

HAZELWOOD SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2023

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## Independent Auditors' Report

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Board of Education  
Hazelwood School District

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Hazelwood School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Hazelwood School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Hazelwood School District as of June 30, 2023, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### Basis for Opinions

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 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.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; 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.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the Hazelwood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Hazelwood School District's internal control over financial reporting and compliance.

*Kerber, Eck & Braeckel LLP*

St. Louis, Missouri  
December 15, 2023

HAZELWOOD SCHOOL DISTRICT

STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2023

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ASSETS	<u>Governmental Activities</u>
Cash and investments.....	\$ 105,812,693
Restricted cash and investments.....	<u>101,843,289</u>
TOTAL ASSETS.....	207,655,982
LIABILITIES	
Liabilities related to payroll.....	<u>7,626,858</u>
NET POSITION	
Restricted for:	
Capital projects.....	88,345,512
Debt service.....	26,447,600
Child Nutrition Program.....	1,020,376
Unrestricted.....	<u>84,215,636</u>
TOTAL NET POSITION.....	<u><u>\$ 200,029,124</u></u>

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction.....	\$ 123,903,659	\$ 2,034,095	\$ 25,739,671	\$ 8,803	\$ (96,121,090)
Attendance.....	218,086	-	-	-	(218,086)
Guidance.....	6,877,677	-	-	-	(6,877,677)
Health services.....	3,055,711	-	-	-	(3,055,711)
Improvement of instruction.....	8,604,962	-	811,643	-	(7,793,319)
Professional development.....	422,528	-	464,441	-	41,913
Media services.....	3,138,929	-	-	-	(3,138,929)
Board of Education services.....	1,393,769	-	-	-	(1,393,769)
Executive administration.....	2,482,163	-	-	-	(2,482,163)
Building level administration.....	14,796,083	-	-	-	(14,796,083)
Business, fiscal and internal services.....	1,234,467	-	-	-	(1,234,467)
Operation of plant.....	22,790,437	-	-	1,066,480	(21,723,957)
Security services.....	5,525,181	-	-	-	(5,525,181)
Pupil transportation.....	10,392,827	-	4,445,366	-	(5,947,461)
Food service.....	7,693,313	226,861	8,901,238	25,000	1,459,786
Central office support services.....	9,008,675	-	-	-	(9,008,675)
Community services.....	6,031,928	68,437	218,664	-	(5,744,827)
Facilities, acquisition, and construction.....	20,484,699	-	93,869,146	-	73,384,447
Debt service:					
Principal retirements.....	9,968,379	-	(1,046,964)	-	(11,015,343)
Interest.....	6,821,904	-	-	-	(6,821,904)
Other expenses.....	1,254,144	-	-	-	(1,254,144)
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>\$ 266,099,521</b>	<b>\$ 2,329,393</b>	<b>\$ 133,403,205</b>	<b>\$ 1,100,283</b>	<b>(129,266,640)</b>
<b>General revenues</b>					
Taxes					
Property taxes.....					129,213,507
Sales taxes.....					21,327,594
M&M surtax.....					7,484,656
Other taxes.....					3,183,124
State aid.....					45,979,615
Grants and contributions not restricted to specific programs.....					1,899,092
Investment earnings.....					5,944,883
<b>TOTAL GENERAL REVENUES.....</b>					<b>215,032,471</b>
<b>CHANGE IN NET POSITION.....</b>					<b>85,765,831</b>
<b>NET POSITION - BEGINNING OF YEAR.....</b>					<b>114,263,293</b>
<b>NET POSITION - END OF YEAR.....</b>					<b>\$ 200,029,124</b>

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

BALANCE SHEET - MODIFIED CASH BASIS -  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments.....	\$ 82,482,769	\$ -	\$ 23,329,924	\$ -	\$ 105,812,693
Restricted cash and investments.....	-	-	8,231,347	93,611,942	101,843,289
Due from other funds.....	10,380,101	-	-	-	10,380,101
<b>TOTAL ASSETS.....</b>	<b><u>\$ 92,862,870</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,561,271</u></b>	<b><u>\$ 93,611,942</u></b>	<b><u>\$ 218,036,083</u></b>
<b>LIABILITIES</b>					
Payroll liabilities	\$ 7,626,858	\$ -	\$ -	\$ -	\$ 7,626,858
Due to other funds	-	-	5,113,671	5,266,430	10,380,101
<b>TOTAL LIABILITIES.....</b>	<b><u>7,626,858</u></b>	<b><u>-</u></b>	<b><u>5,113,671</u></b>	<b><u>5,266,430</u></b>	<b><u>18,006,959</u></b>
<b>FUND BALANCES</b>					
Restricted for:					
Capital projects.....	-	-	-	88,345,512	88,345,512
Child Nutrition Program.....	1,020,376	-	-	-	1,020,376
Retirement of long-term debt.....	-	-	26,447,600	-	26,447,600
Assigned for:					
Student activities.....	590,786	-	-	-	590,786
Unassigned.....	83,624,850	-	-	-	83,624,850
<b>TOTAL FUND BALANCES.....</b>	<b><u>85,236,012</u></b>	<b><u>-</u></b>	<b><u>26,447,600</u></b>	<b><u>88,345,512</u></b>	<b><u>200,029,124</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE.....</b>	<b><u>\$ 92,862,870</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,561,271</u></b>	<b><u>\$ 93,611,942</u></b>	<b><u>\$ 218,036,083</u></b>

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local sources:					
Property taxes.....	\$ 103,734,938	\$ -	\$ 25,585,139	\$ -	\$ 129,320,077
Sales taxes.....	-	21,327,594	-	-	21,327,594
Investment income.....	3,225,595	-	945,596	1,773,692	5,944,883
Student activities.....	1,489,516	-	-	-	1,489,516
Food service.....	226,861	-	-	-	226,861
M&M surtax.....	448,508	-	-	7,036,148	7,484,656
Other local.....	1,967,529	-	-	-	1,967,529
Total local.....	111,092,947	21,327,594	26,530,735	8,809,840	167,761,116
County sources:					
State assessed utilities.....	2,497,071	-	579,483	-	3,076,554
Other county.....	-	163,023	-	-	163,023
Total county.....	2,497,071	163,023	579,483	-	3,239,577
State sources:					
Basic formula.....	10,067,649	36,376,407	-	-	46,444,056
State grants and contributions.....	8,096,155	10,643,438	-	323,662	19,063,255
Total state.....	18,163,804	47,019,845	-	323,662	65,507,311
Federal sources.....	14,544,005	6,279,422	-	1,167,160	21,990,587
Other.....	544,579	-	-	-	544,579
<b>Total Revenues.....</b>	<b>146,842,406</b>	<b>74,789,884</b>	<b>27,110,218</b>	<b>10,300,662</b>	<b>259,043,170</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction.....	20,265,847	103,637,812	-	-	123,903,659
Attendance.....	218,086	-	-	-	218,086
Guidance.....	1,580,637	5,297,040	-	-	6,877,677
Health services.....	3,055,711	-	-	-	3,055,711
Improvement of instruction.....	5,162,446	3,442,516	-	-	8,604,962
Professional development.....	304,838	117,690	-	-	422,528
Media services.....	386,480	2,752,449	-	-	3,138,929
Board of Education services.....	1,393,769	-	-	-	1,393,769
Executive administration.....	709,091	1,773,072	-	-	2,482,163
Building level administration.....	4,331,264	10,464,819	-	-	14,796,083
Business, fiscal and internal services.....	1,234,467	-	-	-	1,234,467
Operation of plant.....	22,790,437	-	-	-	22,790,437
Security services.....	5,525,181	-	-	-	5,525,181
Pupil transportation.....	10,392,827	-	-	-	10,392,827
Food services.....	7,693,313	-	-	-	7,693,313
Central office support services.....	8,379,971	628,704	-	-	9,008,675
Community services.....	2,640,987	3,390,941	-	-	6,031,928
Capital outlay.....	-	-	-	20,484,699	20,484,699
Debt service:					
Principal retirements.....	-	-	9,968,379	-	9,968,379
Interest.....	-	-	6,755,381	66,523	6,821,904
Other charges.....	-	-	263,959	990,185	1,254,144
<b>Total Expenditures.....</b>	<b>96,065,352</b>	<b>131,505,043</b>	<b>16,987,719</b>	<b>21,541,407</b>	<b>266,099,521</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>50,777,054</b>	<b>(56,715,159)</b>	<b>10,122,499</b>	<b>(11,240,745)</b>	<b>(7,056,351)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers (to) from other funds.....	(56,715,159)	56,715,159	-	-	-
Issuance of bonds.....	-	-	-	85,220,000	85,220,000
Premium on sale of bonds.....	-	-	-	8,649,146	8,649,146
Issuance of refunding bonds.....	-	-	26,105,000	14,780,000	40,885,000
Premium on sale of refunding bonds.....	-	-	5,091,549	222,758	5,314,307
Payments to refunded debt escrow agent.....	-	-	(36,522,632)	(10,723,639)	(47,246,271)
<b>Total Other Financing Sources (Uses)....</b>	<b>(56,715,159)</b>	<b>56,715,159</b>	<b>(5,326,083)</b>	<b>98,148,265</b>	<b>92,822,182</b>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>(5,938,105)</b>	<b>-</b>	<b>4,796,416</b>	<b>86,907,520</b>	<b>85,765,831</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>91,174,117</b>	<b>-</b>	<b>21,651,184</b>	<b>1,437,992</b>	<b>114,263,293</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 85,236,012</b>	<b>\$ -</b>	<b>\$ 26,447,600</b>	<b>\$ 88,345,512</b>	<b>\$ 200,029,124</b>

The accompanying notes are an integral part of this statement.



# HAZELWOOD SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hazelwood School District (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 cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB).

#### Principles Determining the Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled 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 which would exercise such oversight which would result in the District being considered a component unit of the entity.

In addition, the District is associated with other organizations which may include various Parent Teacher Associations (PTA's), booster clubs, etc. Under governmental standards for defining the financial reporting entity, these organizations may be considered to be part of the reporting entity of the District. However, the balances and activities of such organizations have not been included in these financial statements due to the overall immateriality to the District.

#### 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 balance, revenues and expenditures. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District's policy is to close all encumbrances at the end of each fiscal year. The following fund types are used by the District:

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental Funds are those through which most 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 funds, 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 noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

A special revenue fund accounts for restricted sales tax and revenue sources assigned for the payment of salaries and certain benefits of certified teachers involved in administration and instruction.

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 assigned for acquisition or construction of major capital assets.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 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 and statement of revenues, expenditures, and changes in fund balances 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.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

*Measurement Focus:*

The government-wide financial statements are prepared using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives under this measurement focus are the determination of changes in net position, financial position and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

The governmental fund financial statements are prepared using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included in the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

*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 a modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balances, revenues, and expenditures/expenses when they result from cash transactions except that the purchases of investments are recorded as assets and payroll withholdings are reported as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of 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, general obligation 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. All government-wide financial statements would be presented on the accrual basis of accounting.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 valuation of the tangible taxable property for the calendar years 2022 and 2023 for purposes of local taxation was \$2,014,744,850 and \$2,147,110,910 respectively.

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

General Fund .....	\$ 4.9520
Debt Service Fund .....	<u>1.2400</u>
Total.....	<u>\$ 6.1920</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 96.74% 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 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, United States Treasury 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.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist 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 and Note 3 and unspent bond proceeds.

Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes determined by a resolution of the Board of Education. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes all amounts not included in other spendable classifications. The District's policy requires a minimum unassigned fund balance of 15% of the prior year General Fund and Special Revenue Fund expenditures in order to cover unexpected expenditures and revenue shortfalls.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance (continued)

The details of the fund balances are included in the Governmental Funds Balance Sheet.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is 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. A transfer of \$56,715,159 was made from the General Fund to the Special Revenue Fund to cover the Special Revenue Fund expenditures in excess of revenues.

Interfund balances are due to timing and are expected to be repaid in the next fiscal year. All interfund activity and balances have been eliminated in the government-wide financial statements.

Payroll Liabilities

The District incurred certain payroll obligations for the 2022-23 fiscal year that were paid after the end of the fiscal year, creating payroll liabilities totaling \$7,626,858 at June 30, 2023.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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2. CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law. 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 the funds in bonds or any instrument permitted by law for the investment of state money's in accordance with section 165.051 of the Missouri Revised Statutes. The District participates in the Missouri School District Direct Deposit Program which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the school 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, 2023, the District had \$8,231,347 in this program, which has been included in investments.

The District also participates in the Missouri Securities Investment Program (MOSIP) and the Missouri Capital Asset Advantage Treasury (MOCAAT). MOSIP and MOCAAT are external investment pools 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 comprised of Missouri school administrators, school board members, and school business officials provides governance and oversight of both MOSIP's and MOCAAT's operations. The board seeks to maintain a stable net asset value of \$1 per share.



HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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2. CASH AND INVESTMENTS (continued)

The deposits and investments held at June 30, 2023 and reported at cost, are as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Deposits:		
Demand deposits	N/A	\$ 100,837,053
Investments:		
External investment pool		
MOHEFA	N/A	8,231,347
MOCAAT - Liquid Series	N/A	95,610,804
MOSIP - Liquid Series	N/A	<u>2,976,778</u>
Total Deposits and Investments		<u>\$ 207,655,982</u>
<u>Type</u>		<u>Carrying Value</u>
Reconciliation to financial statements:		
Cash and investments		\$ 105,812,693
Restricted cash and investments		<u>101,843,289</u>
		<u>\$ 207,655,982</u>

**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 requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of June 30, 2023, none of the District's deposits were 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 to the district or its agent but not in the government's name. All investments, evidenced by individual securities, are registered in the name of the District or of a type that are not exposed to custodial credit risk.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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2. CASH AND INVESTMENTS (continued)

**Investment Interest Rate Risk** – The District minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Investments in banker’s acceptances and commercial paper shall mature in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five (5) years from purchase date. Maturities of investments held at June 30, 2023, are provided in the schedule above.

**Investment Credit Risk** – The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by pre-qualifying the institution with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized. At June 30, 2023, the District’s investments were rated as follows:

<u>Rating</u>	<u>Amount</u>
AAAm (S&P)	\$ 98,587,582

**Concentration of Investment Credit Risk** – As a means of limiting its exposure to losses arising from concentration of investments, the District’s investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100%; (b) collateralized time and demand deposits, 100%; (c) U.S. Government agencies, instrumentalities, and government sponsored enterprises, no more than 70%; (d) collateralized repurchase agreements, no more than 75%; (e) U.S. Government agency callable securities, no more than 50%; (f) commercial paper and bankers’ acceptances, no more than 75% combined.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

3. LONG-TERM DEBT

The following is a summary of changes occurring in long-term debt for the year ended June 30, 2023.

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 164,146,829	\$ 126,105,000	\$ (46,603,983)	\$ 243,647,846	\$ 16,349,896
Certificates of Participation:					
Certificates	10,465,000	-	(10,465,000)	-	-
Total governmental activities long-term liabilities	<u>\$ 174,611,829</u>	<u>\$ 126,105,000</u>	<u>\$ (57,068,983)</u>	<u>\$ 243,647,846</u>	<u>\$ 16,349,896</u>

Payments on the general obligation bonds are made by the debt service fund. The certificates of participation are paid by the capital projects fund.

Bonds Payable

Bonds payable at June 30, 2023, consist of:

\$39,520,000 2021 general obligation refunding bonds, due in varying installments through 2031, average interest rate of 4.00% .....	\$21,085,000
\$39,999,121 2013A general obligation bonds, due in varying installments through 2031, average interest rate of 4.85% .....	6,964,263
\$41,740,000 2014 general obligation refunding bonds, due in varying installments through 2026, average interest rate of 4.74% .....	24,025,000
\$29,638,583 2017 general obligation refunding bonds, due in varying installments through 2027, average interest rate of 2.33% .....	9,523,583
\$55,945,000 2017A general obligation refunding bonds, due in varying installments through 2030, average interest rate of 3.90% .....	55,945,000

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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3. LONG-TERM DEBT (continued)

\$112,630,000 2023A general obligation refunding and improvement bonds, due in varying installments through 2042, average interest rate of 4.93% .....	112,630,000
\$13,475,000 2023B taxable general obligation refunding bonds, due in varying installments through through 2034, average interest rate of 4.78% .....	<u>13,475,000</u>
	<u>\$243,647,846</u>

On February 1, 2023, the District issued \$112,630,000 of general obligation refunding and improvement bonds (2023A) and \$13,475,000 of taxable general obligation refunding bonds (2023B). The net proceeds were used to fund capital projects and refund certain general obligation bonds, Certificates of Participation and lease obligations.

Capital projects to be funded by the bond proceeds include, but are not limited to, safety and security improvements; updates and renovations to athletic/activity facilities; classroom technology and network upgrades; purchase new school buses, and improve the energy efficiency of facilities.

The District deposited \$45,246,271 of the net proceeds along with \$2,000,000 of other existing District resources in an irrevocable escrow account to purchase U.S. Treasury obligations which will provide resources to refund and defease the following District obligations:

- Series 2013A general obligation bonds maturing on March 1 in the years 2032 and 2033 in the amount of \$32,310,000 (call date of March 3, 2023)
- Series 2020 Certificates of Participation in the amount of \$4,435,000 (prepayment date of April 1, 2028)
- Series 2022 Certificates of Participation in the amount of \$6,030,000 (prepayment date of April 1, 2029)
- Lease obligation in the amount of \$553,141 (purchase option date of November 14, 2023)
- Lease obligation in the amount of \$3,185,084 (purchase option date of April 30, 2026)

The escrowed securities and interest to accrue thereon will be sufficient for the payment of principal and interest on the refunded obligations. The refundings resulted in cash flow savings of \$5,477,622 and an economic gain of \$3,177,993 (the difference between the present value of the debt service payments on the original amount of debt and the new value of debt).

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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3. LONG-TERM DEBT (continued)

The annual requirements to amortize bonded debt outstanding as of June 30, 2023, are as follows:

G.O. Bonds Year Ending June 30,	Debt Outstanding 6/30/2023		
	Principal	Interest	Total
2024	\$ 16,349,896	\$ 11,326,349	\$ 27,676,245
2025	17,081,888	10,155,432	27,237,320
2026	15,950,191	9,440,549	25,390,740
2027	16,276,673	9,389,218	25,665,891
2028	17,077,530	8,156,170	25,233,700
2029-2033	69,541,669	35,891,181	105,432,850
2034-2038	45,965,000	17,365,250	63,330,250
2039-2042	44,405,000	5,349,700	49,754,700
Total	<u>\$ 242,647,847</u>	<u>\$ 107,073,849</u>	<u>\$ 349,721,696</u>

Repayment of the bond issues are made through the Missouri School District Direct Deposit Program which is a mechanism for public school bond payments. It authorizes the direct deposit of a portion of the school 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 District has \$8,231,347 on deposit with BOK Financial in conjunction with this program, as discussed in Note 2.

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, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2023, was:

Constitutional debt limit	\$ 322,066,637
General obligation bonds payable	(243,647,846)
Amount available in Debt Service Fund	<u>25,642,423</u>
Legal debt margin	<u>\$ 104,061,214</u>

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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3. LONG-TERM DEBT (continued)

Certificates of Participation

The District has issued certificates of participation evidencing interest in the right to receive rental payments to be paid by the District pursuant to an annually renewable lease-purchase agreement. The proceeds of the certificates were used for the acquisition and installation of certain equipment in District buildings designed to reduce energy consumption. The certificates of participation were defeased during the year as stated above.

4. RETIREMENT PLAN

The District contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certified employees and death benefits to members and beneficiaries. Positions covered by PSRS are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri, 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.50% of their annual covered salary and certain benefits and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the years ended June 30, 2021 through June 30, 2023 were equal to the required contributions as listed in the table below.

The District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to PSRS. Positions covered by PEERS are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of PSRS. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri, 65102 or by calling 1-800-392-6848.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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4. RETIREMENT PLAN (continued)

PEERS members are required to contribute 6.86% of their annual covered salary and certain benefits and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the years ended June 30, 2021 through June 30, 2023 were equal to the required contributions as listed in the table below.

<u>Year Ended June 30,</u>	<u>PSRS</u>	<u>PEERS</u>
2023.....	\$15,243,681	\$2,992,835
2022.....	\$15,991,865	\$2,832,714
2021.....	\$15,520,885	\$2,612,904

5. EMPLOYEE BENEFIT PLANS

The District offers its employees tax-sheltered annuity programs created in accordance with Internal Revenue Code Section 403(b). The plans, available to all District employees, permit them to defer a portion of their salary for investment purposes. The District offers a Section 125 cafeteria plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance benefits.

6. DEFERRED COMPENSATION PLAN

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code ("IRC") Section 457. The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

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 District, along with various other local school districts, also participates in the CSD Insurance Trust, an insurance association for employee medical, dental, life, vision, long term care, and short and long term disability insurance. The purpose of these associations is to distribute the cost of self-insurance over similar entities. These associations require an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of these associations 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 these associations should it cease operations at some future date.

HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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8. COMMITMENTS AND CONTINGENCIES

The District is involved in various lawsuits at June 30, 2023. In the District's opinion these items will be resolved with no material adverse effect on the District.

The District has entered into leases for office equipment, print shop services network upgrades, chromebooks, and other equipment. Future minimum lease payments are as follows:

<u>Year Ended June, 30</u>	<u>Principal</u>
2024	\$ 2,480,855
2025	1,287,721
2026	<u>2,220,969</u>
	<u>\$ 5,989,545</u>

The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for disallowed expenditures or other noncompliance with the terms of grants and funding. The District is not aware of any noncompliance with the Federal or State provisions that might require the District to provide reimbursement.

Each year, the County remits certain unresolved tax payments to the District. When County refunds tax payments to those who are successful in their protests, it withholds the refunded amount from future distributions to taxing districts. Normal withholdings by the County are not material in relation to the District's financial position and results of operations.

9. POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 4, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS or PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. 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 current year, 899 retirees participated in the District's insurance plans and paid premiums totaling \$2,597,207.



HAZELWOOD SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023

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10. TAX ABATEMENT DISCLOSURES

The District is subject to tax abatement agreements granted by St. Louis County and municipalities within the District. District property tax revenues were reduced by \$7,728,735 as a result of these abatements for the year ended June 30, 2023.

11. JANA ELEMENTARY

In recent years, the U.S. Army Corps of Engineers, St. Louis District (the "USACE"), has been conducting a cleanup of certain sites in north St. Louis County under its Formerly Utilized Sites Remedial Action Program (FUSRAP). Many of these sites are adjacent to Coldwater Creek, a tributary of the Missouri River that runs through northern portions of St. Louis County. Certain of the sites contain radioactive residues as a result of activities associated with the Manhattan Engineer District, the governmental organization formed to control atomic energy, succeeded by the Atomic Energy Commission, a civilian agency, during the United States' atomic weapons program in the 1940s and the 1950s. Between approximately August 2018 and January 2022, the USACE conducted surface and subsurface soil sampling on a portion of the Jana Elementary School property immediately adjacent to Coldwater Creek. In January 2022, the USACE reported to the District that they had detected the presence of low-level radioactive contamination along the banks of Coldwater Creek at the edge of the Jana Elementary School property boundary. The District has stated that the USACE has further indicated that the contamination does not pose an immediate risk to human health or the environment because it is below ground surface.

Related testing has been conducted on the Jana Elementary School building and property by parties other than the USACE and there are varying reports with respect to the contamination at the site. In light of the varying reports, in mid-October 2022, the District closed Jana Elementary School and those students have been redistricted to other District elementary schools.

HAZELWOOD SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED  
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES :</b>				
Local.....	\$ 106,912,454	\$ 111,162,454	\$ 111,092,947	\$ (69,507)
County.....	2,510,000	2,510,000	2,497,071	(12,929)
State.....	18,009,648	18,009,648	18,163,804	154,156
Federal.....	14,936,679	14,936,679	14,544,005	(392,674)
Other.....	815,000	1,815,000	544,579	(1,270,421)
<b>Total Revenues .....</b>	<b>143,183,781</b>	<b>148,433,781</b>	<b>146,842,406</b>	<b>(1,591,375)</b>
<b>EXPENDITURES:</b>				
Instruction.....	14,658,127	20,069,502	20,265,847	(196,345)
Attendance.....	202,392	202,392	218,086	(15,694)
Guidance.....	3,301,590	3,301,590	1,580,637	1,720,953
Health services.....	3,432,297	3,432,297	3,055,711	376,586
Improvement of instruction.....	4,133,294	6,883,294	5,162,446	1,720,848
Professional development.....	250,000	250,000	304,838	(54,838)
Media services.....	387,264	387,264	386,480	784
Board of Education services.....	1,501,480	1,501,480	1,393,769	107,711
Executive administration.....	734,419	734,419	709,091	25,328
Building level administration.....	4,268,104	4,268,104	4,331,264	(63,160)
Business, fiscal and internal services .....	1,229,155	1,229,155	1,234,467	(5,312)
Operation of plant.....	21,295,383	21,295,383	22,790,437	(1,495,054)
Security services.....	4,401,088	4,401,088	5,525,181	(1,124,093)
Pupil transportation.....	8,314,391	10,814,391	10,392,827	421,564
Food services.....	7,247,176	7,247,176	7,693,313	(446,137)
Central office support services.....	7,868,642	7,868,642	8,379,971	(511,329)
Community services.....	2,242,408	2,242,408	2,640,987	(398,579)
<b>Total Expenditures.....</b>	<b>85,467,210</b>	<b>96,128,585</b>	<b>96,065,352</b>	<b>63,233</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES.....</b>	<b>57,716,571</b>	<b>52,305,196</b>	<b>50,777,054</b>	<b>(1,528,142)</b>
<b>OTHER FINANCING USES:</b>				
Transfers out.....	(66,556,274)	(61,144,799)	(56,715,159)	4,429,640
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(8,839,703)</b>	<b>(8,839,603)</b>	<b>(5,938,105)</b>	<b>2,901,498</b>
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>	<b>91,174,117</b>	<b>91,174,117</b>	<b>91,174,117</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR.....</b>	<b>\$ 82,334,414</b>	<b>\$ 82,334,514</b>	<b>\$ 85,236,012</b>	<b>\$ 2,901,498</b>

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - UNAUDITED  
 YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES :</b>				
Local.....	\$ 19,733,950	\$ 19,733,950	\$ 21,327,594	\$ 1,593,644
County.....	180,000	180,000	163,023	(16,977)
State.....	44,970,858	44,970,958	47,019,845	2,048,887
Federal.....	<u>7,558,845</u>	<u>7,558,845</u>	<u>6,279,422</u>	<u>(1,279,423)</u>
<b>Total Revenues .....</b>	<b>72,443,653</b>	<b>72,443,753</b>	<b>74,789,884</b>	<b>2,346,131</b>
<b>EXPENDITURES:</b>				
Instruction.....	110,087,224	104,675,849	103,637,812	1,038,037
Guidance.....	5,722,374	5,722,374	5,297,040	425,334
Improvement of instruction.....	4,117,563	4,117,563	3,442,516	675,047
Professional development.....	9,359	9,359	117,690	(108,331)
Media services.....	2,859,554	2,859,554	2,752,449	107,105
Executive administration.....	1,762,108	1,762,108	1,773,072	(10,964)
Building level administration.....	10,754,177	10,754,177	10,464,819	289,358
Central office support services.....	674,503	674,503	628,704	45,799
Community services.....	<u>3,013,065</u>	<u>3,013,065</u>	<u>3,390,941</u>	<u>(377,876)</u>
<b>Total Expenditures.....</b>	<b><u>138,999,927</u></b>	<b><u>133,588,552</u></b>	<b><u>131,505,043</u></b>	<b><u>2,083,509</u></b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES.....</b>	<b>(66,556,274)</b>	<b>(61,144,799)</b>	<b>(56,715,159)</b>	<b>4,429,640</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in.....	<u>66,556,274</u>	<u>61,144,799</u>	<u>56,715,159</u>	<u>(4,429,640)</u>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR.....</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - BUDGET AND ACTUAL - DEBT SERVICE FUND - UNAUDITED  
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES :</b>				
Local.....	\$ 23,230,264	\$ 23,230,264	\$ 26,530,735	\$ 3,300,471
County.....	500,000	500,000	579,483	79,483
Total Revenues .....	23,730,264	23,730,264	27,110,218	3,379,954
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirements.....	11,746,623	23,368,988	9,968,379	13,400,609
Interest.....	7,691,064	8,081,873	6,755,381	1,326,492
Other charges.....	7,500	1,905,590	263,959	1,641,631
Total Expenditures.....	19,445,187	33,356,451	16,987,719	16,368,732
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	4,285,077	(9,626,187)	10,122,499	19,748,686
<b>OTHER FINANCING SOURCES:</b>				
Issuance of refunding bonds.....	-	33,000,000	26,105,000	(6,895,000)
Premium on sale of refunding bonds.....	-	-	5,091,549	5,091,549
Payments to refunded debt escrow agent.....		(36,522,635)	(36,522,632)	3
Total Other Financing Sources (Uses)....	-	(3,522,635)	(5,326,083)	(1,803,448)
<b>NET CHANGE IN FUND BALANCE.....</b>	4,285,077	(13,148,822)	4,796,416	17,945,238
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>	21,651,184	21,651,184	21,651,184	-
<b>FUND BALANCE, END OF YEAR.....</b>	\$ 25,936,261	\$ 8,502,362	\$ 26,447,600	\$ 17,945,238

The accompanying notes are an integral part of this statement.

HAZELWOOD SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND - UNAUDITED  
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES :</b>				
Local.....	\$ 2,978,575	\$ 2,978,575	\$ 8,809,840	\$ 5,831,265
State.....	-	-	323,662	323,662
Federal.....	166,736	2,120,050	1,167,160	(952,890)
<b>Total Revenues .....</b>	<b>3,145,311</b>	<b>5,098,625</b>	<b>10,300,662</b>	<b>5,202,037</b>
<b>EXPENDITURES:</b>				
Capital outlay.....	4,131,753	68,701,753	20,484,699	48,217,054
Debt service:				
Principal retirements.....	120,000	120,000	-	120,000
Interest.....	203,078	203,078	66,523	136,555
Other charges.....	-	-	990,185	(990,185)
<b>Total Expenditures.....</b>	<b>4,454,831</b>	<b>69,024,831</b>	<b>21,541,407</b>	<b>47,483,424</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES.....</b>	<b>(1,309,520)</b>	<b>(63,926,206)</b>	<b>(11,240,745)</b>	<b>52,685,461</b>
<b>OTHER FINANCING SOURCES:</b>				
Issuance of bonds.....	-	107,068,452	85,220,000	(21,848,452)
Premium on sale of bonds.....	-	-	8,649,146	8,649,146
Issuance of refunding bonds.....	-	-	14,780,000	14,780,000
Premium on sale of refunding bonds.....	-	-	222,758	222,758
Payments to refunded debt escrow agent.....	-	-	(10,723,639)	(10,723,639)
<b>Total Other Financing Sources (Uses).....</b>	<b>-</b>	<b>107,068,452</b>	<b>98,148,265</b>	<b>(8,920,187)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(1,309,520)</b>	<b>43,142,246</b>	<b>86,907,520</b>	<b>43,765,274</b>
<b>FUND BALANCE, BEGINNING OF YEAR.....</b>	<b>1,437,992</b>	<b>1,437,992</b>	<b>1,437,992</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR.....</b>	<b>\$ 128,472</b>	<b>\$ 44,580,238</b>	<b>\$ 88,345,512</b>	<b>\$ 43,765,274</b>

The accompanying notes are an integral part of this statement.

## 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 on the following 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 final budgeted amounts.

Budgeted amounts are as originally adopted on June 21, 2022, or as amended by the Board of Education on March 21, 2023 and June 20, 2023.

6. Budgets are adopted on the modified cash basis of accounting.
7. 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.