

Auditors' Report

June 30, 2020



INDEPENDENT AUDITORS' REPORT

Page 2 – Paragraph #1

To the Board of Education
Raymore-Peculiar R-II School District

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 Raymore-Peculiar R-II School District as of June 30, 2020, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT STATEMENT OF ACTIVITIES - CASH BASIS FOR THE YEAR ENDED JUNE 30, 2020

Page 13, excerpt

	<u>Expenditures</u>	<u>PROGRAM REVENUES</u>			<u>Net (Expenditures)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position</u>
					<u>Governmental</u>
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 34,865,659	\$ 9,048	\$ 5,229,224	\$ -	\$ (29,627,387)
Student activities	2,083,547	1,036,555	-	101,515	(945,477)
Student services	4,028,558	-	70,609	-	(3,957,949)
Instruction staff support	4,403,566	-	-	-	(4,403,566)
Building administration	3,929,653	-	-	-	(3,929,653)
General administration & central services	4,133,995	-	-	-	(4,133,995)
Operation of plant	12,083,169	-	-	-	(12,083,169)
Transportation	3,862,627	-	971,032	-	(2,891,595)
Food service	2,584,846	1,340,668	971,980	-	(272,198)
Community services	1,340,292	775,628	96,700	-	(467,964)
Facility acquisition and construction	-	-	-	-	-
Debt service:					
Interest and fees	1,557,365	-	-	-	(1,557,365)
Total Governmental Activities	\$ 74,873,277	\$ 3,161,899	\$ 7,339,545	\$ 101,515	(64,270,318)

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BALANCE SHEET– MODIFIED CASH BASIS
GOVERNMENTAL FUNDS JUNE 30, 2020**

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	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 16,121,673	\$ -	\$ 7,862,394	\$ 75,340	\$ 24,059,407
FUND BALANCES					
Fund Balances:					
Restricted	\$ -	\$ -	\$ 7,862,394	\$ -	\$ 7,862,394
Committed	897,818	-	-	75,340	973,158
Assigned	816,501	-	-	-	816,501
Unassigned	14,407,354	-	-	-	14,407,354
Total fund balances	\$ 16,121,673	\$ -	\$ 7,862,394	\$ 75,340	\$ 24,059,407

RAYMORE-PECULIAR R-II SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

Page 30, excerpt from Note M – Fund Balances – Governmental Funds

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt service	\$ -	\$ -	\$ 7,862,394	\$ -
Committed:				
Technology purchases	897,818			
Capital outlay	-	-	-	75,340
Total Committed	897,818	-	-	75,340
Assigned:				
Student activities	816,501	-	-	-
Unassigned	14,407,354	-	-	-
Total fund balances	\$ 16,121,673	\$ -	\$ 7,862,394	\$ 75,340

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 30,638,562	\$ 6,147,854	\$ 6,761,533	\$ 283,235	\$ 43,831,184
County	1,781,416	119,097	422,734	-	2,323,247
State	2,167,726	27,269,958	-	185,000	29,622,684
Federal	2,303,705	446,105	-	-	2,749,810
Other	179,257	9,048	-	-	188,305
Total Revenues	37,070,666	33,992,062	7,184,267	468,235	78,715,230
EXPENDITURES:					
Instruction	4,434,226	29,937,255	-	-	34,371,481
Student activities	1,386,960	696,587	-	125,489	2,209,036
Student services	1,924,253	2,104,305	-	-	4,028,558
Instruction staff support	2,699,008	1,704,558	-	-	4,403,566
Building administration	1,145,139	2,784,514	-	-	3,929,653
General administration & central services	2,244,958	1,889,037	-	-	4,133,995
Operation of plant	6,533,146	19,039	-	2,149,642	8,701,827
Transportation	3,862,627	-	-	-	3,862,627
Food service	2,584,846	-	-	89,285	2,674,131
Community services	1,124,396	215,896	-	-	1,340,292
Facility acquisition and construction	-	-	-	-	-
Debt service:					
Principal retirement	-	-	4,730,000	515,933	5,245,933
Interest and fees	-	-	1,389,550	167,815	1,557,365
Total Expenditures	27,939,559	39,351,191	6,119,550	3,048,164	76,458,464
Revenues Over (Under) Expenditures	9,131,107	(5,359,129)	1,064,717	(2,579,929)	2,256,766
Other Financing Sources (Uses):					
Transfers	(7,959,129)	5,359,129	-	2,600,000	-
Net change in fund balance	1,171,978	-	1,064,717	20,071	2,256,766
Fund balance, beginning	14,949,695	-	6,797,677	55,269	21,802,641
Fund balance, ending	\$ 16,121,673	\$ -	\$ 7,862,394	\$ 75,340	\$ 24,059,407

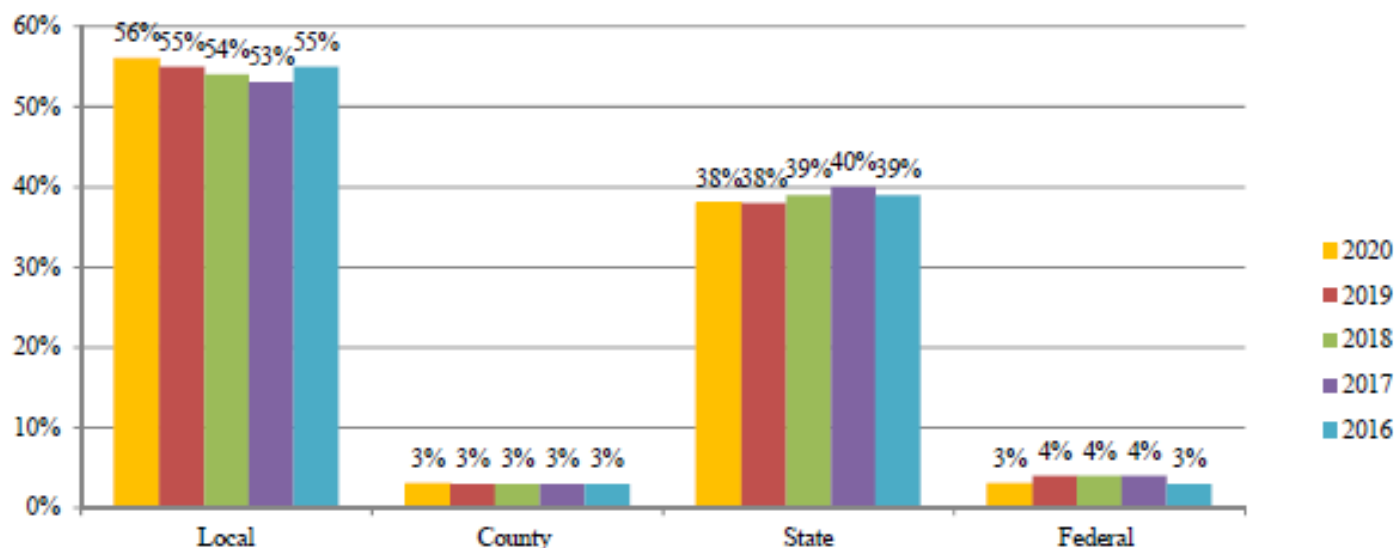
RAYMORE-PECULIAR R-II SCHOOL DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2020

Page 24, excerpt from Note F – Long-Term Debt

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amount Due Within One Year
General Obligation Bonds	\$ 47,300,000	\$ -	\$ 4,730,000	\$ 42,570,000	\$ 5,405,000
Lease Certificates of Participation	5,205,000	-	455,000	4,750,000	485,000
Direct Borrowings	60,932	-	60,932	-	-
Total	\$ 52,565,932	\$ -	\$ 5,245,932	\$ 47,320,000	\$ 5,890,000

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
COMPARISON OF REVENUES COLLECTED BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2020, 2019, 2018, 2017 AND 2016**

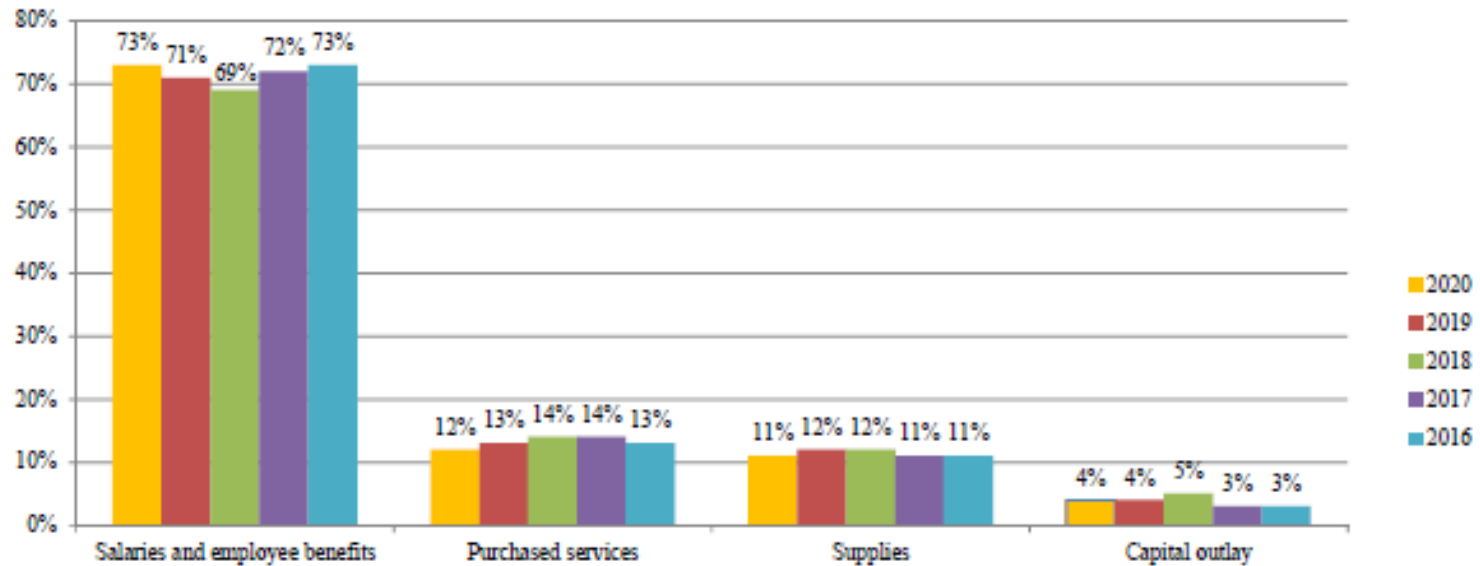
	2020	2019	2018	2017	2016
Local	\$ 43,831,184	\$ 42,443,708	\$ 37,869,966	\$ 35,680,607	\$ 36,854,041
County	2,323,247	2,272,737	2,286,316	2,347,132	2,355,752
State	29,622,684	29,730,582	27,919,351	27,210,013	26,527,915
Federal	2,749,810	2,978,118	3,081,624	2,452,780	2,165,634
Other	188,305	43,360	167,609	14,306	41,140
	<u>\$ 78,715,230</u>	<u>\$ 77,468,505</u>	<u>\$ 71,324,866</u>	<u>\$ 67,704,838</u>	<u>\$ 67,944,482</u>



Note: The above graphs do not include proceeds from the sale of bonds.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES PAID BY OBJECT
FOR THE YEARS ENDED JUNE 30, 2020, 2019, 2018, 2017 AND 2016

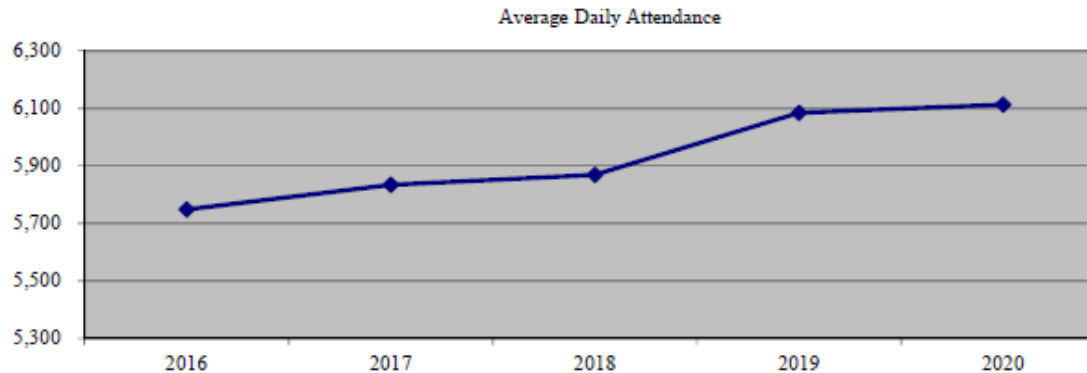
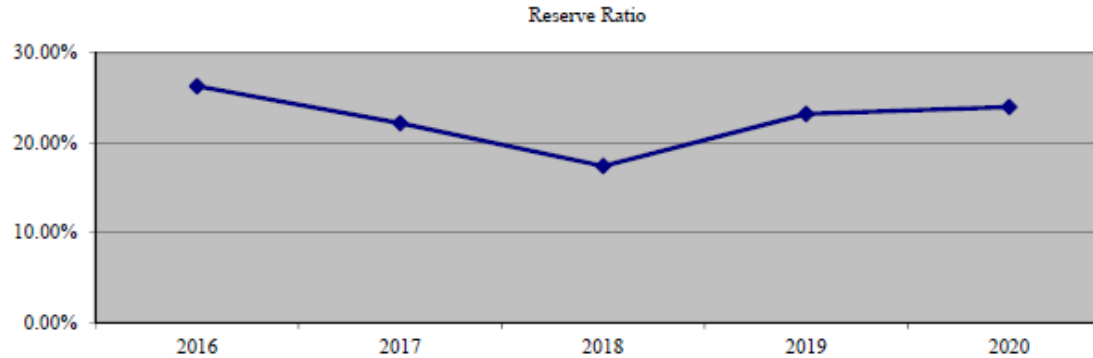
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2020 TOTALS	2019 TOTALS	2018 TOTALS	2017 TOTALS	2016 TOTALS
Salaries	\$10,003,321	\$29,797,009	\$ -	\$ -	\$39,800,330	\$37,487,434	\$35,432,338	\$34,144,771	\$33,143,374
Employee benefits	3,291,282	8,554,458	-	-	11,845,740	10,501,746	9,997,724	10,406,162	10,033,632
Purchased services	7,139,782	999,724	-	-	8,139,506	8,760,312	8,805,086	8,664,532	7,858,735
Supplies	7,505,174	-	-	-	7,505,174	7,727,765	7,960,311	6,839,512	6,466,883
Capital outlay	-	-	-	2,364,416	2,364,416	2,055,505	8,204,166	22,339,226	2,030,279
Principal	-	-	4,730,000	515,933	5,245,933	5,133,512	4,798,701	14,394,570	25,748,909
Interest and other charges	-	-	1,389,550	167,815	1,557,365	1,859,700	2,013,788	2,259,391	2,543,970
	<u>\$27,939,559</u>	<u>\$39,351,191</u>	<u>\$ 6,119,550</u>	<u>\$ 3,048,164</u>	<u>\$76,458,464</u>	<u>\$ 73,525,974</u>	<u>\$ 77,212,114</u>	<u>\$99,048,164</u>	<u>\$ 87,825,782</u>



Note: The above graphs do not include expenditures for debt service or for capital improvements.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SELECTED TRENDS
FOR THE YEARS ENDED JUNE 30, 2016 THROUGH 2020

<u>General and Special Revenue Funds</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Fund Balances	\$ 15,107,963	\$ 13,301,091	\$ 10,813,596	\$ 14,949,695	\$ 16,121,673
Total Expenditures	<u>57,502,624</u>	<u>60,054,977</u>	<u>62,195,459</u>	<u>64,477,257</u>	<u>67,290,750</u>
Reserve Ratio	26.27%	22.15%	17.39%	23.19%	23.96%
Average Daily Attendance	5,748.77	5,834.04	5,869.12	6,084.76	6,113.15



REPORT ON THE ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

Page 45 – Paragraph #3

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

We noted immaterial instances of noncompliance with the aforementioned requirements that we have reported to the administration of the District in the accompanying Schedule fo State Findings.

RAYMORE – PECULIAR R-II SCHOOL DISTRICT SCHEDULE OF STATE FINDINGS FOR THE YEAR ENDED JUNE 30, 2020

Page 46

ATTENDANCE

Condition: The hours in attendance reported to DESE on Core Data for the District's High School did not agree to the information in the District's attendance software.

Criteria: Attendance information from the software must be reconciled to the information reported to DESE.

Cause: The District did not reconcile the software data to the amounts reported on Core Data for the High School.

Effect: Inaccurate information was reported to DESE on Core Data.

Recommendation: We recommend that the District implement additional review procedures to ensure the information in the District's software agrees to amounts reported to DESE through Core Data.

Auditee's Response: The District will implement additional review procedures to ensure the information in the District's software agrees to amounts reported to DESE through Core Data.

RAYMORE – PECULIAR R-II SCHOOL DISTRICT SCHEDULE OF STATE FINDINGS FOR THE YEAR ENDED JUNE 30, 2020

Page 46

TRANSPORTATION

Condition: The District did not include additional SPED riders that were transported outside of the District's contracted transportation on the Application for State Transportation Aid.

Criteria: DESE requires that all ridership information be tracked and reported on the Application for State Transportation Aid.

Cause: The District did not review the amounts reported on the Application for State Transportation Aid prior to submitting to ensure that all ridership counts were included.

Effect: Inaccurate mileage information was submitted to DESE.

Recommendation: We recommend that the District implement review procedures to ensure that all ridership counts are included on the Application for State Transportation Aid.

Auditee's Response: The District will implement additional review procedures to ensure that all ridership counts are included on the Application for State Transportation Aid.

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

Page 47 – Paragraph #4

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 the 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.

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

Page 49 – Paragraph #5 & Page 50 – Paragraph #3

Page 49 – Paragraph #5

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2020.

Page 50 – Paragraph #3

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.

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020

Page 51, excerpt

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with the modified cash basis: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:
 Child Nutrition Cluster CFDA No. 10.553 and 10.555
 Title I - Grants to Local Educational Agencies CFDA No. 84.010

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Page 51, cont.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None

Required Communications

FOOD SERVICE VERIFICATION - During our audit, we noted instances of noncompliance with USDA required eligibility verification procedures for the free and reduced lunch program. We noted that in two of the fourteen applications selected for verification, the classification had been incorrectly reported as reduced and should have been full pay. We recommend that the District review its verification procedures to ensure that the income is correctly verified and classification determined for each application selected.

Auditee's Response: The District will review its verification procedures to ensure that the income is correctly verified and classification determined for each application selected.