

WENTZVILLE R-IV SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2015

**WENTZVILLE R-IV SCHOOL DISTRICT
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JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

Board of Education
Wentzville R-IV School District
Wentzville, Missouri

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund information of Wentzville R-IV School District as of and for the year ended June 30, 2015, 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 as described in note 2; this included determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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 *Governmental 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 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.

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 Wentzville R-IV School District as of June 30, 2015, 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 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employee's contributions to PSRS and PEERS and budgetary comparison information in the "Required Supplemental Information" as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Wentzville R-IV School District's Basic financial statement. The statements and schedules as listed in the "Supplementary Information" section of the table of contents are presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was 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 schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

The schedule of selected statistics, statement of fiduciary net position, and budget statements as listed in the Supplementary Information section of the table of contents section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Wentzville R-IV 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 Wentzville R-IV School District's internal control over financial reporting and compliance.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
November 30, 2015

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

The Management's Discussion and Analysis (MD&A) of the Wentzville R-IV School District ("District") provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2015. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the Financial Section starting on page 11 and the notes thereto to enhance their understanding of the District's modified cash basis financial performance.

The financial statements of the District have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid versus when incurred. Additional information of the District's modified cash basis of accounting can be found in Note I on page 16.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2015, include the following:

The governmental activities net assets (modified cash basis) were \$69,677,750.

Program revenues collected made up 13.5% of the total revenues collected for the year ended June 30, 2015. General revenues collected made up the balance. The program revenues collected covered 13.77% of the program expenditures paid, leaving 86.23% of them to be covered by general revenues collected.

Using the Basic Financial Statements

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the modified cash basis operations of the District as a whole (i.e., an entire operating entity). The "Basic Financial Statements" section includes government-wide financial statements, fund financial statements, fiduciary financial statements, and notes to financial statements.

The government-wide financial statements, consisting of the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (see pages 11 and 12), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District's modified cash basis financial condition. They present an aggregate view of the District's modified cash basis finances.

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

These statements seek to answer the question, "How did the District do financially during the 2015 fiscal year?" In short, is the District better financially this year or is it worse than the prior year? These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net position (modified cash basis) for the year, the reader may ascertain whether the District's modified cash basis financial condition has improved or deteriorated. The changes, which are discussed in this MD&A, may be financial or non-financial in nature. Non-financial factors, which may have an impact on the District's financial condition, include increases in or erosion of the property tax base within the District, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in-depth reporting of the District's modified cash basis financial position, changes in modified cash basis financial information are presented in the "Fund Financial Statements" section beginning on page 13. These fund financial statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on a current modified cash basis, indicating modified cash basis sources and uses of funding.

Fund financial statements also provide more in-depth data on the District's most significant funds, its General Fund, Special Revenue (Teachers') Fund, Debt Service Fund, and Capital Projects Fund. These funds are considered "major funds" under GASB Statement No. 34.

Government-Wide Financial Analysis

Net position of the District at June 30, 2015 of \$69,677,750 reflect the District's total assets of cash and investments. Net assets of the District at June 30, 2015 and 2014 consist of the following:

	June 30, 2015	June 30, 2014
	Governmental Activities	Governmental Activities
Assets		
Current Assets:		
Cash and Cash Equivalents (Note II)	43,025,746	40,815,199
Due from Other Funds	0	10,000
Cash Restricted for Prof. Development	55,432	79,198
Cash Restricted for Scholarships	10,164	13,806
Investments & Amount Held in Escrow	26,586,408	25,364,182
Total Assets	69,677,750	66,282,385
Net Position		
Restricted for:		
Professional Development	55,432	79,198

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Student Scholarships	10,164	13,806
Debt Service	11,484,679	12,549,071
Unrestricted	58,127,475	53,640,310
Total Net Position	69,677,750	66,282,385

Net position at June 30, 2015 reflect an increase of \$3,395,365 from the July 1, 2014 balance. Key elements of this change by program area are reflected in the following table:

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
PROGRAM REVENUES		
Charge for Services	8,641,650	5,344,275
Operating Grants and Contributions	14,877,817	13,131,988
General revenues:		
Property and Other Taxes, Levied for General Purposes	43,921,355	42,315,632
Taxes, Levied for Special Revenue	27,731,501	26,325,322
Taxes, Levied for Debt Service	11,857,593	11,502,308
Taxes, Levied for Capital Projects	6,875,194	6,696,980
County Revenue	2,908,997	2,761,952
State Revenue	56,192,706	51,134,513
Interest and Investment Earnings	151,756	1,584,814
Sale of Bonds	0	20,655,000
Sale of Property	2,473	359,800
Miscellaneous	999,870	3,559,901
Total Revenues	174,160,912	185,372,486
PROGRAM EXPENSES		
Instruction	90,358,555	85,988,164
Attendance	1,048,782	882,241
Guidance	4,521,766	4,444,430
Health, Psych Speech and Audio	2,051,924	1,695,121
Improvement of Instruction	2,518,744	2,290,398
Professional Development	535,793	377,245
Media Services (Library)	2,531,357	2,503,457
Board of Education Services	512,327	345,856
Executive Administration	776,320	790,811
Building Level Administration	7,779,181	7,363,854
Business Central Service	1,449,621	1,245,734

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Operation of Plant	16,953,372	17,493,901
Security Services	377	451
Pupil Transportation	7,892,604	7,738,128
Food Services	5,494,734	5,530,954
Central Office Support Services	3,156,776	2,547,081
Community Services	1,561,226	1,455,130
Capital Outlay	5,975,352	5,276,638
Principal Retirement	7,960,000	28,655,000
Interest and Fiscal Charges	7,686,733	8,226,352
Total Expenses	170,765,546	184,850,946
Increase (Decrease) in Net Assets	3,395,365	521,540
Net Position, Beginning of Year	66,282,385	65,760,844
Net Position, End of Year	69,677,750	66,282,385

The expenses presented above of \$170,765,546, reflect the District's governmental activities for the year ended June 30, 2015. These expenses are not all borne by the taxpayers of the District. Of this amount, \$8,641,650 was paid by those who used or benefited from the services rendered (e.g., activity funds, charges for school lunches, facility rental, before and after school care) and \$14,877,817 was paid through various federal and state grants. State formula revenue paid for \$56,192,706. The remaining net cost of \$91,053,373 after taking into consideration these fees, grants, and formula revenue was paid from other general revenues, which include local property taxes paid by taxpayers of the District.

The schedule of the accompanying financial statements shows the total cost of programs and the net cost of these programs (after deducting charges for services and grant revenue collected) of the various categories of expenses paid for the year ended June 30, 2015. The "net cost" presentation allows District taxpayers to determine the remaining cost of the various categories which were borne by them or paid from other general revenues, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

Governmental Funds Financial Analysis

The District completed the fiscal year ended June 30, 2015, with a combined cash basis fund balance for governmental funds of \$69,677,750 as compared to a combined fund balance of \$66,282,385 as of June 30, 2014, an increase of \$3,395,365.

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

The General Fund balance decreased by \$1,391,035 and the Special Revenue Fund balance increased by \$1,244,937. The decrease in the General Fund was the net result of prudent spending which allowed the Board to approve a transfer \$5,774,154 to the Capital Projects Fund for current and future capital expenditures. A \$3,775,000 transfer of Classroom Trust Funds to the Capital Projects Fund was used for the purpose of purchasing a new early childhood special education facility. A grant was received that will refund the entire purchase price over the next eight years. The Capital Projects Fund balance increased \$4,605,856, primarily due to the transfers from the General Fund.

The Debt Service Fund balance decreased \$1,064,392. The decrease resulted from the fact that the principal and interest payments scheduled for the year were more than the revenue in that fund. The issue of more expenditures than revenue has occurred for several years due to the decrease in assessed values and resulting decrease in revenue. In FY14 the Board of Education moved \$3,775,000 of Classroom Trust funds from the General Fund to the Debt Service Fund to help reduce the deficit in that fund.

Operating Funds Budgetary Highlights

A demographic study was conducted which indicated that Wentzville's enrollment will continue to increase until it reaches almost 20,000 in 2024. In 2000, the total District enrollment was 6,000 students, and for FY16 that number will have grown to more than 15,000 students. Projecting growth levels year to year can be difficult, which in turn makes budget development challenging. A conservative method is employed, where revenue budgets are set below expectations and expenditure budgets are kept above expected levels.

The District's day-to-day operations, such as salaries, benefits, supplies, etc. are paid out of the General and Special Revenue Funds. Collectively, these are referred to as the Operating Funds.

Final budgeted revenues in the Operating Funds were 0.76 percent below the original budget. Actual revenues were 2.74 percent above the final budget.

The Operating expenditure budget remained fairly static as well during the course of the year. Actual expenditures were 3.03 percent below final budget. Historically, expenditure budgets were set high enough to allow for the addition of personnel throughout the year due to ongoing enrollment growth. Efforts were made to minimize expenses for new staff and all schools and departments made a concerted effort to minimize discretionary spending.

Capital Assets

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

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Debt Administration

At June 30, 2015, the District had \$171,003,677 in general obligation bonds outstanding with payments through 2029 and interest rates ranging from 0.80 to 6.20 percent. The District has a number of lease purchase agreements related to the acquisition of school facilities and school buses.

General Obligation Bonds	\$ 171,003,677
Lease Purchase Agreements – Facilities	55,580,000
Lease Purchase Agreements – Buses	<u>5,588,215</u>
Total	\$ 232,171,892

Transfers

In FY15, a transfer was made from the General Fund to the Capital Projects Fund in the amount of \$5,774,154 for capital projects. In FY14, a transfer was made from the General Fund to the Capital Projects Fund in the amount of \$3,000,000 for capital projects and a transfer was also made from the General Fund to the Capital Projects Fund in the amount of \$53,550 for food service equipment purchases.

Current Financial Issues and Concerns

With Operating Fund balances at 34.18 percent of total operating expenditures, the District is financially stable. In recent years the District has budgeted modest deficits in the Operating Fund budget, but finished the year in a surplus position. In fact, balances have increased significantly in recent years due to spending restraint, mostly in the discretionary budget areas of supplies and purchased services. Enrollment growth has generated additional revenue from the state formula and the state-wide sales tax distribution. The District has leveraged that growth with selective staff additions and fiscal restraint in nearly all other areas.

A large challenge continues to be growth in student enrollment. Over the past several years, student enrollment has grown between 500 and 1,000 student annually, with growth rates as high as twelve percent. This trend has slowed in recent years with growth numbers of approximately 550 students annually. Student growth is expected to continue to grow at rates of approximately 550 per year. The District is seeing an increase in the number of housing permits issued by the County of St. Charles leading to the assumption that student enrollment will begin to increase more rapidly.

Building additional facilities remains a high priority. Since the year 2000, the District has constructed a high school, a middle school, and six elementary schools. Additional space for students continues to be a priority for the District. In April 2015 voters approved Proposition E, a 25 cent tax levy designed to fund an estimated \$50 million in additional facilities throughout the District. The levy has a 20 year sunset provision. The new projects were funded through a lease-purchase arrangement, with the issuance of Certificates of Participation rather than General Obligation Bonds.

**WENTZVILLE R-IV SCHOOL DISTRICT'S
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015**

Property taxes represent approximately 45% of total District revenues. The tax base has declined in recent years due to reassessment and changes in market values of property. However, assessment values have increased in 2015. By state statute the tax rate can adjust within certain parameters related to changes in property values. The tax rate for FY16 reflects the 25 cents approved by voters in April 2015 to fund additional facilities in the District. It also reflects a decrease of approximately 20 cents in the operating rate due to the increase in assessed values. Decreasing the operating rate tax levy afforded the District the opportunity to increase the tax levy to the Debt Service Fund to better address the issue of its outstanding debt.

The state funding formula predicts increased funding over the next several years to the District due to increased enrollment. However, the state continues to face a financial shortfall which puts the full funding of the formula in jeopardy. The state has not been able to fully fund the formula for the past several years and it may take several more years to achieve full funding status. The District received approximately \$1.8 million less than full funding in FY15. That gap is expected to decrease over the next few years. Despite this gap from full funding, the District does receive additional state funds each year due to the increasing number of students even if additional funds are not allocated state-wide.

For FY16, employee health insurance costs are expected to decrease by \$1,000,000 due to a change in the District-paid offering for employee coverage. District paid dental, vision, and life insurance costs are essentially flat.

Contacting the District's Financial Management

While this Management's Discussion & Analysis is designed to provide a general overview of the modified cash basis financial condition and operations of the District, citizens' groups, taxpayers, parents, students, investors, or creditors may want further details. To obtain such details, please contact Ms. Pam Frazier during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m. central time.

Wentzville R-IV School District
Statement of Net Position-Modified Cash Basis
June 30, 2015

	<u>Governmental Activities</u>	<u>Total</u>
Assets		
Cash and Cash Equivalents	\$ 63,957,342	\$ 63,957,342
Escrowed Cash	5,720,408	5,720,408
	<hr/>	<hr/>
Total Assets	<u>\$ 69,677,750</u>	<u>\$ 69,677,750</u>
 Net Position		
Restricted for:		
Debt Service	\$ 11,484,679	\$ 11,484,679
Professional Development	55,432	55,432
Unrestricted	<u>58,137,639</u>	<u>58,137,639</u>
Total Net Position	<u>\$ 69,677,750</u>	<u>\$ 69,677,750</u>

See accompanying notes to the financial statements.

Wentzville R-IV School District
Statement of Activities
Modified Cash Basis
Year Ended June 30, 2015

	Program Revenues				Net (Disbursement) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Government Activities					
Instruction	\$ (85,342,642.24)	\$ 110,884	\$ 10,398,457	\$ -	\$ (74,833,302)
Student Charges	(5,015,913)	3,260,474	197,407	-	(1,558,032)
Support Services:					
Attendance	(1,048,782)	-	-	-	(1,048,782)
Guidance	(4,521,766)	-	-	-	(4,521,766)
Health, Psych, Speech and Audio	(2,051,924)	-	-	-	(2,051,924)
Improvement of Instruction	(2,518,744)	-	-	-	(2,518,744)
Professional Development	(535,793)	-	186,257	-	(349,536)
Media Services	(2,531,357)	-	-	-	(2,531,357)
Board of Education Services	(512,327)	-	-	-	(512,327)
Executive Administration	(776,320)	-	-	-	(776,320)
Building Level Administration	(7,779,181)	-	-	-	(7,779,181)
Business, Fiscal, Internal Service	(1,449,621)	-	-	-	(1,449,621)
Operation of Plant	(16,953,372)	-	-	-	(16,953,372)
Security Services	(377)	-	-	-	(377)
Pupil Transportation	(7,892,604)	-	2,008,332	-	(5,884,272)
Food Service	(5,494,734)	3,420,011	1,805,183	-	(269,539)
Central Office Support Service	(3,156,776)	-	-	-	(3,156,776)
Adult Education	-	-	-	-	-
Community Services	(1,561,226)	1,850,282	-	-	289,055
Facilities Acq & Construction	(5,975,352)	-	-	-	(5,975,352)
Principal	(7,960,000)	-	-	-	(7,960,000)
Interest	(7,677,893)	-	282,180	-	(7,395,703)
Other Fees	(8,850)	-	-	-	(8,850)
Total Governmental Activities	(170,765,546)	8,641,650	14,877,817	-	(147,246,079)
General Receipts					
Taxes:					
Property and other Taxes, Levied for General Purposes					\$ 43,921,355
Property and other Taxes, Levied for Special Revenue					27,731,501
Property and other Taxes Levied for Debt Service					11,857,593
Property and other Taxes Levied for Capital Projects					6,875,194
County Revenues					2,908,997
State Revenues					56,192,706
Other Revenues					-
Sale of Refunding Bonds					-
Sale of Property					2,473
Interest and Investment Earnings					151,756
Miscellaneous					999,870
Subtotal General Receipts					\$ 150,841,444
Increase (Decrease) in Net Assets					3,395,366
Net Assets Beginning of Year					66,282,385
Net Assets End of Year					\$ 69,677,750

See accompanying notes to the financial statements.

Wentzville R-IV School District
Balance Sheet Governmental Funds-Modified Cash Basis
Year ended June 30, 2015

	Governmental Funds				Totals
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects (Building) Fund	June 30, 2015
ASSETS					
Cash and Cash Equivalents	\$ 44,889,632	\$ 4,785,054	\$ 5,764,271	\$ 8,518,385	\$ 63,957,342
Escrow	-	-	5,720,408	-	5,720,408
TOTAL ASSETS	\$ 44,889,632	\$ 4,785,054	\$ 11,484,679	\$ 8,518,385	\$ 69,677,750
FUND BALANCE					
Restricted for:					
Debt Service	-	-	11,484,679	-	11,484,679
Professional Development	55,432				55,432
Committed for:					
Capital Outlay	-	-	-	8,518,385	8,518,385
Student Scholarship	10,164				10,164
Assigned					
Special Revenue (Teacher) Fund	-	4,785,054	-	-	4,785,054
Unassigned	44,824,036	-	-	-	44,824,036
FUND BALANCE	\$ 44,889,632	\$ 4,785,054	\$ 11,484,679	\$ 8,518,385	\$ 69,677,750

The accompanying notes are an integral part of this financial statement.

Wentzville R-IV School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance
-Modified Cash Basis-All Governmental Funds
Year ended June 30, 2015

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects (Building) Fund	Totals June 30, 2015
REVENUE COLLECTED					
Local	\$ 53,533,113	\$ 27,792,211	\$ 11,862,082	\$ 6,880,628	\$ 100,068,035
County	1,330,676	1,040,700	313,089	224,532	2,908,998
State	5,596,331	55,380,613	-	3,821,579	64,798,524
Federal	2,450,172	3,527,033	282,180	12,614	6,271,999
Other	110,884	-	-	-	110,884
TOTAL REVENUES COLLECTED	\$ 63,021,176	\$ 87,740,558	\$ 12,457,352	\$ 10,939,353	\$ 174,158,439
EXPENDITURES PAID					
CURRENT					
Instruction	17,472,215	72,647,437	-	238,904	90,358,555
Support services	39,823,069	13,632,205	-	3,768,407	57,223,680
Adult Education	-	-	-	-	-
Community Services	1,345,247	215,979	-	-	1,561,226
CAPITAL OUTLAY					
Facilities and Acquisitions	-	-	-	5,975,352	5,975,352
DEBT SERVICE					
Principal	-	-	7,960,000	-	7,960,000
Interest	-	-	5,552,894	2,124,989	7,677,883
Other fees	-	-	8,850	-	8,850
TOTAL EXPENDITURES PAID	\$ 58,640,530	\$ 86,495,621	\$ 13,521,744	\$ 12,107,651	\$ 170,765,546
Revenue Collected over(under) Expenditures Paid	\$ 4,380,646	\$ 1,244,936	\$ (1,064,392)	\$ (1,168,298)	\$ 3,392,892
Other Financing Sources(Uses)					
Operating Transfers in(out)	(5,774,154)	-	-	5,774,154	-
Sale of Refunding Bond	-	-	-	-	-
Sale of Property	2,473	-	-	-	2,473
TOTAL OTHER FINANCING	(5,771,681)	-	-	5,774,154	2,473
FUND BALANCE-					
Beginning of Year	46,280,667	3,540,117	12,549,071	3,912,529	66,282,385
FUND BALANCE					
End of Year	\$ 44,889,632	\$ 4,785,054	\$ 11,484,679	\$ 8,518,385	\$ 69,677,750

The accompanying notes are an integral part of this financial statement

Wentzville R-IV School District
Statement of Fiduciary Net Position
Modified Cash Basis
(Unaudited)
Year Ended June 30, 2015

	<u>Section 125 Plan Agency Trust Fund</u>
<u>Assets</u>	
Cash	\$ 52,800
Receivables	<u>26,674</u>
Total Assets	<u><u>\$ 79,474</u></u>
 <u>Liabilities</u>	
Refund Payables and Others	<u>\$ 79,474</u>
Total Liabilities	<u><u>\$ 79,474</u></u>

See accompanying notes to the financial statements.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT

The Wentzville R-IV School District (the District) operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162.

REPORTING ENTITY

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in generally accepted accounting principles accepted in the United States of America. The basic criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the District's reporting entity.

Excluded from the reporting entity:

Public School Retirement System of Missouri, and the Non-Teacher School Employee Retirement System. These potential component units have been appointed jointly by the participating school district's governing bodies. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

The district has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the district's financial statements. 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Wentzville R-IV School District have been prepared on a basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles accepted in the United States of America. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2012 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68- *Accounting and Financial Reporting for Pension-an Amendment of GASB Statement No. 27* and GASB Statement No. 71-*Pension Transition for Contributions Made Subsequent to the Measurement Date*. During the fiscal year ending June 30, 2015 the District adopted the statements and the financial reporting information pertaining to the participation in the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS) was prepared on the cash basis.

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the District, and exclude fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by external resource providers (for example, grant providers, constitutionally, or through enabling legislation (this is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers. Unrestricted balances are the residual fund balances after restrictions.

The Statement of Net Position: Presents the financial condition of the governmental activities of the School District at year-end.

The Statement of Activities: Presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. 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 School District.

Fund Financial Statements: During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets and fund equity revenues and expenditures or expense as appropriate. District resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent.

Governmental Funds:

General (Incidental) Fund- Used to account for general activities of the district, including student activities, food services, and textbooks which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund- Used to account for the financial resources from taxes, revenues restricted by the State and the local tax levy and other sources for the payment of teacher salaries and certain employee benefits that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Fund- Used to account for the accumulation of resources that are restricted, committed or assigned for, and the payment of principal, interest and fiscal charges on long-term debt.

Capital Projects (Building) Fund- Used to account for and report financial resources from long-term debt, taxes and other resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Fund- The fiduciary funds category consists of four fund types. Of the four fund types the school utilized the following:

Agency trust funds: Account for assets held for individuals in a trustee capacity to pay for flex spending claims and contributions deducted from employee's paychecks.

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

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

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Fund Balance Categories

- **Nonspendable Fund Balance:** amounts that are not in spendable form or are required to be maintained intact.
- **Restricted Fund Balance:** amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or enabling legislation.
- **Committed Fund Balance:** amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the restraint.
- **Assigned Fund Balance:** amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Education or by an official body to which the Board of Education delegates authority.
- **Unassigned Fund Balance:** amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second and unassigned funds last.

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The District's policy is to prepare its financial statements on the modified cash basis of accounting (with certain modifications for recording receivable from agency trust.) Therefore, revenues are recognized when received rather than when earned, and expenditures are recorded when paid rather than when the fund liability is incurred. Accordingly, the accompanying financial statements are not intended to present financial position or results of operations in accordance with generally accepted accounting principles accepted in the United States of America.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statement
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus

Government Wide Financial Statements: The government-wide financial statements are reported using the current financial resources measurement focus or the economic resources measurement focus is used as appropriate and the modified cash basis of accounting.

Fund Financial Statements: The governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting.

E. 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 tax rate hearing is held in September before tax rates are set and the budget is amended, if necessary, to obtain taxpayer comments. Prior to the budget's approval by the Board of Education the budget document is available for public inspection.
- 4) On June 19, 2014 the budget was legally enacted by 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, or as amended by the Board of Education.

- 6) Budgets for district funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid. The actual results of operation are presented in the statement of revenues collected, expenditures paid, and changes in fund balances – Original budget, final budget and actual in accordance with the budget basis to provide a meaningful comparison of actual results with the budget.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statement
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments that is managed by the District Treasurer. Investments of the pooled accounts consist of cash and cash equivalents. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

G. Property and Equipment

Capital assets are recorded as expenditures in the General (Incidental) Fund and the Capital Projects (Building) Fund at the time the expenditures are paid. No depreciation is provided for property and equipment.

H. Compensated Absences

Sick Leave

Full time professional staff receive twelve days of temporary leave. Unused temporary days may accumulate at a maximum of twelve days a year and may be accumulated without limit. Support staff employees are entitled to temporary leave as follows:

- Nine and ten month employees receive ten days per year, which can be accumulated up to two hundred days.
- Twelve month employees receive twelve days per year, which can be accumulated up to two hundred forty days.

Vacation

District support staff employees who complete five years of continuous employment, are awarded three weeks of vacation upon their anniversary date. District employees who complete ten years of continuous employment, are awarded four weeks of vacation, and employees who complete twenty years are awarded five weeks upon their anniversary date.

Vacation days carry over for a maximum of twenty days.

Total accrued and unpaid sick leave and vacation for the fiscal year ending June 30, 2015 was \$2,131,706.

I. Teachers' Salaries

The salary payment schedule of the District for the 2014-2015 school year requires the payment of salaries over a twelve-month period. Consequently, the July and August 2015 payroll checks are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statement
June 30, 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Post Employment Benefits

Retiree Benefits - In addition to the pension benefits described in Note 6, the District provides post retirement healthcare benefits to all employees who retire from the District. The premium is paid fully by the retiree either monthly or quarterly at the retiree's discretion for the next period's coverage. There is no associated cost to the District under this program.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. All other net assets are reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. 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.

M. 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 that are either unusual in nature or infrequent in occurrence.

N. Inventory

Inventory is deemed immaterial. Supplies are charged to expenditures when purchased.

O. Transfers

Transfers are used to move revenues from the fund that statute or budget requires to expend them and move unrestricted revenue collected in the general fund to finance programs in other funds.

P. Subsequent Events

The District evaluated subsequent events for potential required disclosure through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statement
June 30, 2015

NOTE 3: CASH AND INVESTMENTS

The District maintains a cash and temporary cash investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the financial statement; Balance Sheet Governmental Funds-modified cash basis as "Cash and Cash Equivalents" under each fund's caption. Cash Equivalents represent all investments which are short term, highly liquid, and readily convertible to a specified cash value. These investments generally have original maturities of three months or less.

Custodial Credit Risk: Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2015, the carrying amount of the District's deposits was \$54,081,821 and the bank balance was \$63,414,895 of which \$44,352,000 is in a repurchase sweep. That portion of the deposits were fully insured by depository insurance or secured with collateral held by the financial institution in the school districts name. In addition there is \$9,875,521 of funds invested in the Missouri Securities Investment Program. These funds are invested in money markets and certificates of deposits and are not covered by the Federal Deposit Insurance Corporation (FDIC).

The District also had escrow deposits in the amount of \$5,720,408 that are not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Investment Credit Risk: As of June 30, 2015 the District did not have any investment credit risk.

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). As of June 30, 2015 there was no concentration of investment credit risk.

TYPE	RATING	MATURITY	CARRYING VALUES	FAIR MARKET VALUE
Deposits				
Demand Deposits	N/A	N/A	\$ 43,091,342	\$ 43,091,342
Certificates of Deposits	N/A	N/A	20,866,000	20,866,000
Total Deposits			<u>\$ 63,957,342</u>	<u>\$ 63,957,342</u>

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 3: CASH AND INVESTMENTS (Continued)

Reconciliation To Statement of Net Position

Total deposits	\$ 63,957,342
Escrow Deposits (MOHEFA) (See Note 5)	<u>5,720,408</u>
Total Current Assets on Statement of Net Position	<u>\$ 69,677,750</u>

NOTE 4: TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the district. The patrons of the District voted to waive the requirement to reduce the property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The District voted a full waiver of the rollback provision.

The district also receives sales tax collected by the state and remitted based on eligible pupils.

The assessed valuation of the tangible taxable property for the calendar years 2014 and 2013 for purposes of local taxation was \$1,500,880,613 and \$1,465,943,345 respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2014 and 2013 for purposes of local taxation was:

	<u>2014</u>		<u>2013</u>	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
General (Incidental) Fund	2.4491	2.4491	2.4491	2.4491
Special Revenue (Teachers')	1.3300	1.3300	1.3300	1.3300
Debt Service Fund	0.7700	0.7700	0.7700	0.7700
Capital Projects (Building)	0.4400	0.4400	0.4400	0.4400
TOTAL	<u>4.9891</u>	<u>4.9891</u>	<u>4.9891</u>	<u>4.9891</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2015 aggregate approximately 100.47 percent of the current assessment computed on the basis of the levy as shown above.

NOTE 5: COMMITMENTS

BONDS PAYABLE

The following is a summary of changes in general long-term debt for the year ended June 30, 2015.

Bonds payable at June 30, 2014	\$ 178,963,677
Bonds Issued	-
Bonds Retired	<u>(7,960,000)</u>
Bonds payable at June 30, 2015	<u>\$ 171,003,677</u>

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 5: COMMITMENTS (Continued)

BONDS PAYABLE (Continued)

Bonds payable at June 30, 2015 consist of:

\$8,540,000 General Obligation Bonds series 2008; due in one payment of \$8,540,000 on March 1, 2028; Interest at 5.00% paid semi-annually.	\$8,540,000
\$30,623,677 General Obligation Improvement and Refunding Bonds series 2009A due in varying installments through 2029, Interest at 2.25% to 4.00% paid semi-annually.	29,353,677
\$14,250,000 Taxable General Obligation Bonds series 2009B due in one payment of \$14,250,000 on March 1, 2029; Interest at 6.10% paid semi-annually.	14,250,000
\$9,185,000 General Obligation Qualified School Construction Bonds series 2009C due in varying installments through 2024; Interest at 0.80% paid semi-annually.	9,185,000
\$7,950,000 General Obligation Refunding Bonds series 2011 due in varying installments through 2022; Interest at 2.00% to 4.308% paid semi-annually.	7,725,000
\$42,535,000 General Obligation Refunds Bonds series 2011A due in varying installments through 2024; Interest at 2.00% to 4.00% paid semi-annually.	39,085,000
\$6,960,000 General Obligation Refunding Bonds series 2011B due in varying installments through 2016; Interest at 2.00% to 2.15% paid semi-annually.	1,830,000
\$43,755,000 General Obligation Refunding Bonds series 2013 due in varying installments through 2025; Interest at 1.00% to 4.00% paid semi-annually.	42,285,000
\$20,655,000 General Obligation Refunding Bonds series 2014 due in varying installments through 2020; Interest at 1.75% to 4.00% paid semi-annually.	<u>18,750,000</u>
Total General Obligation Bonds Payable:	<u>\$171,003,677</u>

The School District has an escrow deposit with the Missouri School District Direct Deposit Program (MOHEFA). This is direct deposit money paid directly to the trustee. The trustee then invests in a pool of funds that are given to an investment agent. The agent only buys government treasury notes or government agency type funds. The funds cannot be used by the District. The funds are released by the trustee to pay on the behalf of the District the district bond obligations directly.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 5: COMMITMENTS (Continued)

BOND PAYABLE (Continued)

Debt service requirements to maturity are:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 8,980,000	\$ 5,320,950	\$ 14,300,950
2017	10,065,000	5,123,080	15,188,080
2018	11,250,000	4,865,993	16,115,993
2019	10,700,573	5,827,307	16,527,880
2020	12,647,48	4,887,147	17,534,630
2021-2025	74,124,787	20,494,568	94,619,355
2026-2029	43,235,834	34,588,966	77,824,800
	<u>\$171,003,677</u>	<u>\$ 81,108,011</u>	<u>\$252,111,688</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation. The legal debt margin (excluding state assessed railroad and utility) as of June 30, 2015, was:

Constitutional debt limit	\$ 225,132,092
General obligation bonds payable	(171,003,677)
Amount available in Debt Service Fund	<u>13,521,744</u>
Legal Debt Margin	<u>\$ 67,650,159</u>

The District did not exceed the legal debt margin at June 30, 2015.

CAPITAL LEASES

The District is obligated under numerous capital leases. The leases are primarily for office equipment and school buses.

The following is a summary of changes in capital leases payable for the year ended June 30, 2015:

Capital Leases Payable – June 30, 2014	\$3,656,515
Leases Executed During the Year	1,931,700
Payments	<u>(906,752)</u>
Capital Leases Payable – June 30, 2015	<u>\$4,681,463</u>

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 5: COMMITMENTS (Continued)

CAPITAL LEASES (Continued)

Future minimum capital lease payments are as follows (assuming noncancellation) for the year ending June 30:

	Principal	Interest	Total
2016	\$ 993,767	\$ 65,316	\$ 1,059,083
2017	974,151	84,932	1,059,083
2018	932,530	60,473	993,003
2019	697,747	38,158	735,905
2020	512,772	23,708	536,480
2021	282,016	13,122	295,138
2022	288,481	6,656	295,137
	<u>\$ 4,681,464</u>	<u>\$ 292,365</u>	<u>\$ 4,973,829</u>

LEASE PARTICIPATION CERTIFICATES PAYABLE

The District issued \$32,050,000 of Lease Participation Certificates, Series 2012, for the purpose of providing funds to pay the costs of constructing, renovating, furnishing, and equipping school buildings, facilities and sites, including construction of a third high school for the District.

Following is a summary of changes in certificates of participation payable for the year ended June 30, 2015:

Certificates Payable – June 30, 2014	\$ 57,510,000
Certificates Issued during the year	-
Payments	<u>(1,930,000)</u>
Certificates Payable – June 30, 2015	<u>\$ 55,580,000</u>

Certificates of Participation Payable at June 30, 2015, consist of:

\$32,050,000 Lease Participation Certificates, Series 2012 due in varying installments through 2031; Interest at 2.00% to 3.375%.	\$ 28,265,000
\$30,765,000 Series 2011 Lease Refunding Certificates of Participation due in varying installments through 2031; Interest at 2.00% to 4.50% paid semi-annually	<u>27,315,000</u>
Total Lease Participation Certificates	<u>\$ 55,580,000</u>

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 5: COMMITMENTS (Continued)

LEASE PARTICIPATION CERTIFICATES PAYABLE (Continued)

Following is a summary of principal maturities and interest requirements for the Certificates of Participation:

<u>Year Ending June 30, 2015</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,055,000	\$ 1,994,956	\$ 4,049,956
2017	2,195,000	1,937,369	4,132,369
2018	2,345,000	1,873,394	4,218,394
2019	2,525,000	1,805,194	4,330,194
2020	2,680,000	1,713,206	4,393,206
2021-2025	16,300,000	7,098,460	23,398,460
2026-2030	22,175,000	3,753,115	25,928,115
2031	5,305,000	214,200	5,519,200
Total	<u>\$ 55,580,000</u>	<u>\$ 20,389,894</u>	<u>\$ 75,969,894</u>

NOTE 6: RETIREMENT PLAN

Public School Retirement System of Missouri (PSRS)

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

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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 6: RETIREMENT PLAN (Continued)

Public School Retirement System of Missouri (PSRS) (Continued)

used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with 5 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 3 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.psrs-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second 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.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The district's contributions to PSRS were \$10,469,563 for the year ended June 30, 2015. For detail of prior years contributions see schedule of employee contributions PSRS and PEERS in the required supplemental information.

Public Education Employees Retirement System of Missouri (PEERS)

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 6: RETIREMENT PLAN

Public Education Employees Retirement System of Missouri (PEERS) (Continued)

established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

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

Contributions: PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2015. 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 PSRS were \$1,771,618 for the year ended June 30, 2015. For detail of prior years contributions see schedule of employee contributions PSRS and PEERS in the required supplemental information.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 7: DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 403 (b). The plan allows employees to defer a portion of their salary until future years. Amounts contributed to the plan by the employee are invested in various fixed and various rate contracts as directed by the employee and are maintained in the name of the employee. There is no District cost for the plan.

NOTE 8: INTERFUND TRANSFERS

During the fiscal year ending June 30, 2015, a transfer of \$5,774,154 was made from the General (Incidental) Fund to the Capital Project Fund. The transfer to the Capital Project Fund for the state approved WADA transfer.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2015 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE 10: CONTINGENCIES

The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Various claims and lawsuits are possible against the District. In the opinion of the District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements. During the fiscal year ending June 30, 2015 there was a lawsuit filed against the District. The lawsuit is being defended by the District, the parties are in mediation and no judgement or settlement has been reached in this matter.

WENTZVILLE R-IV SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2015

NOTE 7: DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 403 (b). The plan allows employees to defer a portion of their salary until future years. Amounts contributed to the plan by the employee are invested in various fixed and various rate contracts as directed by the employee and are maintained in the name of the employee. There is no District cost for the plan.

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Various claims and lawsuits are possible against the District. In the opinion of the District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Wentzville R-IV School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance-
Original Budget, Final Budget and Actual-Modified Cash Basis-General Fund
Year Ended June 30, 2015

	General (Incidental) Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 50,754,936	\$ 50,779,936	\$ 53,533,113	\$ 2,753,177
County	1,228,851	1,228,851	1,330,876	101,825
State	6,134,864	5,243,264	5,596,331	353,067
Federal	2,367,001	2,602,633	2,450,172	(152,461)
Other	-	-	110,884	110,884
TOTAL REVENUES COLLECTED	\$ 60,485,652	\$ 59,854,684	\$ 63,021,176	\$ 3,166,492
EXPENDITURES PAID				
Regular Instruction	6,923,343	7,249,493	6,790,973	458,520
Special Programs	7,514,597	7,502,754	6,875,841	626,913
Vocational Instruction	73,510	71,160	65,651	5,509
Student Activities	3,157,386	3,150,086	3,739,750	(589,664)
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	3,272,463	3,300,383	3,359,962	(59,579)
Staff Services	2,168,568	2,358,835	2,087,178	271,457
General Administration	913,051	920,785	880,285	40,500
Building Level Administration	2,965,425	2,954,040	2,777,024	177,016
Bldgs/Food Service/Fiscal/Transportation	30,233,367	30,307,369	28,148,118	2,159,251
Central Office Support Services	2,532,398	2,533,324	2,570,501	(37,177)
Community Service	1,349,025	1,350,725	1,345,247	5,478
Facilities and Acquisitions	-	-	-	-
Debt Services	-	-	-	-
Fees Bond Indebtedness	-	-	-	-
TOTAL EXPENDITURES PAID	\$ 61,103,131	\$ 61,698,754	\$ 58,840,530	\$ 3,058,224
REVENUES COLLECTED OVER(UNDER)				
EXPENDITURES PAID	(617,479)	(1,844,070)	4,380,646	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	(5,774,154)	(5,774,154)	(5,774,154)	
Sale of Property	-	-	2,473	
REVENUES COLLECTED AND OTHER SOURCES				
OVER(UNDER) EXPENDITURES PAID	\$ (6,391,633)	\$ (7,618,224)	\$ (1,391,035)	
FUND BALANCE - Beginning of Year	46,280,667	46,280,667	46,280,667	
FUND BALANCE - End of Year	\$ 39,889,034	\$ 38,662,443	\$ 44,889,632	

The accompanying notes are an integral part of this financial statement

Wentzville R-IV School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance-
Original Budget, Final Budget and Actual-Modified Cash Basis-Special Revenue Fund
Year Ended June 30, 2015

	Special Revenue (Teachers) Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 26,733,374	\$ 26,733,374	\$ 27,792,211	\$ 1,058,837
County	962,336	962,336	1,040,700	78,364
State	55,925,934	55,038,434	55,380,613	342,179
Federal	3,648,611	4,039,161	3,527,033	(512,128)
Other	-	-	-	-
TOTAL REVENUES COLLECTED	\$ 87,270,255	\$ 86,773,305	\$ 87,740,558	\$ 967,253
EXPENDITURES PAID				
Regular Instruction	54,341,259	54,341,259	53,717,907	623,352
Special Programs	15,416,171	16,047,297	15,487,021	560,276
Vocational Instruction	-	-	-	-
Student Activities	1,191,565	1,191,565	1,276,163	(84,598)
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	2,867,927	2,594,387	2,166,347	428,040
Pupil Services	4,242,737	4,148,999	4,262,511	(113,512)
Staff Services	3,615,592	3,607,253	3,498,717	108,536
General Administration	409,346	409,346	408,361	985
Building Level Administration	4,950,865	4,950,865	5,002,158	(51,293)
Bldgs/Food Service/Fiscal/Transportation	-	-	-	-
Central Office Support Services	463,646	463,646	460,457	3,189
Community Service	214,629	214,469	215,979	(1,510)
Facilities and Acquisitions	-	-	-	-
Debt Services	-	-	-	-
Fees Bond Indebtedness	-	-	-	-
TOTAL EXPENDITURES PAID	\$ 87,713,937	\$ 87,969,086	\$ 86,495,621	\$ 1,473,465
REVENUES COLLECTED OVER(UNDER) EXPENDITURES PAID	(443,682)	(1,195,781)	1,244,937	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	-	-	-	-
Sale of Property	-	-	-	-
REVENUES COLLECTED AND OTHER SOURCES OVER(UNDER) EXPENDITURES PAID	\$ (443,682)	\$ (1,195,781)	\$ 1,244,937	
FUND BALANCE - Beginning of Year	3,540,117	3,540,117	3,540,117	
FUND BALANCE - End of Year	\$ 3,096,435	\$ 2,344,336	\$ 4,785,054	

The accompanying notes are an integral part of this financial statement

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Employer Contributions PSRS and PEERS
June 30, 2015

Schedule of Employer Contributions PSRS

<u>Year Ended *</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contributio n Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of covered Payroll</u>
6/30/2013	\$9,249,587	\$9,249,587	\$ -	\$64,227,764	14.40%
6/30/2014	\$9,906,415	\$9,906,415	\$ -	\$68,934,957	14.37%
6/30/2015	\$10,469,563	\$10,469,563	\$ -	\$70,992,929	14.75%

*Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Schedule of Employer Contributions PEERS

<u>Year Ended *</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contributio n Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of covered Payroll</u>
6/30/2013	\$1,572,066	\$1,572,066	\$ -	\$22,916,450	6.86%
6/30/2014	\$1,698,359	\$1,698,359	\$ -	\$24,757,495	6.86%
6/30/2015	\$1,771,618	\$1,771,618	\$ -	\$25,825,342	6.86%

*Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

Wentzville R-IV School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance-
Original Budget, Final Budget and Actual-Modified Cash Basis-Debt Service Fund
Year Ended June 30, 2015

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 11,760,588	\$ 11,467,303	\$ 11,862,082	\$ 394,779
County	296,218	296,218	313,089	16,871
State	-	-	-	-
Federal	-	293,285	282,180	(11,105)
Other	-	-	-	-
TOTAL REVENUES COLLECTED	\$ 12,056,806	\$ 12,056,806	\$ 12,457,352	\$ 400,546
EXPENDITURES PAID				
Regular Instruction	-	-	-	-
Special Programs	-	-	-	-
Vocational Instruction	-	-	-	-
Student Activities	-	-	-	-
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	-	-	-	-
Staff Services	-	-	-	-
General Administration	-	-	-	-
Building Level Administration	-	-	-	-
Bldgs/Food Service/Fiscal/Transportation	-	-	-	-
Central Office Support Services	-	-	-	-
Community Service	-	-	-	-
Facilities and Acquisitions	-	-	-	-
Debt Services	13,512,894	13,512,894	13,512,894	-
Fees Bond Indebtedness	10,000	10,000	8,850	1,150
TOTAL EXPENDITURES PAID	\$ 13,522,894	\$ 13,522,894	\$ 13,521,744	\$ 1,150
REVENUES COLLECTED OVER(UNDER)				
EXPENDITURES PAID	(1,466,088)	(1,466,088)	(1,064,392)	
OTHER FINANCING SOURCES(USES):				
Operating Transfers In(out)	-	-	-	-
Sale of Bond	-	-	-	-
Sale of Property	-	-	-	-
REVENUES COLLECTED AND OTHER SOURCES				
OVER(UNDER) EXPENDITURES PAID	\$ (1,466,088)	\$ (1,466,088)	\$ (1,064,392)	
FUND BALANCE - Beginning of Year	12,549,071	12,549,071	12,549,071	
FUND BALANCE - End of Year	\$ 11,082,983	\$ 11,082,983	\$ 11,484,679	

The accompanying notes are an integral part of this financial statement

Wentzville R-IV School District
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance-
Original Budget, Final Budget and Actual-Modified Cash Basis-Capital Projects Fund
Year Ended June 30, 2015

	Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance
REVENUE COLLECTED				
Local	\$ 6,569,110	\$ 6,569,110	\$ 6,880,628	\$ 311,518
County	215,342	215,342	224,532	9,190
State	2,081,014	3,829,342	3,821,579	(7,763)
Federal	-	-	12,614	12,614
Other	-	-	-	-
TOTAL REVENUES COLLECTED	\$ 8,865,466	\$ 10,613,794	\$ 10,939,353	\$ 325,559
EXPENDITURES PAID				
Regular Instruction	179,300	162,840	154,897	7,943
Special Programs	15,000	20,600	15,440	5,160
Vocational Instruction	118,050	86,978	68,566	18,412
Student Activities	-	-	-	-
Adult Vocational Programs	-	-	-	-
Payments to Other Districts	-	-	-	-
Pupil Services	-	-	-	-
Staff Services	-	-	-	-
General Administration	-	-	-	-
Building Level Administration	-	-	-	-
Bldgs/Food Service/Fiscal/Transportation	4,268,105	4,178,761	3,642,589	536,172
Central Office Support Services	100,000	78,289	125,818	(47,529)
Community Service	57,300	57,300	-	57,300
Facilities and Acquisitions	1,960,000	5,963,852	5,975,352	(11,500)
Debt Services	2,124,998	2,124,998	2,124,989	9
Fees Bond Indebtedness	-	-	-	-
TOTAL EXPENDITURES PAID	\$ 8,822,753	\$ 12,673,618	\$ 12,107,651	\$ 565,967
REVENUES COLLECTED OVER(UNDER)				
EXPENDITURES PAID	42,713	(2,059,824)	(1,168,298)	
OTHER FINANCING SOURCES(USES):				
Operating Transfers in(out)	5,774,154	5,774,154	5,774,154	
Sale of Property	-	-	-	
REVENUES COLLECTED AND OTHER SOURCES				
OVER(UNDER) EXPENDITURES PAID	\$ 5,816,867	\$ 3,714,330	\$ 4,605,856	
FUND BALANCE - Beginning of Year	3,912,529	3,912,529	3,912,529	
FUND BALANCE - End of Year	\$ 9,729,396	\$ 7,626,859	\$ 8,518,385	

The accompanying notes are an integral part of this financial statement

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2015

Type of audit performed: Yellow Book: _____ Single Audit: X

1. Calendar (Sections 160.041 and 171.031, RSMo)

- A. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

Kindergarten - A.M.	<u> N/A </u>	Hours	Grades	<u> 1-5 </u>	<u> 1,166.60 </u>	Hours
Kindergarten - P.M.	<u> N/A </u>	Hours	Grades	<u> 6-8 </u>	<u> 1,120.50 </u>	Hours
Kindergarten	<u> 1,166.60 </u>	Hours	Grades	<u> 9-12 </u>	<u> 1,124.90 </u>	Hours
			Grades			

- B. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows:

Kindergarten - A.M.	<u> N/A </u>	Days	Grades	<u> 1-5 </u>	<u> 178 </u>	Days
Kindergarten - P.M.	<u> N/A </u>	Days	Grades	<u> 6-8 </u>	<u> 178 </u>	Days
Kindergarten	<u> 178 </u>	Days	Grades	<u> 9-12 </u>	<u> 179 </u>	Days
			Grades			

Notes: _____

2. Average Daily Attendance (ADA)

Regular Term	Full-Time & Part-Time	Remedial	Deseg In	Federal Lands	Total	Deseg Out
Kindergarten - A.M.	<u> N/A </u>	<u> - </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>
Kindergarten - P.M.	<u> N/A </u>	<u> - </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>	<u> N/A </u>
Kindergarten - Full-day	<u> 1,120.12 </u>	<u> 0.53 </u>	<u> N/A </u>	<u> N/A </u>	<u> 1,120.65 </u>	<u> N/A </u>
Grades	<u> 1-5 </u>	<u> 5,767.41 </u>	<u> 7.59 </u>	<u> N/A </u>	<u> 5,775.00 </u>	<u> N/A </u>
Grades	<u> 6-8 </u>	<u> 3,168.02 </u>	<u> - </u>	<u> N/A </u>	<u> 3,168.02 </u>	<u> N/A </u>
Grades	<u> 9-12 </u>	<u> 3,774.75 </u>	<u> - </u>	<u> N/A </u>	<u> 3,774.75 </u>	<u> N/A </u>
Subtotal Regular Term	<u> 13,830.31 </u>	<u> 8.11 </u>	<u> N/A </u>	<u> N/A </u>	<u> 13,838.43 </u>	<u> N/A </u>
Summer School Subtotal		<u> 84.22 </u>	<u> N/A </u>	<u> N/A </u>	<u> 84.22 </u>	<u> N/A </u>
Total Regular Term Plus Summer School ADA					<u> 13,922.65 </u>	<u> N/A </u>

Notes: _____

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2015

1. September Membership

	Full-Time & Part-Time	Deseg In	Federal Lands	Total	Deseg Out
September Membership FTE Count	<u>14,672.44</u>	<u>N/A</u>	<u>N/A</u>	<u>14,672.44</u>	<u>N/A</u>

Notes: _____

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

	Full-Time & Part-Time	Deseg In	Total
State FTE Total			
Free	<u>2,580.20</u>	<u>N/A</u>	<u>2,580.20</u>
Reduced	<u>756.48</u>	<u>N/A</u>	<u>756.48</u>
Total	<u>3,336.68</u>	<u>N/A</u>	<u>3,336.68</u>

Notes: _____

5. Finance

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- A. As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of: \$100,000
- B. The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. True
- C. The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. True
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. 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. True
- G. 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. True
- H. The amount spent for approved professional development committee plan activities was: \$535,793

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Selected Statistics
For the Year Ended June 30, 2015

5. Finance (Continued)

- F. The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.

True

All above "false" answers must be supported by a finding or management letter comment.

Finding #: _____

Management Letter Comment #: _____

Notes: _____

6. Transportation (Section 163.161, RSMo)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.

True

- B. The district's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.

True

- C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

▪ Eligible ADT #9,445.0

▪ Ineligible ADT #413.0

- D. 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

- E. Actual odometer records show the total district-operated and contracted mileage for the year was:

#1,848,141

Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

▪ Eligible Miles #1,643,371

▪ Ineligible Miles (Non-Route/Disapproved) #204,770

- F. Number of days the district operated the school transportation system during the regular school year: 179

All above "False" answers must be supported by a finding or management letter comment.

Finding #: _____

Management Letter Comment #: _____

Notes: _____

STATE COMPLIANCE REPORTING

Mueller, Walla & Albertson, P.C.

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Crestwood, MO 63126

Certified Public Accountants

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

Board of Education
Wentzville R-IV School District
Wentzville, Missouri

We have examined management's assertions, included in its representation letter dated November 30, 2015 that Wentzville R-IV School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, and the free and reduced lunch count on the last Wednesday of January, and accurate disclosure by the District's pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2015. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. 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 attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, management's assertions that Wentzville R-IV School District complied with the aforementioned requirements for the year ended June 30, 2015 and are fairly stated in all material respects.

This report is intended solely for the information of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education, Federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
November 30, 2015

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

FEDERAL COMPLIANCE REPORTING

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

Board of Education
Wentzville R-IV School District
Wentzville, Missouri

We have audited 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, the financial statements of the governmental activities and each major fund of Wentzville R-IV School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wentzville R-IV School District's basic financial statements, and have issued our report thereon dated November 30, 2015. In our report, on financial statements which were prepared on the modified cash basis of accounting which is another comprehensive basis of accounting other than generally accepted accounting principles accepted in the United States of America, as described in footnote 2, our opinion was unmodified.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
November 30, 2015

Mueller, Walla & Albertson, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Education
Wentzville R-IV School District
Wentzville, Missouri

Report on Compliance for Each Major Federal Program

We have audited Wentzville R-IV School District's compliance of the with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wentzville R-IV School District's major federal programs for the year ended June 30, 2015. The Wentzville R-IV School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wentzville R-IV School 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Wentzville R-IV School 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 Wentzville R-IV School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Wentzville R-IV School 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, 2015.

Report on Internal Control Over Compliance

Management of the Wentzville R-IV School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Wentzville R-IV School 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 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 OMB Circular A-133, 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 Wentzville R-IV School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mueller, Walla & Albertson, P.C.

Mueller, Walla & Albertson, P.C.
Saint Louis, Missouri
November 30, 2015

Wentzville R-IV School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor Pass-through Grantor Program Title	Programs CFDA Number	Pass-Through Entity Identifying Numbers	Expenditures(1)
U.S. Department of Education			
Passed-through Missouri			
Department of Elementary and Secondary Education			
Title I	84.010A	S010A130025	\$ 864,020
Title II.A	84.367A	S367A130024	161,786
Title III LEP	84.365A	S365A130025	28,385
Special Education IDEA Part B Entitlement	84.027A	H027A130147	2,206,435
Early Childhood Special Education	84.027A	H027A120040	568,527
Early Childhood Special Education	84.173A	H173A120103	192,155
Statewide Collaborative Work Initiative	84.027A	H173A130147	92,386
Special Education SWIS	84.027A	H027A130147	5,025
Assistive Technology Reimbursement	84.027A	092-089	12,614
Total U.S. Department of Education			\$ 4,131,333
U.S. Department of Agriculture			
Passed-through Missouri			
Department of Elementary and Secondary Education			
School Breakfast Program	10.553 *	2014IN109943	299,056
National School Lunch Program	10.555 *	2014CN109943	1,587,655
School Food Service Snack Payment	10.555 *	2014IN109943	8,968
Commodities	10.555 *	092-089	162,053
Missouri Department of Health and Senior Services			
Child and Adult Care Food Program	10.558	3M0300305	5,287
Total U.S. Department of Agriculture			\$ 2,063,019
Total Expenditures of Federal Awards			\$ 6,194,352

* Audited as one program

(1) This information has been prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles. Food distribution are commodities received which are non-cash revenues which are valued using prices provided by the United States Department of Agriculture. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the governmental activities and each major fund of Wentzville R-IV School District that were prepared on the modified cash basis of accounting.
2. No instances of significant deficiencies were disclosed during the audit of the financial statement and reported in the related 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*.
3. No instances of noncompliance material to the financial statements of Wentzville R-IV School District, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit that needed to be reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance required by OMB A-133 for Wentzville R-IV School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that is required to be reported in accordance with section 510(A) of OMB A-133.
7. The programs tested as major programs include:

School Breakfast Program	CFDA# 10.553
National School Lunch Program	CFDA# 10.555
School Food Service Snack Program	CFDA# 10.555
Commodities	CFDA# 10.555
Title II	CFDA# 84.367A
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Wentzville R-IV School District was determined to be a low-risk auditee.

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS**

None

WENTZVILLE R-IV SCHOOL DISTRICT
Schedule of Resolutions of Prior Year Audit Findings
For the Year Ended June 30, 2015

PRIOR YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

There are no prior year findings to comment on.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

There are no prior year findings to comment on.