

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
PECULIAR, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Raymore-Peculiar R-II School District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note A.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note A.

Management's discussion and analysis on page 3 through 11 has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Basis of Accounting

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

Westbrook & Co., P.C.

Richmond, Missouri
November 10, 2021



Raymore-Peculiar School District

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021 (UNAUDITED)

The Management's Discussion and Analysis (MD&A) of the Raymore-Peculiar R-II School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of the MD&A is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes thereto to obtain a full understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- The District's total net position increased by \$14,810,777, reflecting an increase in assets of \$79,558,193 and an increase in liabilities of \$64,747,416. The increase in assets is made up of an \$81,792,375 increase in cash balances offset by a net decrease of \$2,234,182 in capital assets. The increase in cash balances is primarily due to the issuance of \$72 million in general obligation bonds approved by the voters in the April 2021 election, which sold for \$79,535,640. The net decrease in capital assets is due to depreciation in excess of capital additions. The increase in liabilities is also due to the issuance of the \$72 million in general obligation bonds, offset by regularly scheduled principal payments on the District's outstanding bonds and capital lease obligations.
- Of the District's \$77,284,598 in expenses, \$14,547,632 (18.82%) were offset by program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions. General revenues (primarily taxes and state aid) of \$77,547,743 were adequate to provide for the remaining expenditures, and resulted in total revenues of \$92,095,375.
- The District ended the year with a General Fund balance of \$20,486,006; \$18,431,856 of which is unassigned and available for spending at the District's discretion. The Special Revenue Fund had a zero fund balance. The ending General Fund balance represents 29.41% of the total annual operating expenditures for the year.
- County and local revenues comprised 58.68% of total District receipts, while state, federal, and other revenues comprised the remaining 41.32%. This compares to 58.63% and 41.37%, respectively, in the prior year. The District maintained a total tax levy of \$5.1823, which is the same as the prior year.
- The District transferred \$2,600,000 from the General Fund to the Capital Projects Fund.

Overview of the Financial Statements

The District's basic financial statements consist of two sets of financial statements and notes to those statements. The government-wide financial statements report on the District as a whole, and include the Statement of Net Position and the Statement of Activities. These financial statements include capital assets and long-term liabilities, thereby presenting a long-term view of the District's financial position. These documents are followed by the fund financial statements, which focus on individual funds and provide a more short-term view of how District services were financed in the current year and what remains for future spending.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
(UNAUDITED)**

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

A view of the District as a whole looks at both short-term and long-term financial transactions and asks the question, “How did we do financially during Fiscal Year 2020-2021?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities of the District using the modified cash basis of accounting. Under the modified cash basis of accounting, revenues are recorded when collected and expenditures are recorded when paid, except for teachers’ salaries as explained in Note A to the financial statements.

These two statements report the District’s net position and change in net position. The change in net position is important because it tells the reader whether the financial position of the District has improved or diminished. The cause of this change may be the result of many factors; some financial, and some not. Non-financial factors that may have an impact on the District’s financial position include the District’s property tax base, current property tax laws in Missouri, required educational programs that may include unfunded mandates, facility conditions and other factors.

The Statement of Net Position and the Statement of Activities report the District’s governmental activities. The District’s governmental activities include, but are not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District has no non-governmental activities to report.

Reporting the District by Fund

Fund Financial Statements

The fund financial statements provide detailed information about the District by major fund. These statements include the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. Consistent with the reporting requirements of the Department of Elementary and Secondary Education, the District uses four funds to account for its financial transactions, all of which are considered to be major governmental funds. These are the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. District resources are allocated to these funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The use of each fund is described in Note A to the financial statements.

The fund financial statements are also prepared using the modified cash basis of accounting described above. Each of these financial statements is followed by a reconciliation to its counterpart in the statements reporting on the District as a whole. These reconciliations illustrate the relationship between the District’s net financial position and total fund balances, as well as the differences between the long-term and short-term views.

Analysis of the District as a Whole

Recall that the Statement of Net Position and the Statement of Activities provide the perspective of the District’s financial position and change in net position as a whole.

Tables 1 and 2 on the following pages provide a comparative summary of these financial statements for the current and prior year, followed by an analysis of the information they provide.

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

TABLE 1 - Statements of Net Position – Modified Cash Basis

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
ASSETS		
Cash and cash equivalents	\$ 105,851,782	\$ 24,059,407
Capital assets, net of accumulated depreciation	<u>101,091,111</u>	<u>103,325,293</u>
Total assets	<u>206,942,893</u>	<u>127,384,700</u>
LIABILITIES		
Current liabilities:		
Current portion long-term debt	6,167,416	5,890,000
Non-current liabilities:		
Non-current portion long-term debt	<u>105,900,000</u>	<u>41,430,000</u>
Total liabilities	<u>112,067,416</u>	<u>47,320,000</u>
NET POSITION		
Net investment in capital assets	67,145,303	56,005,293
Restricted:		
Capital outlay	29,090	75,340
Debt service	7,215,078	7,862,394
Unrestricted	<u>20,486,006</u>	<u>16,121,673</u>
Total net position	<u>\$ 94,875,477</u>	<u>\$ 80,064,700</u>

Cash and cash equivalents increased from 19% of total assets at June 30, 2020 to 51% at June 30, 2021. The increase in cash balances is primarily due to the issuance of \$72 million in general obligation bonds approved by the voters in the April 2021 election, which sold for \$79,535,640. The remaining increase is due to an increase in operating reserves.

Non-current assets of \$101,091,111 include land, buildings, and contents, less any applicable accumulated depreciation, and construction in progress. The current portion of debt (amounts due within one year) and the long-term portion of debt together total \$112,067,416. The amount of debt spent on capital assets of \$112,067,416 is offset against the investment in capital assets of \$101,091,111, less unspent bond proceeds of \$78,121,608 to arrive at the net investment in capital assets of \$67,145,303. This portion of the District's net position represents assets already invested in providing the services of the District, and therefore not available for future spending.

The District has a restricted net position of \$29,090 for capital outlay, and \$7,215,078 for debt service to comply with requirements imposed by its creditors. After these restrictions, the District is left with an unrestricted net position of \$20,486,006. This is the portion of District assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements.

Table 2 shows the change in net position for fiscal year 2021 and 2020.

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

TABLE 2 - Statement of Activities - Modified Cash Basis

	2021	2020
REVENUES		
Program Revenues:		
Charges for services	\$ 1,275,410	\$ 3,161,899
Operating grants and contributions	12,971,773	7,339,545
Capital grants and contributions	300,449	101,515
Total Program Revenues	14,547,632	10,602,959
General Revenues:		
Property taxes	35,244,626	33,216,502
Basic formula	24,896,330	25,209,087
Sales tax	6,379,867	6,120,093
State assessed utilities	2,360,625	2,204,150
In lieu of tax	362,869	281,485
Earnings on investments	7,572,225	445,959
Fines and escheats	66,397	119,097
M&M surtax	115,821	104,257
Other revenue	548,740	395,486
Financial institution tax	243	15,604
Total General Revenues	77,547,743	68,111,720
Total Revenues	92,095,375	78,714,679
PROGRAM EXPENSES		
Instruction	36,056,856	34,865,659
Student activities	1,599,186	2,083,547
Student services	4,488,423	4,028,558
Instructional staff support	5,180,517	4,403,566
Building administration	4,006,015	3,929,653
General administration and central services	4,253,126	4,133,995
Operation of plant	12,477,191	12,083,169
Transportation	3,816,675	3,862,627
Food service	2,433,384	2,584,846
Community services	1,296,062	1,340,292
Facility acquisition and construction	221,018	-
Debt service:		
Interest and fees	1,456,145	1,557,365
Total Expenses	77,284,598	74,873,277
CHANGE IN NET POSITION		
Net position beginning of year	80,064,700	76,223,298
Net position end of the year	\$ 94,875,477	\$ 80,064,700

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

CHANGE IN NET POSITION (TABLE 2)

As mentioned previously, the District has no non-governmental activities; its change in net position is fully the result of governmental activities. General revenues accounted for \$77,547,743 in revenue. This is composed primarily of receipts from property taxes, which were \$35,244,626. Other sources of general revenues were state aid not restricted for specific purposes of \$24,896,330, with the remaining portion from investment earnings and miscellaneous other sources. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$14,547,632 of total revenues. The District had \$77,284,598 in expenses, of which \$14,547,632 were offset by these program specific revenues. General revenues were adequate to provide for the remaining cost of District programs and produce an increase in net position of \$14,810,777.

The Statement of Activities shows the cost of services by program and the program specific revenues offsetting those costs. Table 3 below also shows the total cost of services by program and the net cost of services after program specific revenues. The net cost is the cost of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 36,056,856	\$ 25,839,188	\$ 34,865,659	\$ 29,627,387
Student activities	1,599,186	1,040,015	2,083,547	945,477
Student services	4,488,423	4,387,928	4,028,558	3,957,949
Instructional staff support	5,180,517	4,929,039	4,403,566	4,403,566
Building administration	4,006,015	4,006,015	3,929,653	3,929,653
General administration and central services	4,253,126	4,253,126	4,133,995	4,133,995
Operation of plant	12,477,191	12,448,680	12,083,169	12,083,169
Transportation	3,816,675	3,005,862	3,862,627	2,891,595
Food service	2,433,384	503,230	2,584,846	272,198
Community services	1,296,062	646,720	1,340,292	467,964
Facility acquisition and construction	221,018	221,018	-	-
Debt service:				
Interest and fees	1,456,145	1,456,145	1,557,365	1,557,365
Total Governmental Activities	\$ 77,284,598	\$ 62,736,966	\$ 74,873,277	\$ 64,270,318

Instruction includes activities directly involving the teaching of students and the interaction between teacher and pupil.

Student activities include activities that add to a student's education experience but are not related to educational activities.

Student services include student guidance and counseling, health services, and the costs of student attendance reporting.

Instructional staff support includes the activities involved in assisting staff with the content and process of teaching students.

Building administration includes the cost of salaries and benefits for building level principals and office support staff.

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

General administration and central services includes the expenses associated with administrative and financial supervision of the District. It also includes expenses related to planning, research, development and evaluation of support services, and reporting of information internally and to the public.

Operation of plant activities involves keeping the school grounds, building, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of breakfast, lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community service includes expenses related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement. These services also include our early childcare program.

Facility acquisition and construction in the Statement of Activities includes uncapitalized expenditures for land or existing building, improvements to buildings and grounds, repairs, and equipment. Items purchased and capitalized in the current year are not reported as current expenses on the statement of activities. The depreciation for assets directly associated with specific function or small number of functions are required to be reported as a direct expense of that function.

Interest and fees involves the transactions associated with payment of interest and other related charges for debt of the District.

The District's Funds

As described above, the District accounts for its revenues and expenditures using four funds: the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Total revenues received in all funds were \$164,112,873. Total expenditures from all funds were \$82,320,498. The net change in fund balance for the year was most significant in the Capital Projects Fund, an increase of \$78,075,358. As noted above, this increase is due to the issuance of \$72 million in general obligation bonds, approved by the voters in April 2021, which sold for \$79,535,640. These funds were partially expended during the year ended June 30, 2021 to purchase land and a building that will house new career education programs. The remainder will be expended over the next three years to complete that facility; to construct a new facility to serve as the initial phase of a new high school building, initially serving as a ninth-grade center; to construct a performing arts center; and to complete facility maintenance projects throughout the District.

General Fund Budgeting Highlights

The District's budget is prepared according to Missouri law and is prepared using the modified cash basis used for fund reporting. The most significant budgeted fund is the General Fund.

During the course of the 2021 fiscal year, the District amended its budget two times. Budget changes were made to recognize anticipated changes in revenues and expenditures due to the impact of the pandemic and to add the bond issue to the budget.

For the General Fund, the final budget basis revenue was \$40,188,916 representing a \$532,176 increase over the original budget estimate of \$39,656,740. Actual revenues were \$40,092,741. The District's ending fund balance in the General Fund was \$1,981,399 higher than the final budgeted amount. Total revenues

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

for the General Fund were budgeted to exceed expenditures by \$11,170,502; actual revenues exceeded actual expenditures by \$11,371,373. The District's transfer from the General Fund to cover Special Revenue Fund expenditures in excess of revenues was \$4,407,040.

Capital Assets

At the end of fiscal year 2021, the District had \$177,010,858 invested in capital assets. Accumulated depreciation is reported at \$75,919,747. The net investment in capital assets at year-end was \$101,091,111. Table 4 shows 2021 and 2020 balances:

TABLE 4

	2021	2020
Capital Assets		
Land	\$ 2,657,867	\$ 2,426,402
Construction in progress	961,678	-
Buildings	114,288,687	114,288,687
Building improvements	46,436,037	45,158,820
Furniture and fixtures	9,232,437	8,465,823
Computers	3,434,152	3,434,152
Total capital assets	<u>177,010,858</u>	<u>173,773,884</u>
Accumulated depreciation		
Buildings	48,477,487	45,699,466
Building improvements	17,720,753	15,418,772
Furniture and fixtures	6,381,646	6,033,001
Computers	3,339,861	3,297,352
Total accumulated depreciation	<u>75,919,747</u>	<u>70,448,591</u>
Capital assets, net	<u>\$ 101,091,111</u>	<u>\$ 103,325,293</u>

Debt Administration

At June 30, 2021, the District had \$112,067,416 in general obligation bonds and lease certificates of participation, due in varying amounts over 20 years. The purpose of each debt project was for facility additions and improvements and refunding outstanding general obligation bonds. Table 5 shows outstanding debt at June 30:

TABLE 5

	2021	2020
2015 General Obligation Refunding Bonds	\$ 7,125,000	\$ 9,525,000
2016 General Obligation Bonds	25,580,000	27,000,000
2017 General Obligation Refunding Bonds	3,040,000	6,045,000
2019 Refunding Lease Certificates of Participation	4,265,000	4,750,000
2021 General Obligation Bonds	72,000,000	-
2020 Copier lease	57,416	-
	<u>\$ 112,067,416</u>	<u>\$ 47,320,000</u>

At June 30, 2021 the District's current portion of debt was \$6,167,416 and the non-current portion of debt was \$105,900,000.

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

Economic Factors, Growth and Next Year's Budget

The District continues to be in good financial health and is committed to strong financial management. The Fiscal Year 2021-2022 budget, approved by the Board of Education on June 24, 2021, was the fourth budget developed under the current Strategic Plan developed by a committee of community stakeholders and adopted by the Board of Education in December 2017. A similar committee is being established to update and revise the Strategic Plan to guide the District's management through 2027.

Our community's assessed valuation growth is 6.2% for 2021 (a reassessment year). With additional development within the District, steady growth in the District's tax base and related revenue is projected to continue. Steady enrollment growth due to families moving into the District is also projected over the next five years; however, declining birth rates, resulting in kindergarten classes that are smaller than graduating classes, is expected to offset much of this growth for the next several years.

The 2018 Strategic Plan led to a request for additional resources from the community through an increased tax levy designed to support the important strategies within the plan. Proposition R-P was placed on the April 3, 2018 ballot and received a strong 57% voter approval rate to increase the District operating levy by 75 cents. At the same time, the District debt service levy was scheduled to decrease by 30 cents, resulting in a 45 cent overall levy increase for tax year 2018, funding fiscal year 2018-19. The following year's tax rate was approximately 18 cents less than the 2018 rate due to a Hancock Amendment limitation; however, total tax revenues grew approximately \$2.2 million and \$2.0 million in fiscal year 2019-2020 and fiscal year 2020-2021, respectively, due to increased assessed valuation. The 2021 tax rate was again limited by the Hancock Amendment and was reduced 15 cents to \$5.0302. However, the fiscal year 2021-2022 budget projects a 2% growth in tax revenues due to growth in assessed valuation.

The budget for 2021-22 reflects the above growth, additional resources, and priorities of the District as outlined in the current Strategic Plan. Although the mission and budget of the District have been challenged by the COVID-19 pandemic in many ways never seen before, the District continues to focus on meeting the needs of every student regardless of how instruction and support are delivered, whether it be in-person or through virtual channels. Focus areas within the Strategic Plan include Success Ready Students, High Quality Staff, and Fiscal Responsibility.

Within the focus area of Success Ready Students, the budget supports the continuation and expansion of the District's real-world learning programs, including a new microschool (Raymore-Peculiar Enterprise & Design), the Machining career technical education program, and the Senior DRIVE Project program. The Virtual Instruction Program of Raymore-Peculiar (VIPR) will be opened to students of other Districts in Cass and Bates counties. An additional, dedicated funding stream over the next three years is targeted at additional student needs in the wake of the COVID-19 pandemic, and will include both additional academic intervention and additional mental health supports.

The District budget places a high priority on recruiting and retaining high quality staff. Salary data for both certified and non-certified positions is collected during the budgeting process, and comparison of staff compensation to other Kansas City metro districts is part of the strategic planning process. Significant salary improvements were made with the availability of Proposition R-P funds, and growth in the local tax base has allowed for additional salary enhancements in the ensuing years. While the economic uncertainty of the pandemic prevented increases to staff salary schedules for fiscal year 2020-2021, every employee was provided an experience step movement increase of approximately 2%. The fiscal year 2021-2022 budget again allows for experience step raises, with an additional \$400 added to the base of salary schedules.

The Financial Responsibility focus area of the Strategic Plan includes a commitment to provide more resources for ongoing facility maintenance. The annual maintenance project budget has been maintained at approximately \$2 million, \$1 million higher than levels budgeted prior to Proposition R-P. A new Long-Range Facility Plan was finalized in 2020, which led to the overwhelming voter approval of the largest bond issue in the District's history in April 2021. The no-tax-increase \$72 million bond issue completed in

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

June 2021 will address the need for additional high school space, a performing arts center, a career education/real-world learning center, and deferred maintenance needs throughout the District.

The Strategic Plan directs that District operating fund balances reach and be maintained at 18% - 22% of annual operating expenditures as measured by our end of year Annual Secretary of the Board Report to the Missouri Department of Elementary and Secondary Education. At June 30, 2021, the District's fund balance stood at 29.41% of annual operating expenditures. Originally budgeted revenues and expenditures, which includes the priorities outlined above, are expected to bring this to 26.41% at June 30, 2022.

We are thankful for the loyalty and support of our taxpayers, the vision of the Board of Education, the dedication and hard work of District employees and the success of our students. We will continue to thoughtfully and prudently spend the funds entrusted to our management and care.

Contacting the School District's Financial Management

This financial report is designed to provide our patrons, taxpayers, investors and creditors with information about the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Cynthia Byous, Chief Financial Officer, Raymore-Peculiar R-II School District, P.O. Box 789, Peculiar, MO 64078.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 105,851,782
Capital assets, net of accumulated depreciation	<u>101,091,111</u>
Total assets	<u>206,942,893</u>
LIABILITIES	
Current liabilities:	
Current portion long-term debt	6,167,416
Non-current liabilities:	
Non-current portion long-term debt	<u>105,900,000</u>
Total liabilities	<u>112,067,416</u>
NET POSITION	
Net investment in capital assets	67,145,303
Restricted for:	
Capital outlay	29,090
Debt service	7,215,078
Unrestricted	<u>20,486,006</u>
Total net position	<u>\$ 94,875,477</u>

See accompanying notes to the basic financial statements.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	PROGRAM REVENUES				Net (Expenditures) Revenue and Change in Net Position Governmental
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 36,056,856	\$ -	\$ 9,917,219	\$ 300,449	\$ (25,839,188)
Student activities	1,599,186	559,171	-	-	(1,040,015)
Student services	4,488,423	-	100,495	-	(4,387,928)
Instruction staff support	5,180,517	-	251,478	-	(4,929,039)
Building administration	4,006,015	-	-	-	(4,006,015)
General administration & central services	4,253,126	-	-	-	(4,253,126)
Operation of plant	12,477,191	28,511	-	-	(12,448,680)
Transportation	3,816,675	-	810,813	-	(3,005,862)
Food service	2,433,384	124,604	1,805,550	-	(503,230)
Community services	1,296,062	563,124	86,218	-	(646,720)
Facility acquisition and construction	221,018	-	-	-	(221,018)
Debt service:					
Interest and fees	1,456,145	-	-	-	(1,456,145)
Total Governmental Activities	<u>\$ 77,284,598</u>	<u>\$ 1,275,410</u>	<u>\$ 12,971,773</u>	<u>\$ 300,449</u>	<u>(62,736,966)</u>
			General Revenues:		
			Property taxes	35,244,626	
			Basic formula	24,896,330	
			Sales tax	6,379,867	
			State assessed utilities	2,360,625	
			Earnings on investments	7,572,225	
			Other revenue	548,740	
			Fines and escheats	66,397	
			M&M surtax	115,821	
			Financial institution tax	243	
			In lieu of tax	362,869	
			Total General Revenues	<u>77,547,743</u>	
			Change in net position	14,810,777	
			Net Position Beginning of Year	<u>80,064,700</u>	
			Net Position End of Year	<u>\$ 94,875,477</u>	

See accompanying notes to the basic financial statements.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	<u>\$ 20,486,006</u>	<u>\$ -</u>	<u>\$ 7,215,078</u>	<u>\$ 78,150,698</u>	<u>\$ 105,851,782</u>
FUND BALANCES					
Fund Balances:					
Restricted	\$ -	\$ -	\$ 7,215,078	\$ 78,121,608	\$ 85,336,686
Committed	1,201,200	-	-	29,090	1,230,290
Assigned	852,950	-	-	-	852,950
Unassigned	<u>18,431,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,431,856</u>
Total fund balances	<u>\$ 20,486,006</u>	<u>\$ -</u>	<u>\$ 7,215,078</u>	<u>\$ 78,150,698</u>	<u>\$ 105,851,782</u>

See accompanying notes to the basic financial statements.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2021**

Fund Balances - Total Governmental Funds \$ 105,851,782

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in the funds.

Governmental Capital Assets	\$ 177,010,858	
Less: Accumulated depreciation	<u>(75,919,747)</u>	101,091,111

Long-term liabilities, including bonds and leases payable, are
not due and payable in the current period and therefore are not
reported in the funds.

2020 Copier Lease	(57,416)	
2015 General Obligation School Refunding Bonds	(7,125,000)	
2016 General Obligation School Building Bonds	(25,580,000)	
2017 General Obligation School Refunding Bonds	(3,040,000)	
2019 Refunding Lease Certificates of Participation	(4,265,000)	
2021 General Obligation School Building Bonds	<u>(72,000,000)</u>	<u>(112,067,416)</u>

Net Position of Governmental Activities \$ 94,875,477

See accompanying notes to the basic financial statements.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 30,449,324	\$ 6,431,978	\$ 7,033,906	\$ 7,707,654	\$ 51,622,862
County	1,908,201	66,397	452,424	-	2,427,022
State	2,278,380	27,676,771	-	295,596	30,250,747
Federal	5,360,736	2,355,406	-	-	7,716,142
Other	96,100	-	-	-	96,100
Total Revenues	<u>40,092,741</u>	<u>36,530,552</u>	<u>7,486,330</u>	<u>8,003,250</u>	<u>92,112,873</u>
EXPENDITURES:					
Instruction	4,211,119	31,314,030	-	447,418	35,972,567
Student activities	881,092	718,094	-	-	1,599,186
Student services	2,170,594	2,317,829	-	-	4,488,423
Instruction staff support	3,260,342	1,920,175	-	-	5,180,517
Building administration	1,311,053	2,694,962	-	-	4,006,015
General administration & central services	2,494,933	1,758,193	-	-	4,253,126
Operation of plant	7,051,471	13,384	-	1,894,942	8,959,797
Transportation	3,816,675	-	-	-	3,816,675
Food service	2,428,952	-	-	83,704	2,512,656
Community services	1,095,137	200,925	-	-	1,296,062
Facility acquisition and construction	-	-	-	1,414,161	1,414,161
Debt service:					
Principal retirement	-	-	6,825,000	540,168	7,365,168
Interest and fees	-	-	1,308,646	147,499	1,456,145
Total Expenditures	<u>28,721,368</u>	<u>40,937,592</u>	<u>8,133,646</u>	<u>4,527,892</u>	<u>82,320,498</u>
Revenues Over (Under) Expenditures	<u>11,371,373</u>	<u>(4,407,040)</u>	<u>(647,316)</u>	<u>3,475,358</u>	<u>9,792,375</u>
Other Financing Sources (Uses):					
Transfers	(7,007,040)	4,407,040	-	2,600,000	-
Proceeds from sale of bonds	-	-	-	72,000,000	72,000,000
Total Other Financing Sources (Uses)	<u>(7,007,040)</u>	<u>4,407,040</u>	<u>-</u>	<u>74,600,000</u>	<u>72,000,000</u>
Net change in fund balance	4,364,333	-	(647,316)	78,075,358	81,792,375
Fund balance, beginning	<u>16,121,673</u>	<u>-</u>	<u>7,862,394</u>	<u>75,340</u>	<u>24,059,407</u>
Fund balance, ending	<u>\$ 20,486,006</u>	<u>\$ -</u>	<u>\$ 7,215,078</u>	<u>\$ 78,150,698</u>	<u>\$ 105,851,782</u>

See accompanying notes to the basic financial statements.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 81,792,375

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

Governmental Funds report capital outlays as expenditures
while governmental activities report depreciation expense to
allocate those expenditures over the life of the assets:

Capital outlay	\$ 3,395,025	
Loss on disposal	(17,499)	
Depreciation expense	<u>(5,611,708)</u>	(2,234,182)

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the

Statement of Net Position:

Principal payment on 2015 General Obligation Refunding Bonds	2,400,000	
Principal payment on 2015 General Obligation Building Bonds	1,420,000	
Principal payment on 2017 General Obligation Refunding Bonds	3,005,000	
Principal payment on 2019 Refunding Lease Certificates of Participation	485,000	
Principal payment on 2020 Copier lease	<u>55,168</u>	<u>7,365,168</u>

Issuance of debt is recorded as debt proceeds in the governmental
funds, but the proceeds create long-term liabilities in the Statement of
Net Position:

Proceeds from Series 2021 General Obligation Bonds	(72,000,000)	
Proceeds from capital leases	<u>(112,584)</u>	<u>(72,112,584)</u>

Change in Net Position of Governmental Activities \$ 14,810,777

See accompanying notes to the basic financial statements.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation

The 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.

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 primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain 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.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Measurement Focus

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the District as a whole. The government-wide financial statements are prepared using the total economic resources measurement focus within the limitations of the modified cash basis of accounting as defined below.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus within the limitations of modified cash basis of accounting as defined below. With this measurement of focus, only current assets including investments reported at cost, and current liabilities arising from cash transactions, generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the District-wide statements and the statements for governmental funds.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions with a provision for recording investments at cost. Capital assets, depreciation and related debt are also recorded in the government-wide statements. Also, salaries and health insurance expenditures are recorded as expenditures paid in the fiscal year in which the obligation under the salary contracts are fulfilled by the teachers, even though a portion of such salaries are not paid until July and August of the following fiscal year. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Cash and Temporary Investments: The District maintains a cash and temporary 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). Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. Government securities, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

Paid Time Off (PTO): Any employee on a twelve month full-time contract is entitled to 12 days of PTO. Full-time employees who work only during the regular school term are entitled to ten days of PTO. Part-time employees receive PTO equal to one-half the PTO granted to full-time employees. Unused PTO can be accumulated up to 150 days. Any employee who, at the time of retirement from the District, is eligible for benefits from PSRS or PEERS will be reimbursed for unused PTO at the rate of half the daily substitute teacher rate up to 150 days. The employee must have five years of service to the District prior to retirement.

OPEB Liabilities: As the District uses the modified cash basis of accounting, other post employment benefits (OPEB) liabilities are not reported in these financial statements. The District has not provided for an estimate of the liability to be prepared.

Payroll Related Expenditures: Payroll and benefit checks written and held at June 30, 2021, for the July and August 2021 payroll expenditures in the amount of \$2,811,437 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

Capital Assets: Government-wide Statements: In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost, if actual cost is unavailable.

Depreciation of all exhaustible capital assets is recorded as an allocated expenditure in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of useful lives by type of asset is as follows:

Buildings	40 years
Building improvements	20 years
Furniture and fixtures	10 years
Computers	5 years

Fund Financial Statements: In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Group Insurance Liability: In consultation with the District's health insurance broker (CBIZ), and the District's health insurance provide (BCBS of Kansas City), it was determined that there were financial benefits to having the District assume some risk when considering the impact of new federally mandated regulations. Consequently, it was decided that the District accept a small degree of risk by agreeing to cover the costs associated with any claims filed against the health insurance program subsequent to a termination date with the current provider. To provide the District funds to cover this potential liability, the District was permitted to retain a portion of insurance premiums. On the modified cash basis, this accrued liability is not recorded. The balance of this liability at June 30, 2021 was \$684,415.

NOTE B - DEPOSITS AND INVESTMENTS

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2021, the bank balances of the District's deposits totaled \$10,921,574. Of this amount \$262,829 was covered by FDIC insurance and \$10,658,745 was supported by collateral.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. The District had \$2,654,682 invested with MOHEFA at June 30, 2021.

MOSIP is professionally managed by PFM Asset Management LLC, a registered investment advisor, who is one of the nations' largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAAM by Standard and Poor's and meet the permitted investment statutes for Missouri Schools. The District has \$97,863,556 invested with MOSIP at June 30, 2021.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy places no limit on the amount the District may invest in any one user.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE C - INSURANCE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees, and natural disasters. The District has joined with other schools to form the Missouri United School Insurance Council (MUSIC), a public entity risk pool currently operating as a common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,000,000, property claims to various amounts and worker's compensation claims to statutory limits. The District maintains reinsurance for claims in excess of MUSIC's primary \$3,000,000 up to \$8,000,000.

NOTE D - 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. Cass County collects the property tax and remits it to the District. The District also receives sales tax collected and remitted by the state based on weighted average daily attendance. The District is required to reduce its total operating levy by one-half the amount of sales tax received in the previous fiscal year. The District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2020.

The assessed valuation of the tangible taxable property for the calendar year 2020 for purposes of local taxation was:

Real Estate:	
Residential	\$ 508,610,420
Agricultural	2,633,730
Commercial	46,970,913
Personal Property	<u>109,086,233</u>
Total	<u><u>\$ 667,301,296</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 4.1502	\$ 4.1502
Special Revenue Fund	-	-
Debt Service Fund	1.0321	1.0321
Capital Projects Fund	<u>-</u>	<u>-</u>
	<u><u>\$ 5.1823</u></u>	<u><u>\$ 5.1823</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 102 percent of the current assessment computed on the basis of the levy as shown above.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE E - RETIREMENT PLAN

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.

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

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. 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 contributions to PSRS for the year ended June 30, 2021 were \$4,930,116. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2021 were \$58,353.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE E - RETIREMENT PLAN (continued)

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

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.

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

The District's contributions to PEERS for the year ended June 30, 2021 were \$792,843.

NOTE F - LONG-TERM DEBT

Changes in long-term debt during the fiscal year were as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Amount Due Within One Year
General Obligation Bonds	\$ 42,570,000	\$ 72,000,000	\$ 6,825,000	\$ 107,745,000	\$ 5,615,000
Lease Certificates of Participation	4,750,000	-	485,000	4,265,000	495,000
Direct Borrowings	-	112,584	55,168	57,416	57,416
Total	\$ 47,320,000	\$ 72,112,584	\$ 7,365,168	\$ 112,067,416	\$ 6,167,416

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - GENERAL OBLIGATION BONDS

Bonds payable outstanding at June 30, 2021 are as follows:

Series 2015 general obligation refunding bonds due in varying annual installments beginning March 2016 through March 2023 interest at 2.00% to 5.00%	\$ 7,125,000
Series 2016 general obligation school building bonds due in varying annual installments beginning March 2024 through March 2031 interest at 2.00% to 4.00%	25,580,000
Series 2017 general obligation refunding bonds due in varying annual installments beginning March 1, 2019 through March 2022 interest at 2.00%	3,040,000
Series 2021 general obligation school building bonds due in varying annual installments beginning March 1, 2022 through March 2041 interest at 1.75% to 5.00%	<u>72,000,000</u>
Total	<u><u>\$ 107,745,000</u></u>

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 5,615,000	\$ 2,420,576	\$ 8,035,576
2023	4,550,000	3,006,575	7,556,575
2024	5,075,000	2,779,075	7,854,075
2025	5,700,000	2,556,075	8,256,075
2026	6,260,000	2,367,075	8,627,075
2027	5,330,000	2,143,725	7,473,725
2028	4,900,000	1,977,125	6,877,125
2029	5,485,000	1,817,125	7,302,125
2030	6,075,000	1,625,644	7,700,644
2031	6,255,000	1,402,331	7,657,331
2032	5,000,000	1,137,500	6,137,500
2033	5,000,000	937,500	5,937,500
2034	5,000,000	850,000	5,850,000
2035	5,000,000	750,000	5,750,000
2036	4,500,000	650,000	5,150,000
2037	5,000,000	560,000	5,560,000
2038	5,500,000	460,000	5,960,000
2039	5,500,000	350,000	5,850,000
2040	6,000,000	240,000	6,240,000
2041	<u>6,000,000</u>	<u>120,000</u>	<u>6,120,000</u>
Total	<u><u>\$ 107,745,000</u></u>	<u><u>\$ 28,150,326</u></u>	<u><u>\$ 135,895,326</u></u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE G - GENERAL OBLIGATION BONDS (continued)

On March 30, 2021 the District deposited funds in an escrow account to provide the payment of principal and interest on \$1,420,000 General Obligation School Building Bonds, Series 2016 maturing by their terms on March 1, 2031. These bonds will be redeemed on March 1, 2023 with the escrow funds. This transaction resulted in an in-substance defeasance of these bonds. At June 30, 2021, the District had a total of \$1,420,000 of defeased bonds that remain outstanding.

NOTE H - LEASE CERTIFICATES OF PARTICIPATION

On February 21, 2019, the District entered into Series 2019 Refunding Lease Certificate of Participation to finance the refunding of the Series 2006 and 2010B Lease Participation Certificates. The certificates provide for interest at 3.00% with principal due in varying annual installments through March 1, 2030.

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 495,000	\$ 127,950	\$ 622,950
2023	520,000	113,100	633,100
2024	545,000	97,500	642,500
2025	545,000	81,150	626,150
2026	580,000	64,800	644,800
2027	590,000	47,400	637,400
2028	320,000	29,700	349,700
2029	330,000	20,100	350,100
2030	<u>340,000</u>	<u>10,200</u>	<u>350,200</u>
Total	<u>\$ 4,265,000</u>	<u>\$ 591,900</u>	<u>\$ 4,856,900</u>

NOTE I - DIRECT BORROWINGS

On July 1, 2020, the District entered into a lease agreement for copier equipment. The lease is for two years requiring monthly payments of \$10,080 through June 1, 2022; interest at 4.00%. The outstanding balance at June 30, 2021 was \$57,416.

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayment of outstanding amounts to become immediately due if the District is unable to make payments.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE J - OPERATING LEASES

The District signed a non-cancelable lease agreement which provides the District with the use of a fiber optic system for the District's wide area network. In January 2016, the District signed an amendment to this agreement, requiring nine annual payments of \$58,838 beginning on July 1, 2016. An addendum has also been executed to extend the network to additional facilities requiring an annual payment of \$360 through June 30, 2025. In March 2013, the District signed a non-cancellable lease agreement to upgrade the fiber optic system requiring an initial payment of \$175,081 followed by ten annual lease payments of \$84,054 beginning July 1, 2013. In March 2015, the District signed a non-cancellable lease agreement for wide area network fiber optic services requiring annual payments of \$147,095 beginning July 1, 2015 through June 30, 2025. Additionally, in March 2015, the District signed a new non-cancellable lease agreement for wide area network fiber optic services requiring annual payments of \$15,540 beginning July 1, 2020 through June 30, 2025.

Future lease payments are as follows:

Year ending <u>June 30,</u>		
2022	\$	305,887
2023		305,887
2024		221,833
2025		<u>221,833</u>
Total	\$	<u>1,055,440</u>

Lease expense for the year ended June 30, 2021 was \$305,887.

NOTE K - INTERFUND TRANSFERS

During the year, the District made a \$2,600,000 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE). The District also transferred \$4,407,040 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE L - CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions for governmental activities for the year ended June 30, 2021 were as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reclassifications/ Retirements</u>	<u>Balance June 30, 2021</u>
Capital Assets Not Being Depreciated:				
Land	\$ 2,426,402	\$ 231,465	\$ -	\$ 2,657,867
Construction in progress	<u>-</u>	<u>961,678</u>	<u>-</u>	<u>961,678</u>
Total Capital Assets Not Being Depreciated	<u>2,426,402</u>	<u>1,193,143</u>	<u>-</u>	<u>3,619,545</u>
Other Capital Assets:				
Buildings	114,288,687	-	-	114,288,687
Building improvements	45,158,820	1,277,217	-	46,436,037
Furniture and fixtures	8,465,823	924,665	(158,051)	9,232,437
Computers	<u>3,434,152</u>	<u>-</u>	<u>-</u>	<u>3,434,152</u>
Total Other Capital Assets	<u>171,347,482</u>	<u>2,201,882</u>	<u>(158,051)</u>	<u>173,391,313</u>
Less Accumulated Depreciation:				
Buildings	45,699,466	2,778,021	-	48,477,487
Building improvements	15,418,772	2,301,981	-	17,720,753
Furniture and fixtures	6,033,001	489,197	(140,552)	6,381,646
Computers	<u>3,297,352</u>	<u>42,509</u>	<u>-</u>	<u>3,339,861</u>
Total Accumulated Depreciation	<u>70,448,591</u>	<u>5,611,708</u>	<u>(140,552)</u>	<u>75,919,747</u>
Other Capital Assets, Net	<u>100,898,891</u>	<u>(3,409,826)</u>	<u>(17,499)</u>	<u>97,471,566</u>
Total	<u>\$ 103,325,293</u>	<u>\$ (2,216,683)</u>	<u>\$ (17,499)</u>	<u>\$ 101,091,111</u>

Depreciation expenditure was charged to the governmental functions as follows:

Instruction	\$ 531,706
Operation of plant	<u>5,080,002</u>
Total	<u>\$ 5,611,708</u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized 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 format necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue, Capital Projects and Debt Service Funds in the original, adopted and later revised budget.

Upon adoption of a budget where fund balance is used as a source to balance the budget, the chief financial officer (CFO) shall record the amount as assigned fund balance.

The Board delegates the authority to assign amounts for specific purpose(s) to the Superintendent or designee.

For all funds except the Debt Service Fund, the order of spending as unassigned, assigned, committed, and the restricted amounts as available. For the Debt Service Fund, the Board approved unrestricted or assigned balances to be spent prior to restricted balances, allowing the spending of interest prior to principal. The year-end audit process will establish the fund balance restriction recommendations for classifying remaining fund balances as required by GASB 54.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

As of June 30, 2021, fund balances are composed of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Restricted				
Debt service	\$ -	\$ -	\$ 7,215,078	\$ -
Unspent bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,121,608</u>
Total restricted	<u>-</u>	<u>-</u>	<u>7,215,078</u>	<u>78,121,608</u>
Committed				
Technology purchases	1,201,200	-	-	-
Construction projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,090</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,090</u>
Assigned				
Student activities	<u>852,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>18,431,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,284,806</u>	<u>\$ -</u>	<u>\$ 7,215,078</u>	<u>\$ 78,150,698</u>

NOTE N - COMMITMENTS

The District has entered into contracts for various projects around the District including chromebooks and other technology equipment, and district wide paving and roof repairs. As of June 30, 2021, the District was committed to \$1,230,290 of remaining costs.

NOTE O - TAX ABATEMENT

The District is subject to a property tax abatement granted to a developer by the City of Raymore to bring businesses to a redevelopment project area. Property tax revenues for 2020 were reduced by \$358,915.

The District also received \$121,952 associated with the abated taxes from Cass County in fiscal year 2021.

NOTE P - LITIGATION

The District has unsettled claims of various natures that have arisen in the ordinary course of school activities. The claims are at various stages of litigation and at this time, outcomes cannot be predicted. The District is vigorously defending against the claims. District management believes that the potential claims against the District not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the District.

SUPPLEMENTAL INFORMATION

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 32,297,272	\$ 30,665,422	\$ 30,449,324	\$ (216,098)
County	1,833,023	1,833,023	1,908,201	75,178
State	2,364,370	2,287,830	2,278,380	(9,450)
Federal	3,122,075	5,338,641	5,360,736	22,095
Other	40,000	64,000	96,100	32,100
Total Revenues	<u>39,656,740</u>	<u>40,188,916</u>	<u>40,092,741</u>	<u>(96,175)</u>
EXPENDITURES:				
Instruction	4,426,609	4,407,573	4,211,119	196,454
Student activities	1,552,750	905,650	881,092	24,558
Student services	2,246,178	2,255,278	2,170,594	84,684
Instruction staff support	3,271,424	3,205,674	3,260,342	(54,668)
Building administration	1,238,083	1,261,808	1,311,053	(49,245)
General administration & central services	2,351,644	2,259,304	2,494,933	(235,629)
Operation of plant	7,479,906	7,158,656	7,051,471	107,185
Transportation	4,921,600	3,840,600	3,816,675	23,925
Food service	3,073,058	2,614,109	2,428,952	185,157
Community services	1,185,889	1,109,762	1,095,137	14,625
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>31,747,141</u>	<u>29,018,414</u>	<u>28,721,368</u>	<u>297,046</u>
Revenues Over (Under) Expenditures	<u>7,909,599</u>	<u>11,170,502</u>	<u>11,371,373</u>	<u>200,871</u>
Other Financing Sources (Uses):				
Transfers	<u>(9,207,085)</u>	<u>(8,787,568)</u>	<u>(7,007,040)</u>	<u>1,780,528</u>
Fund balance, beginning	<u>16,121,673</u>	<u>16,121,673</u>	<u>16,121,673</u>	<u>-</u>
Fund balance, ending	<u>\$ 14,824,187</u>	<u>\$ 18,504,607</u>	<u>\$ 20,486,006</u>	<u>\$ 1,981,399</u>

See accompanying notes to the budgetary comparison schedule.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 5,968,920	\$ 5,968,920	\$ 6,431,978	\$ 463,058
County	153,875	153,875	66,397	(87,478)
State	28,693,788	27,798,788	27,676,771	(122,017)
Federal	613,515	2,151,644	2,355,406	203,762
Other	10,000	10,000	-	(10,000)
Total Revenues	<u>35,440,098</u>	<u>36,083,227</u>	<u>36,530,552</u>	<u>447,325</u>
EXPENDITURES:				
Instruction	32,181,427	32,440,813	31,314,030	1,126,783
Student activities	679,770	679,770	718,094	(38,324)
Student services	2,284,000	2,200,284	2,317,829	(117,545)
Instruction staff support	1,884,040	1,966,282	1,920,175	46,107
Building administration	2,888,389	2,868,889	2,694,962	173,927
General administration & central services	1,874,174	1,861,974	1,758,193	103,781
Operation of plant	26,480	26,480	13,384	13,096
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	228,903	226,303	200,925	25,378
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>42,047,183</u>	<u>42,270,795</u>	<u>40,937,592</u>	<u>1,333,203</u>
Revenues Over (Under) Expenditures	<u>(6,607,085)</u>	<u>(6,187,568)</u>	<u>(4,407,040)</u>	<u>1,780,528</u>
Other Financing Sources (Uses):				
Transfers	<u>6,607,085</u>	<u>6,187,568</u>	<u>4,407,040</u>	<u>(1,780,528)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the budgetary comparison schedule.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 6,807,657	\$ 6,807,657	\$ 7,033,906	\$ 226,249
County	450,000	450,000	452,424	2,424
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
	<u>7,257,657</u>	<u>7,257,657</u>	<u>7,486,330</u>	<u>228,673</u>
Total Revenues				
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
Building administration	-	-	-	-
General administration & central services	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	5,405,000	6,825,000	6,825,000	-
Interest and fees	1,228,500	1,308,646	1,308,646	-
	<u>6,633,500</u>	<u>8,133,646</u>	<u>8,133,646</u>	<u>-</u>
Total Expenditures				
Revenues Over (Under) Expenditures	<u>624,157</u>	<u>(875,989)</u>	<u>(647,316)</u>	<u>228,673</u>
Other Financing Sources (Uses):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	624,157	(875,989)	(647,316)	228,673
Fund balance, beginning	<u>7,862,394</u>	<u>7,862,394</u>	<u>7,862,394</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,486,551</u>	<u>\$ 6,986,405</u>	<u>\$ 7,215,078</u>	<u>\$ 228,673</u>

See accompanying notes to the budgetary comparison schedule.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 190,992	\$ 7,505,992	\$ 7,707,654	\$ 201,662
County	-	-	-	-
State	-	313,643	295,596	(18,047)
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>190,992</u>	<u>7,819,635</u>	<u>8,003,250</u>	<u>183,615</u>
EXPENDITURES:				
Instruction	100,000	446,143	447,418	(1,275)
Student activities	-	-	-	-
Student services	-	-	-	-
Instruction staff support	-	-	-	-
Building administration	-	-	-	-
General administration & central services	-	-	-	-
Operation of plant	1,827,000	1,927,000	1,894,942	32,058
Transportation	-	-	-	-
Food service	73,000	73,000	83,704	(10,704)
Community services	-	-	-	-
Facility acquisition and construction	-	6,050,000	1,414,161	4,635,839
Debt service:				
Principal retirement	635,000	545,000	540,168	4,832
Interest and fees	176,000	166,000	147,499	18,501
Total Expenditures	<u>2,811,000</u>	<u>9,207,143</u>	<u>4,527,892</u>	<u>4,679,251</u>
Revenues Over (Under) Expenditures	<u>(2,620,008)</u>	<u>(1,387,508)</u>	<u>3,475,358</u>	<u>4,862,866</u>
Other Financing Sources (Uses):				
Transfers	2,600,000	2,600,000	2,600,000	-
Proceeds from sale of bonds	-	72,000,000	72,000,000	-
Total Other Financing Sources (Uses)	<u>2,600,000</u>	<u>74,600,000</u>	<u>74,600,000</u>	<u>-</u>
Net change in fund balance	(20,008)	73,212,492	78,075,358	4,862,866
Fund balance, beginning	<u>75,340</u>	<u>75,340</u>	<u>75,340</u>	<u>-</u>
Fund balance, ending	<u>\$ 55,332</u>	<u>\$ 73,287,832</u>	<u>\$ 78,150,698</u>	<u>\$ 4,862,866</u>

See accompanying notes to the budgetary comparison schedule.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021

BUDGET PROCESS

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 funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public meeting is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the final budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 28,223,897	\$ -	\$ 7,020,729	\$ -	\$ 35,244,626
Sales tax	-	6,379,867	-	-	6,379,867
M & M surtax	115,821	-	-	-	115,821
Financial institution tax	243	-	-	-	243
In lieu of tax	188,532	-	7,345	166,992	362,869
Earnings on investments	28,167	2,417	5,832	7,535,809	7,572,225
Food service	124,604	-	-	-	124,604
Student activities	559,171	-	-	-	559,171
Community services	563,124	-	-	-	563,124
Other local revenue	645,765	49,694	-	4,853	700,312
Total Local	<u>30,449,324</u>	<u>6,431,978</u>	<u>7,033,906</u>	<u>7,707,654</u>	<u>51,622,862</u>
COUNTY:					
Fines and escheats	-	66,397	-	-	66,397
State assessed utilities	1,908,201	-	452,424	-	2,360,625
Total County	<u>1,908,201</u>	<u>66,397</u>	<u>452,424</u>	<u>-</u>	<u>2,427,022</u>
STATE:					
Basic formula	-	25,147,808	-	-	25,147,808
Transportation	724,003	-	-	-	724,003
Basic formula - classroom trust fund	-	2,528,963	-	-	2,528,963
Early Childhood Special Ed.	1,031,299	-	-	-	1,031,299
Career education	66,756	-	-	295,596	362,352
Residential placement/excess cost	4,405	-	-	-	4,405
High need fund	342,221	-	-	-	342,221
Educational screening/PAT	86,218	-	-	-	86,218
Other state revenue	491	-	-	-	491
Total State	<u>2,278,380</u>	<u>27,676,771</u>	<u>-</u>	<u>295,596</u>	<u>30,250,747</u>
FEDERAL:					
Title I	-	632,585	-	-	632,585
Title II - Part A	-	153,008	-	-	153,008
Title IV A	70,723	-	-	-	70,723
Medicaid	100,495	-	-	-	100,495
Individuals with Disabilities	947,625	-	-	-	947,625
IDEA grants	14,343	-	-	-	14,343
Early Childhood Special Ed.	293,524	-	-	-	293,524
Food service	1,515,168	-	-	-	1,515,168
CARES - School lunch program	200,404	-	-	-	200,404
CARES - School breakfast program	66,991	-	-	-	66,991
CARES - ESSER Fund	96,399	-	-	-	96,399
CRRSA - ESSER II	-	1,569,813	-	-	1,569,813
CARES - GEER Fund	128,046	-	-	-	128,046
Coronavirus Relief Fund	480,512	-	-	-	480,512
Other federal revenue	1,446,506	-	-	-	1,446,506
Total Federal	<u>5,360,736</u>	<u>2,355,406</u>	<u>-</u>	<u>-</u>	<u>7,716,142</u>
OTHER:					
Proceeds from sale of bonds	-	-	-	72,000,000	72,000,000
Sale of property	9,290	-	-	-	9,290
Payments from other districts	86,810	-	-	-	86,810
Total Other	<u>96,100</u>	<u>-</u>	<u>-</u>	<u>72,000,000</u>	<u>72,096,100</u>
Total Revenues Collected	<u>\$ 40,092,741</u>	<u>\$ 36,530,552</u>	<u>\$ 7,486,330</u>	<u>\$ 80,003,250</u>	<u>\$ 164,112,873</u>

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 019-142

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	PK	PK	AM	3.2500	166	1079.00
	PK	PK	PM	3.2500	166	1071.50
	PK	PK		6.8300	166	1,125.53
	K	4		6.8300	166	1,126.08
	5	5		6.9200	166	1,139.92
	6	8		6.9000	166	1,140.10
1050	9	12		6.8300	166	1,131.83

2. AVERAGE DAILY ATTENDANCE (ADA)

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
	PK	27,704					27,704
	K-4	2,269,102	951			64,087	2,334,140
	5	503,349	404			11,343	515,096
	6-8	1,629,821	2,991			18,659	1,651,471
	9-12	1,964,741	73,604			84,443	2,122,788
N/A	RII	9,600					9,600
Grand Total		6,404,317	77,950			178,532	6,660,799

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 019-142

3. SEPTEMBER MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	PK-4	2,126	1.85		2,127.85
	5	474			474
	6-8	1,564	0.89		1,564.89
	9-12	2,006	31.39		2,037.39
Grand Total		6,170	34.13		6,204.13

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	230.80	40.00			270.80
4040	86.00	21.00			107.00
4060	71.00	17.00			88.00
4070	76.00	13.00			89.00
4080	67.00	25.00			92.00
4090	46.00	10.00			56.00
5000	57.00	16.00			73.00
3000	167.00	35.00			202.00
3010	201.00	48.00			249.00
1050	414.33	144.10			558.43
N/A	6.00	0.00			6.00
Grand Total	1,422.13	369.10			1,791.23

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 019-142

5. FINANCE

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	N/A
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 019-142

5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$257,283
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2021**

County District Number 019-142

6. TRANSPORTATION (SECTION 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	True
	Eligible ADT	2,348.0
	Ineligible ADT	332.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	679,062
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	604,894
	Ineligible Miles (Non-Route/Disapproved)	74,168
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	152

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	019-142	\$ 451,982
COVID-19 - School Lunch Program	10.555	019-142	1,330,581
Non-cash: Food Distribution Program	10.555	019-142	<u>216,188</u>
Total Child Nutrition Cluster			<u>1,998,751</u>
<u>U.S. Department of the Treasury</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
COVID-19-Coronavirus Relief Fund	21.019	019-142	478,928
Passed-through Cass County, Missouri:			
COVID-19-Coronavirus Relief Fund	21.019		1,080,765
Passed-through Missouri Department of Health and Senior Services:			
COVID-19-Coronavirus Relief Fund	21.019		<u>18,970</u>
Total COVID-19 Coronavirus Relief Fund			<u>1,578,663</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	019-142	1,085,594
Special Education - Preschool Grants	84.173	019-142	<u>20,383</u>
Total Special Education Cluster (IDEA)			<u>1,105,977</u>
Title I - Grants to Local Educational Agencies	84.010	019-142	428,054
Improving Teacher Quality State Grants	84.367	019-142	117,122
Student Academic Enrichment Program	84.424	019-142	70,723
COVID-19 - Education Stabilization Fund	84.425	019-142	<u>1,704,678</u>
			<u>\$ 7,003,968</u>

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Raymore-Peculiar R-II School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Raymore-Peculiar R-II School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Raymore-Peculiar R-II School District, it is not intended to and does not present the financial position, change in net position or cash flows of Raymore-Peculiar R-II School District.

INTERNAL CONTROL AND COMPLIANCE

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

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

We have audited the administration's assertions, included in its representation letter dated November 10, 2021, that Raymore-Peculiar R-II 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, 2020 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2021; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2021. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with 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 audit provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

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

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

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

Westbrook & Co., P.C.

November 10, 2021

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

TRANSPORTATION

Condition: The ridership counts and mileage information reported on the Application for State Transportation Aid did not reconcile to the supporting documentation.

Criteria: DESE requires that all ridership and mileage 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 and mileage information were included.

Effect: Inaccurate ridership and mileage information was submitted to DESE.

Recommendation: We recommend that the District implement review procedures to ensure that all ridership counts and mileage information 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 and mileage information 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

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

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 modified cash basis financial statements of the governmental activities and each major fund of Raymore-Peculiar R-II School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Westbrook & Co., P.C.

Richmond, Missouri
November 10, 2021

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Westbrook & Co., P.C.

Richmond, Missouri
November 10, 2021

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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:

Special Education Cluster AL No. 84.027 and 84.173

Coronavirus Relief Fund AL No. 21.019

Education Stabilization Fund AL No. 84.425

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

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

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None