976,834	-	-	(976,834)
Guidance services	1,318,949	609	82,374	(1,235,966)
Health services	880,323	-	82,374	(797,949)
Improvement of instruction	1,523,576	-	266,128	(1,257,448)
Professional development	56,504	-	-	(56,504)
Educational media services	1,932,283	-	-	(1,932,283)
Board of Education services	312,564	-	-	(312,564)
Executive administration	1,485,806	-	-	(1,485,806)
Building level administration	2,379,554	-	-	(2,379,554)
Operation and maintenance of plant services	7,188,580	3,772,256	-	(3,416,324)
Pupil transportation	698,902	8,892	159,340	(530,670)
Food services	2,012,648	444	2,377,542	365,338
Business and central services	1,333,488	-	-	(1,333,488)
Security services	468,500	-	-	(468,500)
Adult basic education	230,718	-	101,455	(129,263)
Community services	1,126,256	2,865	636,249	(487,142)
Facilities acquisition and construction	771,649	-	-	(771,649)
Debt service:				
Principal	3,771,439	-	8,045,000	4,273,561
Interest	2,057,880	-	956,423	(1,101,457)
Other	119,667	-	-	(119,667)
Payment to bond refunding escrow agent	8,878,285	-	-	(8,878,285)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 59,987,245</b>	<b>\$ 4,090,549</b>	<b>\$ 17,056,956</b>	<b>(38,839,740)</b>
		<b>General Revenues</b>		
		Taxes:		
				Property taxes 34,171,781
				Sales taxes 2,677,922
				Other taxes 1,262,194
				State aid 5,938,219
				Grants and contributions not restricted to specific programs 7,642
				Fines and forfeitures 20,447
				Investment earnings 21,309
				<b>TOTAL GENERAL REVENUES 44,099,514</b>
				<b>CHANGE IN NET POSITION 5,259,774</b>
				<b>NET POSITION, BEGINNING OF YEAR 15,852,511</b>
				<b>NET POSITION, END OF YEAR \$ 21,112,285</b>

See accompanying notes to basic financial statements

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
JUNE 30, 2021**

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	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>-- ASSETS --</b>					
Cash and investments	\$ 7,223,910	\$ 8,239,097	\$ 3,185,788	\$ 3,463,655	\$ 22,112,450
Restricted cash and investments	-	-	2,636,809	-	2,636,809
<b>TOTAL ASSETS</b>	<b>\$ 7,223,910</b>	<b>\$ 8,239,097</b>	<b>\$ 5,822,597</b>	<b>\$ 3,463,655</b>	<b>\$ 24,749,259</b>
<b>-- LIABILITIES AND FUND BALANCES --</b>					
<b>LIABILITIES:</b>					
Medical claims	\$ -	\$ 3,636,974	\$ -	\$ -	\$ 3,636,974
<b>FUND BALANCES:</b>					
Restricted for:					
Capital projects	-	-	-	3,463,655	3,463,655
Debt service	-	-	5,822,597	-	5,822,597
Teacher salary and benefits	-	4,602,123	-	-	4,602,123
Assigned:					
Student activities	424,377	-	-	-	424,377
Unassigned	6,799,533	-	-	-	6,799,533
<b>Total Fund Balances</b>	<b>7,223,910</b>	<b>4,602,123</b>	<b>5,822,597</b>	<b>3,463,655</b>	<b>21,112,285</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,223,910</b>	<b>\$ 8,239,097</b>	<b>\$ 5,822,597</b>	<b>\$ 3,463,655</b>	<b>\$ 24,749,259</b>



**SCHOOL DISTRICT OF UNIVERSITY CITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>					
Local sources:					
Property taxes	\$ 14,325,289	\$ 14,325,289	\$ 5,521,203	\$ -	\$ 34,171,781
Sales taxes	1,338,961	1,338,961	-	-	2,677,922
Investment income	10,397	8,248	2,600	63	21,308
Other local	1,151,733	162,310	-	154,383	1,468,426
<b>Total local</b>	<b>16,826,380</b>	<b>15,834,808</b>	<b>5,523,803</b>	<b>154,446</b>	<b>38,339,437</b>
County sources:					
State assessed utilities	182,747	182,747	127,450	-	492,944
Other county	-	20,447	-	-	20,447
<b>Total county</b>	<b>182,747</b>	<b>203,194</b>	<b>127,450</b>	<b>-</b>	<b>513,391</b>
State sources:					
Basic formula	-	5,938,220	-	-	5,938,220
State grants and contributions	622,942	626,743	-	-	1,249,685
<b>Total state</b>	<b>622,942</b>	<b>6,564,963</b>	<b>-</b>	<b>-</b>	<b>7,187,905</b>
Federal sources	3,353,615	3,101,248	-	-	6,454,863
<b>Total Revenues</b>	<b>20,985,684</b>	<b>25,704,213</b>	<b>5,651,253</b>	<b>154,446</b>	<b>52,495,596</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	2,510,943	17,933,691	-	-	20,444,634
Attendance and social work services	793,154	183,680	-	-	976,834
Guidance services	156,369	1,162,580	-	-	1,318,949
Health services	723,212	111,553	-	-	834,765
Improvement of instruction	572,221	951,355	-	-	1,523,576
Professional development	39,778	16,726	-	-	56,504
Educational media services	1,345,427	586,856	-	-	1,932,283
Board of Education services	312,564	-	-	-	312,564
Executive administration	956,902	397,555	-	-	1,354,457
Building level administration	678,237	1,701,317	-	-	2,379,554
Operation and maintenance of plant services	6,851,591	-	-	-	6,851,591
Pupil transportation	698,902	-	-	-	698,902
Food services	1,922,247	-	-	-	1,922,247
Business and central services	1,141,956	191,532	-	-	1,333,488
Security services	415,745	-	-	-	415,745
Adult basic education	40,638	190,080	-	-	230,718
Community services	609,952	516,304	-	-	1,126,256
Capital outlay	-	-	-	1,446,907	1,446,907
Debt service:					
Principal	-	-	3,100,120	671,319	3,771,439
Interest	-	-	1,972,812	85,068	2,057,880
Other	-	-	119,246	421	119,667
<b>Total Expenditures</b>	<b>19,769,838</b>	<b>23,943,229</b>	<b>5,192,178</b>	<b>2,203,715</b>	<b>51,108,960</b>

See accompanying notes to basic financial statements

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,215,846	1,760,984	459,075	(2,049,269)	1,386,636
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from the sale of property	-	-	-	3,750,000	3,750,000
Bond proceeds	-	-	8,045,000	-	8,045,000
Bond premium	-	-	956,423	-	956,423
Payment to bond refunding escrow agent	-	-	(8,878,285)	-	(8,878,285)
<b>    Total Other Financing Sources (Uses)</b>	-	-	123,138	3,750,000	3,873,138
<b>NET CHANGE IN FUND BALANCES</b>	1,215,846	1,760,984	582,213	1,700,731	5,259,774
<b>FUND BALANCES, BEGINNING OF YEAR</b>	6,008,064	2,841,139	5,240,384	1,762,924	15,852,511
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 7,223,910</u>	<u>\$ 4,602,123</u>	<u>\$ 5,822,597</u>	<u>\$ 3,463,655</u>	<u>\$ 21,112,285</u>

See accompanying notes to basic financial statements

## SCHOOL DISTRICT OF UNIVERSITY CITY

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of University City (the "District") operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

As discussed further in Note 1, these financial statements are presented on the modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### Principles Determining the Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. A component unit is a legally separate organization for which the primary government is financially accountable or closely related. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the District is not aware of any entity that would exercise such oversight which would result in the District being considered a component unit of the entity.

Excluded from the reporting entity:

Public School Retirement System of Missouri, Public Education Employee Retirement System, and Missouri United School Insurance Council ("MUSIC"). The participating School District's governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

Additionally, while the parent-teacher organizations of the District's schools and the School District of University City Educational Foundation are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimis nature.

#### Fund Accounting

The accounts of the District are organized on the basis of legally established 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 equity, 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 fund types are used by the District:

#### Governmental Funds

Governmental Funds are those through which all functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund:

#### General Fund

This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

## SCHOOL DISTRICT OF UNIVERSITY CITY

### *Notes to Basic Financial Statements (continued)*

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#### Special Revenue Fund

A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and benefits.

#### Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and fiscal charges on long-term debt.

#### Capital Projects Fund

This fund is used to account for the proceeds of long-term debt, taxes, and other revenues restricted for acquisition or construction of major capital assets.

#### Basis of Presentation

##### *Government-Wide Financial Statements:*

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. The effect of interfund activity has been eliminated for these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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 expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses 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:*

The fund financial statements provide information about the District's funds. A balance sheet - modified cash basis and statement of revenues, expenditures, and changes in fund balances - modified cash basis are presented. The emphasis of fund financial statements is on *major* governmental funds, each displayed in a separate column. The District considers each of its funds to be major.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting.

This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets, payroll withholdings are reported as liabilities and self-insured medical claims are expensed as the estimated premiums are paid into a separate cash account used to pay claims. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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As a result of using this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, incurred but not paid self-insurance claims, general and leasehold revenue bonds, and obligations under capital leases), and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District.

The assessed valuations of the tangible taxable property for the calendar year 2020, for purposes of local taxation, were \$759,249,380.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2020, for purposes of local taxation were:

	<b><u>December 31, 2020</u></b>	
General Fund	\$	1.9148
Special Revenue Fund		1.9148
Debt Service Fund		0.7380
Capital Projects Fund		<u>-</u>
<b>Total</b>	<b>\$</b>	<b><u>4.5676</u></b>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 99% of the current assessment computed on the basis of the levy as shown above.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except for resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consists of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note 2.

## SCHOOL DISTRICT OF UNIVERSITY CITY

### Notes to Basic Financial Statements (continued)

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#### Governmental Fund Balances

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually are required to remain intact. The District has no nonspendable fund balance as of June 30, 2021.

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The District's restricted funds consist of amounts restricted for capital projects, debt service and teacher salaries and benefits.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Education, the District's highest level of decision-making authority. The District has no committed fund balances as of June 30, 2021.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by the Board of Education or the chief financial officer. As of June 30, 2021, the District's assigned fund balance includes student activities.

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned."

The unassigned 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 strives to maintain a minimum undesignated balance in its operating funds equal to a range of 15% - 20% of its prior year operating expenditures.

#### Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its 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 applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

The District made no interfund transfers during the fiscal year ended June 30, 2021.

#### Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2021.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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**2. CASH AND INVESTMENTS**

The District is governed by the deposit and investment limitations of state law, as described in Note 1. The depository bank is to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times in accordance with sections 110.010 and 110.020 of the Missouri Revised Statutes. The District may invest funds in bonds or any instrument permitted by law for the investment of state monies in accordance with section 165.051 of the Missouri Revised Statutes.

The District participates in the Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the Health and Educational Facilities Authority of the State of Missouri ("MOHEFA") Bond Program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The direct deposits occur monthly and the balance is withdrawn every six months to pay the debt service requirement of the related bond issues. At June 30, 2021, the District had \$2,636,809 in this program.

The District also participates in the Missouri Securities Investment Program ("MOSIP"). MOSIP is an external investment pool in which a District's monies are pooled with other Districts' monies to purchase investments that are permitted by state statutes. The District's monies purchase a pro-rata share of the pool. A board of directors composed of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net asset value of \$1 per share.

The deposits and investments held at June 30, 2021, and reported at cost, are as follows:

<b>Type</b>	<b>Carrying Value</b>
Deposits:	
Cash and demand deposits	\$ 18,926,649
Money market	3,185,787
Investments:	
External investment pool (MOSIP)	14
MOHEFA bond program:	
Money market mutual funds	2,636,809
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b>\$ 24,749,259</b>
Reconciliation to financial statements:	
Current:	
Cash and investments	\$ 22,112,450
Cash and investments - restricted	2,636,809
	<b>\$ 24,749,259</b>

Custodial Credit Risk - Deposits - 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. As of June 30, 2021, the District's deposits were not exposed to custodial credit risk.

Custodial Credit Risk - Investments - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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to the District or its agent but not in the government's name. The District has no formal investment policy for custodial credit risk. All investments, evidenced by individual securities, are registered in the name of the District or are of a type not exposed to custodial credit risk.

Investment Interest Rate Risk - The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments in state and local government securities range from one (1) to five (5) years.

Investment Credit Risk - The District has no investment policy that limits its investment choices other than the limitation of state law, as documented above. At June 30, 2021, the District's investments were rated as follows:

<b>Description</b>	<b>Amount</b>	<b>Rating</b>
External investment pool (MOSIP)	\$ 14	AAAm
MOHEFA bond program:		
Money market mutual funds	2,636,809	AAAm

Concentration of Investment Credit Risk - Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District does not have a policy limiting the amount it may invest in any one issuer. At June 30, 2021, the District did not have any investments subject to this disclosure.

**3. LONG-TERM LIABILITIES**

Long term debt activity for the year ended June 30, 2021, is summarized as follows:

	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2021</b>	<b>Amount Due within One Year</b>
Bonds payable:					
General obligation bonds	\$ 59,713,153	\$ 8,045,000	\$11,950,120	\$ 55,808,033	\$ 3,765,000
Obligations under capital leases	2,398,529	164,144	390,101	2,172,572	336,008
Energy efficiency loan	706,407	-	347,641	358,766	358,766
<b>Total long-term liabilities</b>	<b>\$ 62,818,089</b>	<b>\$ 8,209,144</b>	<b>\$12,687,862</b>	<b>\$ 58,339,371</b>	<b>\$ 4,459,774</b>

Payments on the general obligation bonds are made by the debt service fund. Payments on the capital leases and the energy efficiency loan are made by the capital projects fund.

**Bonds Payable**

General obligation bonds currently outstanding are as follows:

General Obligation Refunding Bonds Series 2021  
Original aggregate amount \$8,045,000  
Interest rate – 3.0%  
Payments – principal and interest



**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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payments in varying amounts through 2/15/2031	\$ 8,045,000
General Obligation Refunding Bonds Series 2017 Original aggregate amount \$12,335,000 Interest rate – 2.7% - 4.00% Payments – principal and interest payments in varying amounts through 2/15/2030	10,815,000
General Obligation Refunding Bonds Series 2016 Original aggregate amount \$9,100,000 Interest rate - 3.0% Payments - principal and interest payments in varying amounts through 2/15/2029	7,195,000
General Obligation Bonds Series, 2015B Original aggregate amount \$6,400,000 Interest rate - 2.0% - 3.0% Payments - principal and interest payments in varying amounts through 2/15/2035	6,400,000
General Obligation Refunding Bonds Series 2014 Original aggregate amount \$7,630,000 Interest rate - 2.0% - 3.375% Payments - principal and interest payments in varying amounts through 2/15/2026	7,570,000
General Obligation Bonds Series 2013 Original aggregate amount \$12,998,033 Interest rate - 3.0% - 3.2% for \$6,400,000 Accretion rate - 3.9% - 4.94% for \$6,598,033 Payments - principal and interest payments in varying amounts through 2/15/2033	6,598,033
Qualified School Construction Bonds Series 2009A - Original amount \$9,185,000 Interest rate - 1.25% Payments - principal and interest payments in varying amounts through 2/15/2025	<u>9,185,000</u>
<b>Total General Obligation Bonds</b>	<b><u>\$55,808,033</u></b>

The annual requirements to amortize bonded debt outstanding as of June 30, 2021, are as follows:

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 3,765,000	\$ 1,631,693	\$ 5,396,693
2023	4,130,000	1,565,081	5,695,081
2024	4,470,000	1,476,031	5,946,031
2025	4,605,000	1,377,656	5,982,656
2026	4,135,000	1,276,106	5,411,106
2027-2031	22,950,060	5,660,690	28,610,750
2032-2035	11,752,973	6,766,027	18,519,000
<b>Total</b>	<b>\$ 55,808,033</b>	<b>\$ 19,753,284</b>	<b>\$ 75,561,317</b>

Repayment of the bond issues are through the Missouri Direct Deposit Program, which is a mechanism for public school bond repayments. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. At June 30, 2021, the balance of these funds held at the trustee bank was \$2,636,809.

General Obligation Bonds

General obligation bonds are supported by a pledge of the District's full faith and credit. These bonds were originally issued to finance various capital projects.

During the fiscal year ended June 30, 2021, the District issued \$8,045,000 in General Obligation Refunding Bonds, Series 2021 to refund \$6,400,000 outstanding General Obligation Bonds, Series 2013 maturing in the years 2028 and thereafter and \$2,450,000 outstanding General Obligation Bonds, Series 2015A maturing in the years 2022 and thereafter. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$998,918.

Energy Efficiency Loan

In a prior year, the District received a total of \$4,404,643 relating to the Missouri Department of Natural Resources Energy Efficiency Leveraged Loan Program ("Program"). The Program allows the District to implement approved energy conservation measures and receive funding for the costs. The interest rate on the loan is 3.75%. Payments are due in semi-annual installments of \$185,451, including interest, through February 2022.

The annual requirements to amortize the outstanding loan as of June 30, 2021, are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 358,766	\$ 10,101	\$ 368,867
<b>Total</b>	<b>\$ 358,766</b>	<b>\$ 10,101</b>	<b>\$ 368,867</b>

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin of the District at June 30, 2021, was:

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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Constitutional debt limit	\$ 113,887,407
General obligation bonds payable	(55,808,033)
Amount available in Debt Service Fund	<u>5,822,597</u>
Legal Debt Margin	<u>\$ 63,901,971</u>

**4. CAPITAL LEASES PAYABLE**

During the current year, the District entered into a lease purchase agreement for copiers, which is classified as a capital lease. The lease is for a total of \$164,144 and calls for monthly payments of \$3,460. The final payment is due in September 2024.

During a prior year, the District entered into a lease purchase agreement for copiers, which is classified as a capital lease. The original cost of the copiers was \$186,922. The lease was for a total of \$186,922 and called for monthly payments of approximately \$3,439. This lease was cancelled during the current year.

During a prior year, the District entered into a lease purchase agreement with a company for various energy savings equipment and related installation. The lease is for a total amount of \$1,132,000 and calls for semi-annual payments of approximately \$86,631. The final payment under this lease is due in December 2032.

During a prior year, the District entered into a lease purchase agreement for school buses, which is classified as a capital lease. The lease is for a total of \$544,600 and calls for annual payments of approximately \$79,000. The final payment is due in July 2026.

During a prior year, the District entered into a lease purchase agreement for school buses, which is classified as a capital lease. The lease is for a total of \$928,756 and calls for annual payments of approximately \$120,000. The final payment is due in July 2027.

During a prior year, the District entered into a lease purchase agreement for SMART technology equipment, which is classified as a capital lease. The lease is for a total of \$225,720 and calls for annual payments of approximately \$62,000. The final payment is due in August 2022.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2021:

<b>Year Ending June 30,</b>	
2022	\$ 388,986
2023	389,346
2024	327,392
2025	296,252
2026	285,872
2027-2031	553,385
2032-2033	<u>174,109</u>
Total future minimum lease payments	2,415,342
Less amount representing interest	<u>(242,770)</u>
Present value of future minimum lease payments	<u>\$ 2,172,572</u>

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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**5. OPERATING LEASE**

During a prior year, the District entered into a lease for the use of solar panels, which is considered to be an operating lease. Future minimum lease payments are as follows:

<b>Year Ending June 30,</b>	
2022	\$ 10,800
2023	10,800
2024	10,800
2025	900
<b>Total</b>	<b>\$ 33,300</b>

Current year rental costs related to this lease were \$10,800.

**6. RETIREMENT PLANS**

Net Pension Liability

Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

General Information about the Pension Plan - PSRS

*Plan Description.* The Public School Retirement System of Missouri ("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.

*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 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. Actuarially age-reduced retirement 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

## SCHOOL DISTRICT OF UNIVERSITY CITY

### *Notes to Basic Financial Statements (continued)*

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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](http://www.psr-peers.org).

*Contributions.* PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020 and 2021. 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.

The District's contributions to PSRS were \$2,909,440 for the year ended June 30, 2021.

#### General Information about the Pension Plan – PEERS

*Plan Description.* The Public Education Employee Retirement System of Missouri ("PEERS") is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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.

*Benefits Provided.* PEERS is a defined benefit plan providing retirement, disability and death 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 benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available 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 PEERS' website at [www.psr-peers.org](http://www.psr-peers.org).

*Contributions.* PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS were \$366,331 for the year ended June 30, 2021.

## SCHOOL DISTRICT OF UNIVERSITY CITY

### *Notes to Basic Financial Statements (continued)*

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*Cost-of-Living Adjustments ("COLA")*. The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, 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.

#### Pension Liabilities and Pension Expense – PSRS

At June 30, 2021, the District recorded a liability of \$35,294,191 for its proportionate share of the PSRS net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$2,860,953 paid to PSRS for the year ended June 30, 2020, relative to the actual contributions of \$723,970,206 from all participating employers. At June 30, 2020, the District's proportionate share was 0.3952%.

#### Pension Liabilities and Pension Expense – PEERS

At June 30, 2021, the District recorded a liability of \$3,106,754 for its proportionate share of the PEERS net pension liability. The net pension liability for the plan in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$395,146 paid to PEERS for the year ended June 30, 2020, relative to the actual contributions of \$123,440,288 from all participating employers. At June 30, 2020, the District's proportionate share was 0.3201%.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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Actuarial Assumptions – PSRS

Actuarial valuations of PSRS involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amount. Examples include assumptions about future employment, mortality and salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results and compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

## SCHOOL DISTRICT OF UNIVERSITY CITY

### *Notes to Basic Financial Statements (continued)*

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Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2020
- Valuation Date	June 30, 2020
- Expected Return on Investments	7.50%, net of investment expenses and including 2.25% inflation
- Inflation	2.25%
- Total Payroll Growth	2.75% per annum, consisting of 2.25% inflation, 0.25% of real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Future Salary Increases	3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity "and real wage growth for merit, promotion and seniority of 0.25% to 6.75%".
- Cost-of-Living Increases	<p>The annual COLA assumed in the valuation increases from 1.35% to 1.65% over six years, beginning January 1, 2022. The COLA reflected for January 1, 2021 is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:</p> <ul style="list-style-type: none"><li>- If the June to June change in the CPI-U is less than 2% for one or more E17 consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.</li><li>- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.</li><li>- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.</li><li>- If CPI-U decreases, no COLA is provided.</li></ul> <p>The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.</p>
- Mortality Assumption	
<i>Actives:</i>	RP-2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
<i>Non-Disabled Retirees,     Beneficiaries and Survivors:</i>	RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
<i>Disabled Retirees:</i>	RP-2006 Disabled Mortality Table with static projection to 2028 using the 2014 SSA Improvement Scale.



**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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Changes in Actuarial Assumptions and Methods

PSRS	There have been no assumption changes since the June 30, 2018 valuations.
Fiduciary Net Position:	PSRS issues a publicly available financial report that can be obtained at <a href="http://www.psrs-peers.org">www.psrs-peers.org</a> .

Actuarial Assumptions – PEERS

Actuarial valuations of PEERS involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amount. Examples include assumptions about future employment, mortality and salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with June 30, 2016 valuation. For the June 30, 2017 valuation the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

## SCHOOL DISTRICT OF UNIVERSITY CITY

### *Notes to Basic Financial Statements (continued)*

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Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2020
- Valuation Date	June 30, 2020
- Expected Return on Investments	7.50%, net of investment expenses and including 2.25% inflation
- Inflation	2.25%
- Total Payroll Growth	3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.
- Future Salary Increases	4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity "and real wage growth for merit, promotion and seniority of 0.75% to 7.75%".
- Cost-of-Living Increases	<p>The annual COLA assumed in the valuation increases from 1.35% to 1.65% over six years, beginning January 1, 2022. The COLA reflected for January 1, 2021 is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:</p> <ul style="list-style-type: none"><li>- If the June to June change in the CPI-U is less than 2% for consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.</li><li>- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.</li><li>- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.</li><li>- If CPI-U decreases, no COLA is provided.</li></ul> <p>The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.</p>
-Mortality Assumption	
<i>Actives:</i>	RP-2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females with static projection using the 2014 SSA Improvement Scale to 2028.
<i>Non-Disabled Retirees,     Beneficiaries and Survivors:</i>	RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
<i>Disabled Retirees:</i>	RP-2006 Disabled Mortality Table with static projection to 2028 using the 2014 SSA Improvement Scale.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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Changes in Actuarial Assumptions and Methods

PEERS                                There have been no assumption changes since the June 30, 2018 valuations.

Fiduciary Net Position:                        PEERS issues a publicly available financial report that can be obtained at  
www.psr-s-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-term Expected Real Return Arithmetic Basis</b>
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Non-U.S. Public Equity	16.0%	6.88%
U.S. Treasuries	20.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	16.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	<u>100.0%</u>	

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.5% as of June 30, 2020, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017 valuation, and to 7.5% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarial accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.50% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

<u>Discount Rate</u>	1% Decrease (6.5%)	Current Rate (7.5%)	1% Increase (8.5%)
PSRS Proportionate share of the Net Pension Liability / (Asset)	\$ 59,892,352	\$ 35,294,191	\$ 14,837,665
PEERS Proportionate share of the Net Pension Liability / (Asset)	5,474,999	3,106,754	1,119,652

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PSRS

<u>Year Ended</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportion Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) As a Percentage Of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	0.4261%	\$ 17,481,074	\$ 18,997,498	92.02%	89.34%
6/30/2015	0.4159%	24,009,325	18,912,844	126.95%	85.78%
6/30/2016	0.3917%	29,145,021	18,161,861	160.47%	82.18%
6/30/2017	0.3841%	27,737,878	18,198,445	152.42%	83.77%
6/30/2018	0.3960%	29,472,128	19,150,883	153.89%	84.06%
6/30/2019	0.3895%	28,745,374	19,207,379	149.66%	84.62%
6/30/2020	0.3952%	35,294,191	19,821,812	178.06%	82.01%

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PEERS**

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	0.4046%	\$ 1,477,461	\$ 5,899,395	25.04%	91.33%
6/30/2015	0.4001%	2,116,154	5,999,452	35.27%	88.28%
6/30/2016	0.3786%	3,037,641	5,846,345	51.96%	83.32%
6/30/2017	0.3736%	2,850,384	6,004,382	47.47%	85.35%
6/30/2018	0.3382%	2,613,313	5,626,740	46.44%	86.06%
6/30/2019	0.3427%	2,710,624	5,926,813	45.73%	86.38%
6/30/2020	0.3201%	3,106,754	5,740,038	54.12%	84.06%

**Schedule of Employer Contributions - PSRS**

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 2,719,446	\$ 2,719,446	\$ -	\$ 18,821,097	14.45%
6/30/2014	2,744,020	2,744,020	-	18,997,498	14.44%
6/30/2015	2,730,853	2,730,853	-	18,912,844	14.44%
6/30/2016	2,623,990	2,623,990	-	18,161,861	14.45%
6/30/2017	2,627,390	2,627,390	-	18,198,445	14.44%
6/30/2018	2,761,030	2,761,030	-	19,150,883	14.42%
6/30/2019	2,772,326	2,772,326	-	19,207,379	14.43%
6/30/2020	2,860,953	2,860,953	-	19,821,812	14.43%

**Schedule of Employer Contributions – PEERS**

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	\$ 402,600	\$ 402,600	\$ -	\$ 5,868,795	6.86%
6/30/2014	404,697	404,697	-	5,899,395	6.86%
6/30/2015	411,563	411,563	-	5,999,452	6.86%
6/30/2016	401,059	401,059	-	5,846,345	6.86%
6/30/2017	411,900	411,900	-	6,004,382	6.86%
6/30/2018	385,994	385,994	-	5,626,740	6.86%
6/30/2019	408,075	408,075	-	5,926,813	6.89%
6/30/2020	395,146	395,146	-	5,740,038	6.88%

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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**7. INSURANCE PROGRAM**

The District, along with various other local school districts, participates in the Missouri United School Insurance Council ("MUSIC"), an insurance association for workers' compensation, general liability, and property and casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities, or fund balances of the insurance association. However, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. The District's premium assessment from MUSIC for 2021 was \$580,072. Settled claims have not exceeded insurance coverage in any of the past three years.

**8. SELF-INSURANCE**

Effective October 1, 2009, the District adopted a self-insurance medical plan to cover substantially all employees of the District. The District generally retains the risks related to its obligations to provide medical benefits to its employees. However, the District's maximum liability for each one-year period related to health benefits is limited by insurance coverage.

The special revenue fund pays estimated premiums into a separate cash account which is used to pay claims. The estimated premiums paid are based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. The difference between the premium payments (both employer and employee) and actual claims paid is reported as a liability in the respective fund. A summary of activity for the years ended June 30, 2019 through June 30, 2021 are presented in the table below.

<b>Year Ended June 30,</b>	<b>Liability, Beginning of Year</b>	<b>Income and Premium Payments</b>	<b>Claim Payments</b>	<b>Liability, End of Year</b>
2021	\$ 3,051,278	\$ 3,949,566	\$ 3,363,870	\$ 3,636,974
2020	2,242,760	4,114,821	3,306,303	3,051,278
2019	1,817,069	3,972,048	3,546,357	2,242,760

The estimated liability for payment of incurred (both reported and unreported) but unpaid claims have not been calculated by the District.

**9. COMMITMENTS AND CONTINGENCIES**

Legal Matters

The District is involved in various lawsuits and other legal matters. While in the District's opinion, based on consultation with legal counsel, these items will be resolved with no material adverse effect on the District, the results of the proceedings have yet to be finalized.

Vacation & Sick Liability

Vacation time and sick leave are considered expenditures in the year paid. Sick leave amounts which are unused and vested by the employee are payable upon retirement or after five complete years of service. The liability for those benefits, which is not included in the accompanying financial statements, amounted to approximately \$1,056,000.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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Construction Commitments

The District has entered into various contracts for construction and remodeling for its buildings. Approximately \$683,000 is outstanding at June 30, 2021.

Coronavirus Pandemic

In March of 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "public health emergency of international concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of the situation precludes any prediction as to the ultimate material adverse impact, if any, on the District's future financial operating performance and financial condition.

**10. POST-EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 6, the District allows employees who retire from the District to continue to participate in the District's health care benefits. Upon meeting the retirement requirements, the retirees can elect to participate in the District's plans.

During the fiscal year ended June 30, 2021, the District offered retirees \$450 per month towards the District's health insurance. In previous years, the plan for retirees was one year of health care benefits free; the second and third year were provided at 50%, and thereafter, the retirees had to pay the entire amount. However, retirees on Medicare are charged a reduced rate and the District contributes the remaining premiums.

The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan.

During the fiscal year ended June 30, 2021, 7 retirees received benefits totaling approximately \$33,000. In addition, the District contributed approximately \$38,000 on behalf of 8 retirees who are paying half of the amount (from the previous plan). In addition, there are 159 retirees who pay 100% of their premium. The District finances these benefits on a pay-as-you-go basis.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Notes to Basic Financial Statements (continued)*

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**11. TAX ABATEMENTS**

As of June 30, 2021, the District is subject to the following tax abatement programs initiated by other governmental entities:

	<b>Real Estate and Surcharges Abated</b>
City of Bellerive	\$ 171
City of Berkeley	36
City of Brentwood	556
City of Bridgeton	1,221
City of Clayton	1,955
City of Edmundson	1,222
City of Eureka	173
City of Ferguson	379
City of Frontenac	494
City of Hazelwood	9,124
City of Jennings	9
City of Kinloch	2,399
City of Maplewood	368
City of Maryland Heights	712
City of Olivette	136
City of Overland	34,917
City of Richmond Heights	483
City of Rock Hill	140
City of Sunset Hills	9
City of University City	253,094
City of Wellston	50
City of Woodson Terrace	10
Port Authority	1,101
St. Louis County	11,410
<b>Total</b>	<b>\$ 320,169</b>



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**Supplementary Information**

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**SCHOOL DISTRICT OF UNIVERSITY CITY**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local	\$ 16,117,150	\$ 16,862,801	\$ 16,826,380	\$ (36,421)
County	185,000	182,120	182,747	627
State	684,171	594,843	622,942	28,099
Federal	2,270,635	6,094,535	3,353,615	(2,740,920)
<b>Total Revenues</b>	<b>19,256,956</b>	<b>23,734,299</b>	<b>20,985,684</b>	<b>(2,748,615)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	2,593,413	3,123,776	2,510,943	612,833
Attendance and social work services	996,602	888,792	793,154	95,638
Guidance services	187,841	179,507	156,369	23,138
Health services	603,798	735,813	723,212	12,601
Improvement of instruction	621,825	477,363	572,221	(94,858)
Professional development	34,000	30,404	39,778	(9,374)
Educational media services	1,206,473	1,382,738	1,345,427	37,311
Board of Education services	327,422	376,728	312,564	64,164
Executive administration	757,274	945,406	956,902	(11,496)
Building level administration	744,190	737,535	678,237	59,298
Operation and maintenance of plant services	6,593,967	6,864,362	6,851,591	12,771
Pupil transportation	1,285,499	957,277	698,902	258,375
Food services	1,500,815	1,876,415	1,922,247	(45,832)
Business and central services	1,243,274	1,434,642	1,141,956	292,686
Security services	473,926	496,025	415,745	80,280
Adult basic education	69,104	70,302	40,638	29,664
Community services	443,458	674,371	609,952	64,419
<b>Total Expenditures</b>	<b>19,682,881</b>	<b>21,251,456</b>	<b>19,769,838</b>	<b>1,481,618</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (425,925)</b>	<b>\$ 2,482,843</b>	<b>1,215,846</b>	<b>\$ (1,266,997)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<b>6,008,064</b>	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ 7,223,910</b>	

See accompanying independent auditors' report and  
notes to the budgetary comparison schedules

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>REVENUES:</b>				
Local	\$ 15,910,500	\$ 15,885,799	\$ 15,834,808	\$ (50,991)
County	225,000	202,567	203,194	627
State	6,396,379	6,626,612	6,564,963	(61,649)
Federal	1,014,847	1,244,918	3,101,248	1,856,330
<b>Total Revenues</b>	<b>23,546,726</b>	<b>23,959,896</b>	<b>25,704,213</b>	<b>1,744,317</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	18,765,189	18,690,623	17,933,691	756,932
Attendance and social work services	183,837	183,837	183,680	157
Guidance services	1,200,010	1,296,394	1,162,580	133,814
Health services	-	-	111,553	(111,553)
Improvement of instruction	867,007	988,541	951,355	37,186
Professional development	13,121	25,073	16,726	8,347
Educational media services	583,270	583,270	586,856	(3,586)
Executive administration	379,938	388,040	397,555	(9,515)
Building level administration	1,691,071	1,703,544	1,701,317	2,227
Business and central services	198,593	198,593	191,532	7,061
Adult basic education	225,776	225,493	190,080	35,413
Community services	470,151	470,332	516,304	(45,972)
<b>Total Expenditures</b>	<b>24,577,963</b>	<b>24,753,740</b>	<b>23,943,229</b>	<b>810,511</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,031,237)</b>	<b>\$ (793,844)</b>	<b>1,760,984</b>	<b>\$ 2,554,828</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<b>2,841,139</b>	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ 4,602,123</b>	

See accompanying independent auditors' report and  
notes to the budgetary comparison schedules

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Local	\$ 5,482,000	\$ 5,509,969	\$ 5,523,803	\$ 13,834
County	130,000	127,011	127,450	439
<b>Total Revenues</b>	<b>5,612,000</b>	<b>5,636,980</b>	<b>5,651,253</b>	<b>14,273</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,100,120	3,100,120	3,100,120	-
Interest	1,972,812	1,972,812	1,972,812	-
Other	10,000	41,385	119,246	(77,861)
<b>Total Expenditures</b>	<b>5,082,932</b>	<b>5,114,317</b>	<b>5,192,178</b>	<b>(77,861)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>529,068</b>	<b>522,663</b>	<b>459,075</b>	<b>(63,588)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond proceeds	-	8,045,000	8,045,000	-
Bond premium	-	956,423	956,423	-
Payment to bond refunding escrow agent	-	(8,991,038)	(8,878,285)	112,753
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>10,385</b>	<b>123,138</b>	<b>112,753</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 529,068</b>	<b>\$ 533,048</b>	<b>582,213</b>	<b>\$ 49,165</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<b>5,240,384</b>	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ 5,822,597</b>	

See accompanying independent auditors' report and  
notes to the budgetary comparison schedules

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local	\$ 669,700	\$ 154,700	\$ 154,446	\$ (254)
State	12,242	12,242	-	(12,242)
Federal	-	42,120	-	(42,120)
<b>Total Revenues</b>	<b>681,942</b>	<b>209,062</b>	<b>154,446</b>	<b>(54,616)</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	546,879	2,316,512	1,446,907	869,605
Debt service:				
Principal	500,527	500,527	671,319	(170,792)
Interest	86,075	86,075	85,068	1,007
Other	-	-	421	(421)
<b>Total Expenditures</b>	<b>1,133,481</b>	<b>2,903,114</b>	<b>2,203,715</b>	<b>699,399</b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<b>(451,539)</b>	<b>(2,694,052)</b>	<b>(2,049,269)</b>	<b>644,783</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from the sale of property	-	3,750,000	3,750,000	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>3,750,000</b>	<b>3,750,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (451,539)</b>	<b>\$ 1,055,948</b>	<b>1,700,731</b>	<b>\$ 644,783</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<b>1,762,924</b>	
<b>FUND BALANCE, END OF YEAR</b>			<b>\$ 3,463,655</b>	

See accompanying independent auditors' report and  
notes to the budgetary comparison schedules

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2021**

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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 July, 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. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. 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.

Budgeted amounts are as originally adopted on May 21, 2020, or as amended by the Board of Education on May 20, 2021.

6. Budgets are adopted on a modified cash basis of accounting.

Lapsing of Appropriations - At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

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**State Compliance Section**

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**SCHOOL DISTRICT OF UNIVERSITY CITY**

**SCHEDULE OF SELECTED STATISTICS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

County District Number: 096-112

1. Calendar (Sections 160.041, 171.031 and 171.033 RSMO)

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1050	9	12	-	6.3333	172	1,046.8333
2000	6	8	-	6.5167	172	1,079.6700
4060	K	5	-	6.5000	172	1,104.5000
4100	K	5	-	6.5000	172	1,104.5000
4140	K	5	-	6.5000	172	1,104.5000
4200	K	5	-	6.5000	172	1,104.5000
7500	PK	PK	-	6.5000	172	1,118.0000

2. Attendance Hours

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
1050	9-12	585,539.5600	7,717.6000	-	-	12,276.6000	605,533.7600
2000	6-8	440,942.7170	-	-	-	8,403.6000	449,346.3170
4060	K-5	333,006.6800	-	-	-	-	333,006.6800
4100	K-5	293,699.7700	-	-	-	42,114.0000	335,813.7700
4140	K-5	265,827.1200	-	-	-	-	265,827.1200
4200	K-5	173,765.3800	-	-	-	-	173,765.3800
7500	PK-K	72,794.3600	-	-	-	-	72,794.3600
		<u>2,165,575.5870</u>	<u>7,717.6000</u>	-	-	<u>62,794.2000</u>	<u>2,236,087.3870</u>

3. September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	9-12	706.00	7.55	-	713.55
2000	6-8	580.00	-	-	580.00
4060	K-5	332.00	-	-	332.00
4100	K-5	285.00	-	-	285.00
4140	K-5	272.00	-	-	272.00
4200	K-5	251.00	-	-	251.00
7500	PK	65.00	-	-	65.00
		<u>2,491.00</u>	<u>7.55</u>	-	<u>2,498.55</u>



**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Schedule of Selected Statistics (continued)*

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
N/A	1.00	-	-	-	1.00
1050	687.55	-	-	-	687.55
2000	576.00	-	-	-	576.00
4060	330.00	-	-	-	330.00
4100	276.00	-	-	-	276.00
4140	271.00	-	-	-	271.00
4200	260.00	-	-	-	260.00
	2,401.55	-	-	-	2,401.55

5. Finance

Section	Question	Answer
5.1	The district 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 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	N/A
	Career Exploration Program – Off Campus	N/A
	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	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	TRUE
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Schedule of Selected Statistics (continued)*

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5. Finance

5.3	The district 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.	<u>TRUE</u>
5.4	The district 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.	<u>TRUE</u>
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:	<u>\$50,000</u>
5.6	The district's school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<u>TRUE</u>
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)	<u>TRUE</u>
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.	<u>TRUE</u>

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Schedule of Selected Statistics (continued)*

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5. Finance

Section	Question	Answer
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. (Not applicable to charter schools)	N/A
5.1	The district 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 schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$56,504
5.13	The district 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

**SCHOOL DISTRICT OF UNIVERSITY CITY**

*Schedule of Selected Statistics (continued)*

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6. Transportation (Section 163.161, RSMO)

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 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: <ul style="list-style-type: none"> <li>• Eligible ADT</li> <li>• Ineligible ADT</li> </ul>	<table border="0"> <tr> <td></td> <td align="center">365</td> </tr> <tr> <td></td> <td align="center">-</td> </tr> </table>		365		-
	365					
	-					
6.4	The District'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-operated and contracted mileage for the year was:	75,207				
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was: <ul style="list-style-type: none"> <li>• Eligible Miles</li> <li>• Ineligible Miles (Non-Route/Disapproved)</li> </ul>	<table border="0"> <tr> <td></td> <td align="center">69,302</td> </tr> <tr> <td></td> <td align="center">5,905</td> </tr> </table>		69,302		5,905
	69,302					
	5,905					
6.7	Number of days the District operated the school transportation system during the regular school year:	155				



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI STATE LAWS AND REGULATIONS

To the Members of the  
Board of Education  
School District of University City

### **Report on Compliance with State Requirements**

We have examined management's assertions that the School District of University City complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's pupil attendance records and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2021.

### **Management's Responsibility**

Management is responsible for the District's compliance with the aforementioned requirements.

### **Auditor's Responsibility**

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

### **Opinion on Compliance with State Requirements**

In our opinion, management's assertions that the School District of University City complied with the aforementioned requirements for the year ended June 30, 2021, are fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 11, 2021

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**Federal Compliance Section**

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**SCHOOL DISTRICT OF UNIVERSITY CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/or Cluster Title	Federal Assistance Listing Number	Pass - Through Entity Identification Number	Provided to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
Title I	84.010	096-112	\$ -	\$ 666,800
Title I School Improvement 1003(a)	84.010	096-112	-	393,139
Subtotal Assistance Listing 84.010			-	1,059,939
Title II A	84.367	096-112	-	142,494
Title III	84.365	096-112	-	14,355
Title IV	84.424	096-112	-	65,066
Vocational Education Act	84.048	096-112	-	70,900
Adult Education & Literacy	84.002	096-112	-	71,519
COVID-19: Transportation Supplement (GEER Fund)	84.425C	096-112	-	27,779
COVID-19: CARES ESSER I	84.425D	096-112	-	131,880
COVID-19: CARES ESSER II	84.425D	096-112	-	2,183,104
Subtotal Assistance Listing 84.425D			-	2,314,984
Total U.S. Department of Education			-	3,767,035
<u>U.S. Department of Agriculture:</u>				
Passed through Missouri Department of Health:				
Child and Adult Care Food Program	10.558	20CACFP	-	169,063
Child and Adult Care Food Program	10.558	21CACFP	-	515,115
COVID-19: CARES Child and Adult Care Food Program	10.558	20CACFP	-	17,890
Subtotal Assistance Listing 84.425D			-	702,068
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
National School Lunch	10.555	096-112	-	699,862
COVID-19: CARES Food & Nutrition Lunch Program	10.555	096-112	-	339,628
COVID-19: CARES Food & Nutrition Breakfast Program	10.555	096-112	-	213,314
Commodities	10.555	096-112	-	69,438
Subtotal Assistance Listing 10.555			-	1,322,242
National School Breakfast	10.553	096-112	-	405,112
Total Child Nutrition Cluster			-	1,727,354
Total U.S. Department of Agriculture			-	2,429,422
<u>U.S. Department of Health and Human Services:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
MO Healthy Schools Grant	93.981	096-112	-	5,136
CCDF Cluster				
Childcare Development Grant	93.575	096-112	-	99,845
Total CCFD Cluster			-	99,845
Passed through Missouri Department of Health:				
Environmental Public Health and Emergency Response	93.070	EH001393-01	-	2,200
Total U.S. Department of Health and Human Services			-	107,181
<u>U.S. Department of Homeland Security</u>				
Passed through Missouri State Emergency Management Agency:				
Disaster Grants - Public Assistance	97.036	FEMA-4490-DR-MO	-	11,233
Total U.S. Department of Homeland Security			-	11,233
<u>U.S. Department of the Treasury</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
COVID-19: Coronavirus Relief Fund - K-12 Support	21.019	096-112	-	177,043
COVID-19: Coronavirus Relief Fund - Student Connectivity Access	21.019	096-112	-	156,357
COVID-19: Coronavirus Relief Fund - Transportation Meal Delivery	21.019	096-112	-	8,365
COVID-19: Coronavirus Relief Fund - CARES PPE/Medical/Sanitation	21.019	096-112	-	18,649
Passed through St. Louis County, Missouri				
COVID-19: Coronavirus Relief Fund	21.019	n/a	-	55,946
Subtotal Assistance Listing 21.019			-	416,360
Total U.S. Department of the Treasury			-	416,360
<b>TOTAL</b>			<b>\$ -</b>	<b>\$ 6,731,231</b>

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the fiscal year ended June 30, 2021. The information reported 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 District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 2 - Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the cash activity of the District's federal award programs and does not present transactions that would be included in financial statements of the District presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

**Note 3 - Indirect Cost Rate**

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4 - Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed by the District during the fiscal year ended June 30, 2021.

**Note 5 - Insurance**

The District did not have any federal insurance in effect during the fiscal year ended June 30, 2021.

**Note 6 - Loan/Loan Guarantees**

The District did not have any loans or loan guarantees outstanding as of June 30, 2021.

**Note 7 - Subrecipients**

The District did not provide federal awards to any subrecipients during the fiscal year ended June 30, 2021.

**Note 8 – Donated Personal Protective Equipment (Unaudited)**

The District received donated personal protective equipment valued at approximately \$5,000 during the fiscal year ended June 30, 2021.





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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*

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
School District of University City

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 the School District of University City ("District"), as of and for the year ended June 30, 2021, 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 11, 2021.

***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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District’s financial statements are free 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 District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 11, 2021



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
School District of University City

#### **Report on Compliance for Each Major Federal Program**

We have audited the School District of University City's ("District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of 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, 2021.

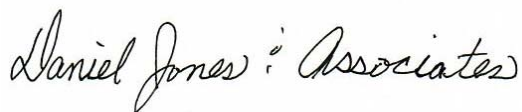
### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 11, 2021

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF AUDITOR'S RESULTS**

A. Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified?  Yes  No
  - b. Significant deficiency(ies) identified?  Yes  None Reported
3. Noncompliance material to financial statements noted?  Yes  No

B. Federal Awards

1. Internal control over major federal programs:
  - a. Material weakness(es) identified?  Yes  No
  - b. Significant deficiency(ies) identified?  Yes  None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster:
21.019	Coronavirus Relief Fund
84.425	Education Stabilization Fund

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee?  Yes  No

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**Section II – FINANCIAL STATEMENT FINDINGS**

There were no financial statement findings for the year ended June 30, 2021.

**Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2021.

**SCHOOL DISTRICT OF UNIVERSITY CITY**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no financial statement findings for the year ended June 30, 2020.

**PRIOR YEAR FINDINGS – FEDERAL AWARDS**

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2020.