

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

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

FOR THE YEAR ENDED JUNE 30, 2015

**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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting 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, 2015, 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, including the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is 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.

The other information, which consists of management's discussion and analysis on pages 3 through 10, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The management's discussion and analysis 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 such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2015 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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.



Richmond, Missouri
September 19, 2015



Raymore-Peculiar School District

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Raymore-Peculiar R-II School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- The District's financial status, as reflected in total net position, increased by \$1,811,819.
- General revenues are reported at \$53,279,165. Program specific revenues in the form of charges for services, operating of grants and contributions, and capital grants and contributions accounted for \$10,138,859 of total revenue.
- The District had \$61,606,205 in expenses; \$10,138,859 of the expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$53,279,165 were adequate to provide for these programs.
- Total assets of governmental activities were reported at \$112,212,191. Included in this amount were current assets reported at \$19,831,984. Current assets include cash and cash equivalents and investments. Non-current assets were reported at \$92,380,207. Non-current assets include land, buildings, contents, and construction in progress, less any accumulated depreciation.
- Outstanding debt decreased to \$47,817,180 in 2015 from \$53,285,109 in 2014.
- Among major funds, the General Fund had \$26,908,215 in revenues and \$22,490,440 in expenditures. The General Fund's balance increased \$23,282 from 2014 to 2015. The District transferred \$2,994,493 from the General Fund to the Special Revenue Fund and \$1,400,000 from the General Fund to the Capital Projects Fund.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Raymore-Peculiar R-II School District as a whole and present a longer-term view of the District's finances.

Fund financial statements provide the next level of detail. For government activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities. The fund financial statements also look at the District's most significant funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, “How did we do financially during 2015?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the modified cash basis of accounting. The modified cash basis of accounting records revenues when collected and expenditures 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 position. The change in net position is important because it tells the reader that, for the District as a whole, 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 include the District’s property tax base, current property tax laws in Missouri, required educational programs, facility conditions and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where the District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District’s major funds. The District uses four funds to account for a multitude of financial transactions. The District considers the following to be major governmental funds: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Governmental Funds

The District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using a modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole.

Table 1 on the following page provides a summary of the District’s net position for 2015 and 2014:

TABLE 1

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 14,328,561	\$ 15,023,238
Investments	5,503,423	5,503,423
Capital assets, net of accumulated depreciation	<u>92,380,207</u>	<u>95,341,640</u>
Total assets	<u>112,212,191</u>	<u>115,868,301</u>
LIABILITIES		
Current liabilities:		
Current portion long-term debt	4,598,908	5,866,056
Non-current liabilities:		
Non-current portion long-term debt	<u>43,218,272</u>	<u>47,419,053</u>
Total liabilities	<u>47,817,180</u>	<u>53,285,109</u>
NET POSITION		
Net investment in capital assets	44,563,027	42,056,531
Restricted:		
Capital outlay	831,032	1,025,166
Debt service	2,719,654	3,243,479
Unrestricted	<u>16,281,298</u>	<u>16,258,016</u>
Total net position	<u>\$ 64,395,011</u>	<u>\$ 62,583,192</u>

Total assets of governmental activities were reported at \$112,212,191. Included in this amount were current assets reported at \$19,831,984. Current assets include cash and cash equivalents and investments. Non-current assets were reported at \$92,380,207. Non-current assets include land, buildings, contents and construction in progress, less any applicable accumulated depreciation.

Total liabilities at June 30, 2015 were \$47,817,180. Long-term bond and lease obligations were reported at \$43,218,272.

As shown in Table 1, \$44,563,027 of the net position is reflected by its net investment in capital assets. The District uses these capital assets to provide buildings and services to the students and patrons of the District; consequently these assets are not available for future spending.

Unrestricted net position, the part of the net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District is reported at \$16,281,298. The District has restricted net position of \$2,719,654 for debt service to comply with requirements imposed by their creditors. The District also has restricted net position of \$831,032 for capital outlay.

Table 2 shows the change in net position for fiscal year 2015 and 2014.

TABLE 2

	2015	2014
REVENUES		
Program Revenues:		
Charges for services	\$ 3,446,229	\$ 3,314,724
Operating grants and contributions	6,636,211	6,507,248
Capital grants and contributions	<u>56,419</u>	<u>37,553</u>
Total Program Revenues	<u>10,138,859</u>	<u>9,859,525</u>
General Revenues:		
Property taxes	23,806,584	23,382,322
Basic formula	21,582,179	20,190,979
Sales tax	5,282,711	5,033,012
State assessed utility tax	1,757,817	1,570,435
In lieu of tax	287,492	166,992
Earnings on investments	75,733	37,499
Fines and escheats	144,984	141,960
M&M surtax	76,516	75,656
Other revenue	263,767	398,015
Financial institution tax	<u>1,382</u>	<u>108</u>
Total General Revenues	<u>53,279,165</u>	<u>50,996,978</u>
Total Revenues	<u>63,418,024</u>	<u>60,856,503</u>
PROGRAM EXPENSES		
Instruction	33,735,274	31,546,583
Student services	2,119,754	1,957,105
Instructional staff support	3,601,056	3,585,592
Building administration	1,834,650	1,751,230
General administration and central services	2,533,288	2,284,517
Operation of plant	8,639,498	8,312,879
Transportation	3,989,717	4,043,124
Food service	2,205,884	2,279,852
Community services	720,771	687,268
Debt service:		
Interest and fees	<u>2,226,313</u>	<u>2,409,250</u>
Total Governmental Activities Expenses	<u>61,606,205</u>	<u>58,857,400</u>
CHANGE IN NET POSITION		
Net position beginning of year	<u>62,583,192</u>	<u>60,584,089</u>
Net position end of the year	<u>\$ 64,395,011</u>	<u>\$ 62,583,192</u>

GOVERNMENTAL ACTIVITIES

General revenues accounted for \$53,279,165 in revenue. General revenues are composed primarily of receipts from property taxes, \$23,806,584. Other sources of general revenues are state aid not restricted for specific purposes, \$21,582,179, 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 \$10,138,859 of total revenues.

The District had \$61,606,205 in expenses; only \$10,138,859 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$53,279,165 were adequate to provide for these programs.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 33,735,274	\$ 27,751,651	\$ 31,546,583	\$ 25,695,426
Student services	2,119,754	2,100,786	1,957,105	1,937,663
Instructional staff support	3,601,056	3,601,056	3,585,592	3,585,592
Building administration	1,834,650	1,834,650	1,751,230	1,751,230
General administration and central services	2,533,288	2,533,288	2,284,517	2,284,517
Operation of plant	8,639,498	8,577,137	8,312,879	8,255,986
Transportation	3,989,717	2,871,154	4,043,124	3,088,202
Food service	2,205,884	8,496	2,279,852	(36,509)
Community services	720,771	(37,185)	687,268	26,518
Debt service:				
Interest and fees	2,226,313	2,226,313	2,409,250	2,409,250
Total Governmental Activities	<u>\$ 61,606,205</u>	<u>\$ 51,467,346</u>	<u>\$ 58,857,400</u>	<u>\$ 48,997,875</u>

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

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

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

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

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, as well as the reporting of this information internally and to the public.

Operation of plant activities involves keeping the school grounds, buildings, 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 lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services 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 includes expenditures for land or existing buildings; improvements of grounds; construction of buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment. Items purchased and capitalized in the current year will not be reported as current expenses on the statement of activities. The depreciation for assets directly associated with a specific function or a small number of functions are required to be reported as a direct expense of that function.

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

The District's Funds

The District's major funds are accounted for using the modified cash basis of accounting. All major funds had total revenues of \$63,418,273 and expenditures of \$64,112,950. The net change in fund balance for the year was most significant in the Debt Service Fund, a decrease of \$523,825. Capital project expenditures for 2015 include secured entrances for the South High School, Shull Elementary, Timber Creek Elementary and Raymore Elementary, paving of parking lots at Timber Creek Elementary and the South High School, South High School weight room renovation, wrestling mats for the Academy gym, auto scrubbers for the Buildings and Grounds department and a vehicle purchase for the Buildings and Grounds Department.

General Fund Budgeting Highlights

The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the modified cash basis. The most significant budgeted fund is the General Fund.

During the course of the 2015 fiscal year, the District amended its budget numerous times. Budget changes were made for federal programs, technology purchases, contracted maintenance, and staffing adjustments for the summer school program expansion.

For the General Fund, the final budget basis revenue was \$25,931,551 representing a \$302,265 increase from the original budget estimate of \$25,629,286.

The District's ending fund balance in the General Fund was \$1,004,434 higher than the final budgeted amount.

Total budgeted revenues for the General Fund was \$3,413,341 over budgeted expenditures. The District made a transfer of \$2,994,493 from the General Fund to the Special Revenue Fund.

Capital Assets

At the end of fiscal year 2015, the District had \$137,968,918 invested in capital assets. Accumulated depreciation was reported at \$45,588,711. The net investment in capital assets at year-end was \$92,380,207.

Table 4 shows 2015 and 2014 balances:

TABLE 4

	<u>2015</u>	<u>2014</u>
Capital Assets		
Land	\$ 2,275,116	\$ 2,275,116
Construction in progress	-	77,634
Buildings	108,781,618	108,781,618
Building improvements	18,015,729	17,354,239
Furniture and fixtures	5,532,614	5,362,116
Computers	<u>3,363,841</u>	<u>2,845,803</u>
Total capital assets	<u>137,968,918</u>	<u>136,696,526</u>
Accumulated depreciation		
Buildings	31,963,113	29,286,955
Building improvements	7,301,130	6,446,586
Furniture and fixtures	3,948,908	3,519,288
Computers	<u>2,375,560</u>	<u>2,102,057</u>
Total accumulated depreciation	<u>45,588,711</u>	<u>41,354,886</u>
Capital assets, net	<u>\$ 92,380,207</u>	<u>\$ 95,341,640</u>

Debt Administration

At June 30, 2015, the District had \$47,817,180 in general obligation bonds, lease certificates of participation and capital leases, due in varying amounts over 20 years. The purpose of each debt project was for facility additions and improvements and refunding a portion of the 2002 Bond Issue.

Table 5 shows outstanding debt at June 30:

TABLE 5

	<u>2015</u>	<u>2014</u>
2005 General Obligation Bonds	\$ -	\$ 2,450,000
2007 General Obligation Refunding Bonds	9,885,000	9,885,000
2008 General Obligation Bonds	22,050,000	23,800,000
2011 General Obligation Refunding Bonds	7,775,000	8,775,000
2006 Lease Certificates of Participation	3,150,000	3,325,000
2010A Lease Certificates of Participation	1,140,000	1,340,000
2010B Lease Certificates of Participation	3,025,000	3,025,000
2013 Cloud Computing Lease Purchase	403,383	126,265
2014 Cloud Computing Lease Purchase	79,211	167,001
2014 Copier lease	<u>309,586</u>	<u>391,843</u>
	<u>\$ 47,817,180</u>	<u>\$ 53,285,109</u>

At June 30, 2015 the District's current portion of debt was \$4,598,908 and the non-current portion of debt was \$43,218,272.

Economic Factors, Growth and Next Year's Budget

The Raymore-Peculiar School District continues to be in good financial health and is committed to strong financial management.

Our community's assessed valuation growth is 2.4306% for 2015 (a reassessment year). New construction is on the rise and the District continues to monitor and plan for student growth as the general economy continues to recover. Local revenues from property taxes are projected to increase in the future years as well as projected county revenue increases. State revenues will increase each year as the state adequacy target increases.

The District is evaluating existing facilities and has initiated a Long Range Facility Plan process for facility development. Based on the long range facility planning team's input and focus group feedback recommendations, plans are underway to present a bond issue for patron approval to add a significant addition on to the South High School building to increase total capacity up to 2,200 students in grades 9-12, and converting the North High School building into the second middle school.

The 2015-2016 District budget continues to guide the Raymore Peculiar School District in a fiscally sound and responsible direction. The District continually develops and refines forward-looking financial projections as part of its budgetary process and considers it to be a critical component to successfully managing the finances of the District. The District's Strategic Plan directs that District fund balances will be maintained at 23% with a 3% variance for specific needs as measured by our end of the year Annual Secretary of the Board Report. The period ended June 30, 2015 shows District fund balances at 29.51%.

Technology Optimization continues to be a focus area for students and staff in the District. The 2015-2016 District budget includes funds to upgrade certain aspects of the technology infrastructure. For 2015-2016, students in grades three through five will be supported with one-to-one technology devices and Bring Your Own Device (BYOD) classrooms will be added at several other grade levels.

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 a general overview of 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 Kendra Hutsell, Chief Financial Officer at 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, 2015**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 14,328,561
Investments	5,503,423
Capital assets, net of accumulated depreciation	92,380,207
Total assets	112,212,191
LIABILITIES	
Current liabilities:	
Current portion long-term debt	4,598,908
Non-current liabilities:	
Non-current portion long-term debt	43,218,272
Total liabilities	47,817,180
NET POSITION	
Net investment in capital assets	44,563,027
Restricted for:	
Capital outlay	831,032
Debt service	2,719,654
Unrestricted	16,281,298
Total net position	\$ 64,395,011

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, 2015

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 33,735,274	\$ 1,355,345	\$ 4,571,859	\$ 56,419	\$ (27,751,651)
Student services	2,119,754	-	18,968	-	(2,100,786)
Instruction staff support	3,601,056	-	-	-	(3,601,056)
Building administration	1,834,650	-	-	-	(1,834,650)
General administration & central services	2,533,288	-	-	-	(2,533,288)
Operation of plant	8,639,498	62,361	-	-	(8,577,137)
Transportation	3,989,717	-	1,118,563	-	(2,871,154)
Food service	2,205,884	1,317,883	879,505	-	(8,496)
Community services	720,771	710,640	47,316	-	37,185
Debt service:					
Interest and fees	2,226,313	-	-	-	(2,226,313)
Total Governmental Activities	\$ 61,606,205	\$ 3,446,229	\$ 6,636,211	\$ 56,419	(51,467,346)
			General Revenues:		
			Property taxes		23,806,584
			Basic formula		21,582,179
			Sales tax		5,282,711
			State assessed utilities		1,757,817
			Earnings on investments		75,733
			Other revenue		263,767
			Fines and escheats		144,984
			M&M surtax		76,516
			Financial institution tax		1,382
			In lieu of tax		287,492
			Total General Revenues		53,279,165
			Change in net position		1,811,819
			Net Position Beginning of Year		62,583,192
			Net Position End of Year		<u>\$ 64,395,011</u>

See accompanying notes to the basic financial statements.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 10,777,875	\$ -	\$ 2,719,654	\$ 831,032	\$ 14,328,561
Investments	<u>5,503,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,503,423</u>
Total assets	<u>\$ 16,281,298</u>	<u>\$ -</u>	<u>\$ 2,719,654</u>	<u>\$ 831,032</u>	<u>\$ 19,831,984</u>
FUND BALANCES					
Fund Balances:					
Restricted	\$ -	\$ -	\$ 2,719,654	\$ -	\$ 2,719,654
Committed	-	-	-	831,032	831,032
Assigned	754,153	-	-	-	754,153
Unassigned	<u>15,527,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,527,145</u>
Total fund balances	<u>\$ 16,281,298</u>	<u>\$ -</u>	<u>\$ 2,719,654</u>	<u>\$ 831,032</u>	<u>\$ 19,831,984</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, 2015**

Fund Balances - Total Governmental Funds \$ 19,831,984

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	\$ 137,968,917	
Less: Accumulated depreciation	<u>(45,588,710)</u>	92,380,207

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.

2007 General Obligation School Refunding Bonds	(9,885,000)	
2006 Lease Certificates of Participation	(3,150,000)	
2008 General Obligation School Building Bonds	(22,050,000)	
2010 Lease Certificates of Participation	(4,165,000)	
2010 Cloud Computing Lease Purchase	(403,383)	
2011 General Obligation School Refunding Bonds	(7,775,000)	
2013 Cloud Computing Lease Purchase	(79,211)	
2014 Copier lease	<u>(309,586)</u>	<u>(47,817,180)</u>

Net Position of Governmental Activities \$ 64,395,011

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, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 21,545,492	\$ 5,296,740	\$ 6,143,703	\$ 238,571	\$ 33,224,506
County	1,379,420	144,984	378,397	-	1,902,801
State	1,852,493	23,803,711	-	-	25,656,204
Federal	2,110,126	447,533	-	56,419	2,614,078
Other	20,684	-	-	-	20,684
Total Revenues	<u>26,908,215</u>	<u>29,692,968</u>	<u>6,522,100</u>	<u>294,990</u>	<u>63,418,273</u>
EXPENDITURES:					
Instruction	5,502,183	27,513,693	-	27,815	33,043,691
Student services	899,186	1,220,568	-	-	2,119,754
Instruction staff support	2,268,283	1,339,220	-	140,760	3,748,263
Building administration	23,262	1,811,388	-	-	1,834,650
General administration & central services	1,934,292	598,996	-	-	2,533,288
Operation of plant	5,150,458	-	-	660,654	5,811,112
Transportation	3,804,467	185,250	-	-	3,989,717
Food service	2,205,884	-	-	-	2,205,884
Community services	702,425	18,346	-	-	720,771
Facility acquisition and construction	-	-	-	-	-
Debt service:					
Principal retirement	-	-	5,200,000	679,507	5,879,507
Interest and fees	-	-	1,845,925	380,388	2,226,313
Total Expenditures	<u>22,490,440</u>	<u>32,687,461</u>	<u>7,045,925</u>	<u>1,889,124</u>	<u>64,112,950</u>
Revenues Over (Under) Expenditures	4,417,775	(2,994,493)	(523,825)	(1,594,134)	(694,677)
Other Financing Sources (Uses):					
Transfers	(4,394,493)	2,994,493	-	1,400,000	-
Net change in fund balance	23,282	-	(523,825)	(194,134)	(694,677)
Fund balance, beginning	16,258,016	-	3,243,479	1,025,166	20,526,661
Fund balance, ending	<u>\$ 16,281,298</u>	<u>\$ -</u>	<u>\$ 2,719,654</u>	<u>\$ 831,032</u>	<u>\$ 19,831,984</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, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ (694,677)

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	\$ 1,287,601	
Gain on disposal	1,065	
Depreciation expense	<u>(4,250,099)</u>	(2,961,433)

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 2005 General Obligation Bonds	2,450,000	
Principal payment on 2006 Lease Certificates of Participation	175,000	
Principal payment on 2008 General Obligation Bonds	1,750,000	
Principal payment on 2010 Lease Certificates of Participation	200,000	
Principal payment on 2010 Cloud Computing Lease Purchase	134,461	
Principal payment on 2011 General Obligation Refunding Bonds	1,000,000	
Principal payment on 2013 Cloud Computer Lease Purchase	87,790	
Principal payment on 2014 Copier Lease Purchase	<u>82,257</u>	5,879,508

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 capital leases	<u>(411,579)</u>	
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Change in Net Position of Governmental Activities \$ 1,811,819

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015

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, health insurance and retirement 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, 2015

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.

Sick and Personal Leave: Any employee on a twelve month full-time contract is entitled to 12 days of sick leave. Full-time employees who work only during the regular school term are entitled to ten days sick leave. Unused sick leave can be accumulated up to 150 days. Personal leave shall not exceed four days per school year and is to be deducted from accumulated sick leave. Unused personal leave will convert to sick leave for accumulation purposes; however, two personal days can be carried over to the next year. Any employee who, at the time of retirement from the District, is eligible for benefits from PSRS or PEERS will be reimbursed for unused sick leave at the rate of \$25 per day up to 150 sick 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 performed.

Payroll Related Expenditures: Payroll and benefit checks written and held at June 30, 2015, for the July and August 2015 payroll expenditures in the amount of \$1,597,636 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 a 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.

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, 2015, the bank balances of the District's deposits totaled \$1,379,544. Of this amount \$250,000 was covered by FDIC insurance and \$1,129,544 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposit.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE B - DEPOSITS AND INVESTMENTS (continued)

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 \$2,217,252 invested with MOHEFA at June 30, 2015.

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 \$14,697,601 invested with MOSIP at June 30, 2015.

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.

Investments: The District has \$5,503,423 invested in FNMA and FHLMC, recorded at cost.

<u>Cost</u>	<u>Maturity Date</u>
\$ 1,990,400	04/20/2017
2,018,443	05/12/2017
<u>1,494,580</u>	09/20/2017
<u>\$ 5,503,423</u>	

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 \$2,750,000, 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 \$2,750,000 up to \$10,000,000.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 2014.

The assessed valuation of the tangible taxable property for the calendar year 2014 for purposes of local taxation was:

Real Estate:	
Residential	\$ 351,502,690
Agricultural	2,371,130
Commercial	37,523,645
Personal Property	<u>79,050,020</u>
 Total	 <u><u>\$ 470,447,485</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.7500	\$ 3.7500
Special Revenue Fund	-	-
Debt Service Fund	1.2897	1.2897
Capital Projects Fund	<u>-</u>	<u>-</u>
	<u>\$ 5.0397</u>	<u>\$ 5.0397</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2015, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

NOTE E - RETIREMENT PLAN

PSRS is 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.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE E - RETIREMENT PLAN (continued)

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

The District contributions to PSRS for the years ended June 30, 2015, 2014 and 2013 were \$3,896,334, \$3,701,484 and \$3,594,440 respectively. The District's contributions to S-PSRS, the "2/3's statute", for the years ended June 30, 2015, 2014 and 2013 were \$44,102, \$28,674 and \$31,524 respectively.

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.

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE E - RETIREMENT PLAN (continued)

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.psrp-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District contributions to PEERS for the years ended June 30, 2015, 2014 and 2013 were \$570,174, \$515,130 and \$493,161 respectively.

NOTE F - LONG-TERM DEBT

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

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Amount Due Within One Year
2005 G.O. Bonds	\$ 2,450,000	\$ -	\$ 2,450,000	\$ -	\$ -
2007 G.O. Refunding Bonds	9,885,000	-	-	9,885,000	-
2008 G.O. Building Bonds	23,800,000	-	1,750,000	22,050,000	1,900,000
2011 G.O. Refunding Bonds	8,775,000	-	1,000,000	7,775,000	2,000,000
2006 Lease Certificates of Participation	3,325,000	-	175,000	3,150,000	175,000
2010A Lease Certificates of Participation	1,340,000	-	200,000	1,140,000	215,000
2010B Lease Certificates of Participation	3,025,000	-	-	3,025,000	-
2010 Cloud Computing Lease Purchase	126,265	411,579	134,461	403,383	134,460
2013 Cloud Computing Lease Purchase	167,001	-	87,790	79,211	79,211
2014 Copier Lease	391,843	-	82,257	309,586	95,237
Total	<u>\$ 53,285,109</u>	<u>\$ 411,579</u>	<u>\$ 5,879,508</u>	<u>\$ 47,817,180</u>	<u>\$ 4,598,908</u>

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE G - BONDS PAYABLE

Bonds payable outstanding at June 30, 2015 are as follows:

Series 2007 general obligation refunding bonds due in varying annual installments beginning March 2019 through March 2022 interest at 4.00%	\$ 9,885,000
Series 2008 general obligation school building bonds due in varying annual installments beginning September 2008 through March 2023 interest at 3.50% to 5.00%	22,050,000
Series 2011 general obligation refunding bonds due in varying annual installments beginning March 2014 through March 2019 interest at 2.00% to 2.50%	<u>7,775,000</u>
Total	<u><u>\$ 39,710,000</u></u>

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 3,900,000	\$ 1,642,625	\$ 5,542,625
2017	4,250,000	1,531,375	5,781,375
2018	4,550,000	1,382,900	5,932,900
2019	5,060,000	1,217,275	6,277,275
2020	5,200,000	1,010,500	6,210,500
2021	5,950,000	775,500	6,725,500
2022	6,250,000	508,500	6,758,500
2023	<u>4,550,000</u>	<u>227,500</u>	<u>4,777,500</u>
Total	<u><u>\$ 39,710,000</u></u>	<u><u>\$ 8,296,175</u></u>	<u><u>\$ 48,006,175</u></u>

NOTE H - CAPITAL LEASE OBLIGATIONS

On October 1, 2006, the District entered into a lease purchase agreement to finance the cost of acquiring and installing energy conservation equipment in several buildings. The lease is for twenty-one years requiring varying annual installments through March 1, 2027; interest at 4.00 to 4.20%. The lessor issued \$4,565,000 Series 2006 Certificates of Participation which will be used to pay costs of acquiring the equipment, funding a reserve fund and paying costs of issuance of the certificates.

On May 28, 2010, the District entered into a lease purchase agreement to finance the cost of finishing construction projects at the new middle school. The lease is for ten years requiring varying annual installments through March 1, 2020; interest at 2.00 to 4.00%. The lessor issued \$2,165,000 Series 2010A Certificates of Participation which will be used to pay costs of acquiring the equipment and paying costs of issuance of the certificates.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE H - CAPITAL LEASE OBLIGATIONS (continued)

On May 28, 2010, the District entered into a lease purchase agreement to finance the cost of finishing construction projects at the new middle school. The lease is for twenty years requiring varying annual installments through March 1, 2030; interest at 5.25 to 6.15%. The lessor issued \$3,025,000 Series 2010B Certificates of Participation which will be used to pay costs of acquiring the equipment and paying costs of issuance of the certificates.

On June 1, 2010, the District entered into a lease purchase agreement to finance the cost of network communications projects throughout the entire District. The lease is for five years requiring annual installments in the amount of \$131,400 through July 1, 2014; interest at 4.07%. On May 15, 2014, the District entered into an addendum to this lease purchase agreement to finance the cost of additional network communications projects throughout the entire District. The lease is for four years, requiring annual installments in the amount of \$134,460 through August 15, 2017; interest at 0.00%.

On August 1, 2013, the District entered into an addendum to the lease purchase agreement above to finance the cost of additional network communications projects throughout the entire District. The lease is for three years requiring annual installments in the amount of \$87,789 through September 19, 2015; interest at 3.09%.

On June 26, 2014, the District entered into a lease agreement for copier equipment. The lease is for four years requiring monthly payments in the amount of \$9,046 through July 14, 2018; interest at 5.00%.

Future minimum lease payments on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 698,908	\$ 344,816	\$ 1,043,724
2017	659,571	328,697	988,268
2018	664,692	313,610	978,302
2019	434,009	297,960	731,969
2020	450,000	281,748	731,748
2021	475,000	263,747	738,747
2022	485,000	241,623	726,623
2023	520,000	218,972	738,972
2024	535,000	194,798	729,798
2025	545,000	169,335	714,335
2026	585,000	143,347	728,347
2027	1,020,000	112,733	1,132,733
2028	330,000	63,652	393,652
2029	345,000	43,357	388,357
2030	360,000	22,140	382,140
Total	<u>\$ 8,107,180</u>	<u>\$ 3,040,535</u>	<u>\$ 11,147,715</u>

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE I - 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. The service will provide fiber optic access and all maintenance. The 9-year lease agreement requires annual payments of \$252,162 beginning July 1, 2007 through July 2016. Several addendums have been executed to extend the network to additional facilities requiring annual payments of \$360 through July 2018 and \$41,488 through July 2020. 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.

Future minimum operating lease payments (assuming non-cancellation) are as follows:

Year ending	
<u>June 30,</u>	<u>Total</u>
2016	\$ 381,061
2017	128,899
2018	128,899
2019	125,542
2020	125,542
2021	84,054
2022	84,054
2023	<u>84,054</u>
Total	<u>\$ 1,142,105</u>

Lease expense for the year ended June 30, 2015 was \$378,064.

NOTE J - INTERFUND TRANSFERS

During the year, the District made a \$1,400,000 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 \$2,994,493 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE K - LITIGATION

The District is a defendant in unsettled lawsuits. As a result of the District's use of the modified cash basis of accounting, the financial statements do not include accrual or provision for loss contingencies that may result from this matter.

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE L - CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions for governmental activities for the year ended June 30, 2015 were as follows:

	Balance July 1, 2014	Additions	Reclassifications/ Retirements	Balance June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 2,275,116	\$ -	\$ -	\$ 2,275,116
Construction in progress	<u>77,634</u>	<u>-</u>	<u>(77,634)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>2,352,750</u>	<u>-</u>	<u>(77,634)</u>	<u>2,275,116</u>
Other Capital Assets:				
Buildings	108,781,618	-	-	108,781,618
Building improvements	17,354,239	583,856	77,634	18,015,729
Furniture and fixtures	5,362,116	146,275	24,223	5,532,614
Computers	<u>2,845,803</u>	<u>558,785</u>	<u>(40,747)</u>	<u>3,363,841</u>
Total Other Capital Assets	<u>134,343,776</u>	<u>1,288,916</u>	<u>61,110</u>	<u>135,693,802</u>
Less Accumulated Depreciation:				
Buildings	29,286,955	2,676,158	-	31,963,113
Building improvements	6,446,586	854,544	-	7,301,130
Furniture and fixtures	3,519,288	443,128	(13,508)	3,948,908
Computers	<u>2,102,057</u>	<u>276,269</u>	<u>(2,766)</u>	<u>2,375,560</u>
Total Accumulated Depreciation	<u>41,354,886</u>	<u>4,250,099</u>	<u>(16,274)</u>	<u>45,588,711</u>
Other Capital Assets, Net	<u>92,988,890</u>	<u>(2,961,183)</u>	<u>77,384</u>	<u>90,105,091</u>
Total	<u>\$ 95,341,640</u>	<u>\$ (2,961,183)</u>	<u>\$ (250)</u>	<u>\$ 92,380,207</u>

Depreciation expenditure was charged to the governmental functions as follows:

Instruction	\$ 719,398
Operation of plant	<u>3,530,701</u>
Total	<u>\$ 4,250,099</u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015**

NOTE M - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

As of June 30, 2015, 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	\$ -	\$ -	\$ 2,719,654	\$ -
Committed:				
Capital outlay	-	-	-	831,032
Assigned:				
Student activities	551,548	-	-	-
Food service	<u>202,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assigned	<u>754,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>15,527,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 16,281,298</u>	<u>\$ -</u>	<u>\$ 2,719,654</u>	<u>\$ 831,032</u>

NOTE N - COMMITMENTS

The District has entered into contracts for asphalt parking lot at Timber Creek, HVAC installation at Shull Elementary and roof improvements at Shull Elementary. As of June 30, 2015, the District was committed to \$575,082 of remaining contract costs.

Also, the District has entered into contracts for the purchase of chrome books and various technology network equipment, upgrades to a video surveillance system at the High School, and a theater lighting system. As of June 30, 2015, the District was committed to \$765,520 of contract costs for these purchases.

NOTE O - SUBSEQUENT EVENT

On September 23, 2015, the District issued \$18,375,000 of Series 2015 General Obligation Refunding Bonds. These bonds will be used to crossover refund \$20,150,000 of Series 2008 General Obligation Building Bonds on March 1, 2016.

SUPPLEMENTAL INFORMATION

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 21,115,857	\$ 21,195,857	\$ 21,545,492	\$ 349,635
County	1,200,000	1,365,000	1,379,420	14,420
State	1,647,538	1,611,416	1,852,493	241,077
Federal	1,662,891	1,756,278	2,110,126	353,848
Other	3,000	3,000	20,684	17,684
Total Revenues	<u>25,629,286</u>	<u>25,931,551</u>	<u>26,908,215</u>	<u>976,664</u>
EXPENDITURES:				
Instruction	5,648,761	5,598,761	5,502,183	96,578
Student services	826,483	791,483	899,186	(107,703)
Instruction staff support	2,175,007	2,333,761	2,268,283	65,478
Building administration	18,000	18,000	23,262	(5,262)
General administration & central services	1,939,541	2,017,541	1,934,292	83,249
Operation of plant	5,146,760	5,221,760	5,150,458	71,302
Transportation	3,751,872	3,751,872	3,804,467	(52,595)
Food service	2,162,247	2,162,247	2,205,884	(43,637)
Community services	620,871	622,785	702,425	(79,640)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>22,289,542</u>	<u>22,518,210</u>	<u>22,490,440</u>	<u>27,770</u>
Revenues Over (Under) Expenditures	<u>3,339,744</u>	<u>3,413,341</u>	<u>4,417,775</u>	<u>1,004,434</u>
Other Financing Sources (Uses):				
Transfers	(4,034,306)	(4,394,493)	(4,394,493)	-
Net change in fund balance	(694,562)	(981,152)	23,282	1,004,434
Fund balance, beginning	<u>16,258,016</u>	<u>16,258,016</u>	<u>16,258,016</u>	<u>-</u>
Fund balance, ending	<u>\$ 15,563,454</u>	<u>\$ 15,276,864</u>	<u>\$ 16,281,298</u>	<u>\$ 1,004,434</u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 5,146,702	\$ 5,146,702	\$ 5,296,740	\$ 150,038
County	140,000	140,000	144,984	4,984
State	24,037,259	24,037,259	23,803,711	(233,548)
Federal	520,585	517,371	447,533	(69,838)
Other	-	-	-	-
Total Revenues	<u>29,844,546</u>	<u>29,841,332</u>	<u>29,692,968</u>	<u>(148,364)</u>
EXPENDITURES:				
Instruction	27,263,054	27,497,954	27,513,693	(15,739)
Student services	1,224,021	1,224,021	1,220,568	3,453
Instruction staff support	1,449,921	1,450,171	1,339,220	110,951
Building administration	1,894,694	1,894,694	1,811,388	83,306
General administration & central services	610,962	610,962	598,996	11,966
Operation of plant	-	-	-	-
Transportation	-	-	185,250	(185,250)
Food service	-	-	-	-
Community services	36,200	36,200	18,346	17,854
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	<u>32,478,852</u>	<u>32,714,002</u>	<u>32,687,461</u>	<u>26,541</u>
Revenues Over (Under) Expenditures	<u>(2,634,306)</u>	<u>(2,872,670)</u>	<u>(2,994,493)</u>	<u>(121,823)</u>
Other Financing Sources (Uses):				
Transfers	<u>2,634,306</u>	<u>2,994,493</u>	<u>2,994,493</u>	<u>-</u>
Net change in fund balance	-	121,823	-	(121,823)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 121,823</u>	<u>\$ -</u>	<u>\$ (121,823)</u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 6,008,839	\$ 6,035,839	\$ 6,143,703	\$ 107,864
County	300,000	375,000	378,397	3,397
State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Total Revenues	6,308,839	6,410,839	6,522,100	111,261
EXPENDITURES:				
Instruction	-	-	-	-
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	5,200,000	5,200,000	5,200,000	-
Interest and fees	1,847,525	1,847,525	1,845,925	1,600
Total Expenditures	7,047,525	7,047,525	7,045,925	1,600
Revenues Over (Under) Expenditures	(738,686)	(636,686)	(523,825)	112,861
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Net change in fund balance	(738,686)	(636,686)	(523,825)	112,861
Fund balance, beginning	3,243,479	3,243,479	3,243,479	-
Fund balance, ending	\$ 2,504,793	\$ 2,606,793	\$ 2,719,654	\$ 112,861

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2015

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 250,992	\$ 194,992	\$ 238,571	\$ 43,579
County	-	-	-	-
State	-	-	-	-
Federal	-	56,000	56,419	419
Other	-	-	-	-
Total Revenues	<u>250,992</u>	<u>250,992</u>	<u>294,990</u>	<u>43,998</u>
EXPENDITURES:				
Instruction	35,000	28,415	27,815	600
Student services	-	-	-	-
Instruction staff support	332,210	142,210	140,760	1,450
Building administration	-	-	-	-
General administration & central services	10,000	-	-	-
Operation of plant	893,000	703,000	660,654	42,346
Transportation	-	-	-	-
Food service	30,000	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	597,251	679,508	679,507	1
Interest and fees	361,148	378,399	380,388	(1,989)
Total Expenditures	<u>2,258,609</u>	<u>1,931,532</u>	<u>1,889,124</u>	<u>42,408</u>
Revenues Over (Under) Expenditures	<u>(2,007,617)</u>	<u>(1,680,540)</u>	<u>(1,594,134)</u>	<u>86,406</u>
Other Financing Sources (Uses):				
Transfers	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
Net change in fund balance	(607,617)	(280,540)	(194,134)	86,406
Fund balance, beginning	<u>1,025,166</u>	<u>1,025,166</u>	<u>1,025,166</u>	<u>-</u>
Fund balance, ending	<u>\$ 417,549</u>	<u>\$ 744,626</u>	<u>\$ 831,032</u>	<u>\$ 86,406</u>

RAYMORE-PECULIAR R-II SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2015

BUDGET PROCESS

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

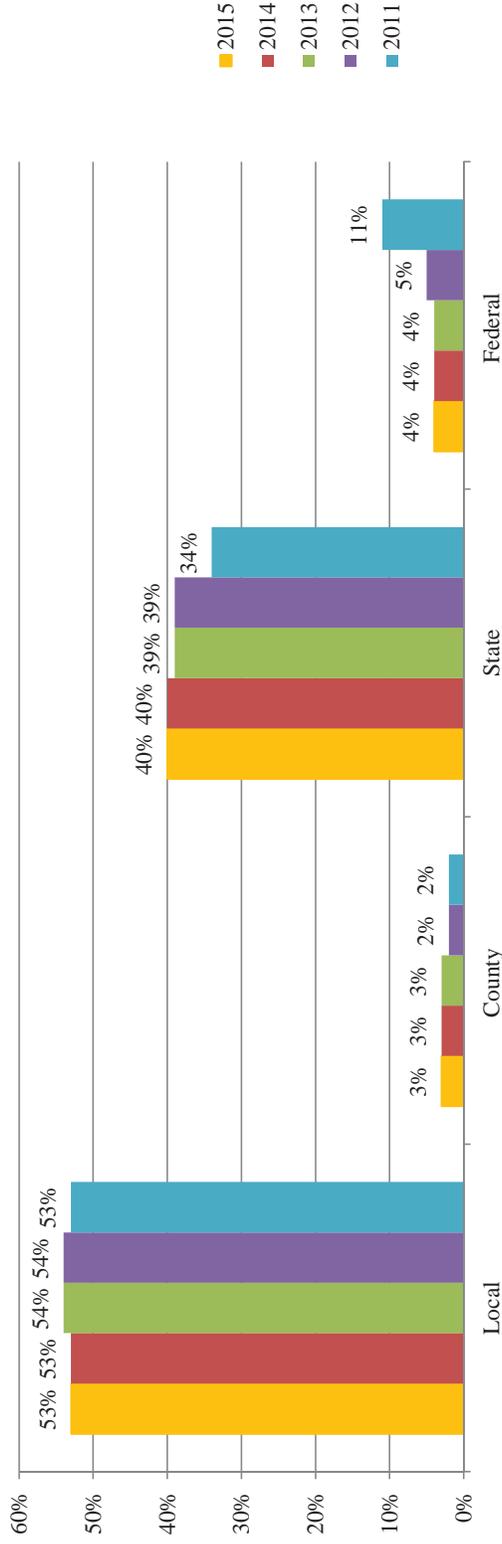
1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated 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, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 17,714,479	\$ -	\$ 6,092,105	\$ -	\$ 23,806,584
Sales tax	-	5,282,711	-	-	5,282,711
M & M surtax	56,936	-	19,580	-	76,516
Financial institution tax	1,028	-	354	-	1,382
In lieu of tax	89,664	-	30,836	166,992	287,492
Earnings on investments	69,044	5,013	828	848	75,733
Food service	1,317,883	-	-	-	1,317,883
Student activities	1,355,345	-	-	-	1,355,345
Community services	710,640	-	-	-	710,640
Other local revenue	230,473	9,016	-	70,731	310,220
Total Local	<u>21,545,492</u>	<u>5,296,740</u>	<u>6,143,703</u>	<u>238,571</u>	<u>33,224,506</u>
COUNTY:					
Fines and echeats	-	144,984	-	-	144,984
State assessed utilities	1,379,420	-	378,397	-	1,757,817
Total County	<u>1,379,420</u>	<u>144,984</u>	<u>378,397</u>	<u>-</u>	<u>1,902,801</u>
STATE:					
Basic formula	-	21,582,179	-	-	21,582,179
Transportation	1,114,036	-	-	-	1,114,036
Basic formula - classroom trust fund	-	2,221,532	-	-	2,221,532
Early Childhood Special Ed.	435,218	-	-	-	435,218
Career education	5,250	-	-	-	5,250
Food service	22,763	-	-	-	22,763
High need fund	230,716	-	-	-	230,716
Educational screening/PAT	44,510	-	-	-	44,510
Total State	<u>1,852,493</u>	<u>23,803,711</u>	<u>-</u>	<u>-</u>	<u>25,656,204</u>
FEDERAL:					
Title I	69,916	360,284	-	-	430,200
Title II - Part A	-	87,249	-	-	87,249
Medicaid	18,968	-	-	-	18,968
Individuals with Disabilities	1,056,050	-	-	-	1,056,050
IDEA grants	2,722	-	-	-	2,722
Food Service	856,742	-	-	-	856,742
Early Childhood Special Ed.	105,728	-	-	-	105,728
Other federal	-	-	-	56,419	56,419
Total Federal	<u>2,110,126</u>	<u>447,533</u>	<u>-</u>	<u>56,419</u>	<u>2,614,078</u>
OTHER:					
Sale of property	16,157	-	-	-	16,157
Payments from other districts	4,527	-	-	-	4,527
Total Other	<u>20,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,684</u>
Total Revenues Collected	<u>\$ 26,908,215</u>	<u>\$ 29,692,968</u>	<u>\$ 6,522,100</u>	<u>\$ 294,990</u>	<u>\$ 63,418,273</u>

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
COMPARISON OF REVENUES COLLECTED BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2015, 2014, 2013, 2012 AND 2011**

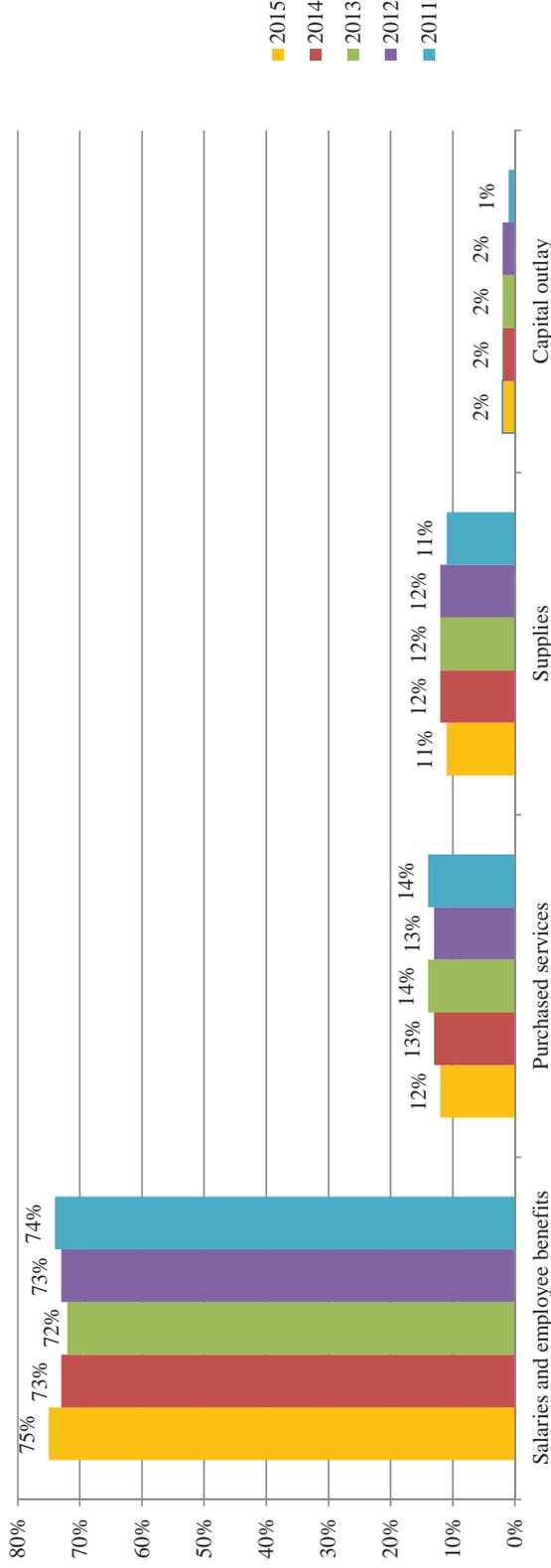
	2015	2014	2013	2012	2011
Local	\$ 33,224,506	\$ 32,405,796	\$ 32,285,031	\$ 32,500,945	\$ 31,138,095
County	1,902,801	1,712,395	1,657,753	1,484,370	1,406,050
State	25,656,204	24,337,045	23,493,446	23,223,083	20,039,670
Federal	2,614,078	2,398,735	2,267,300	2,801,548	5,781,027
Other	20,684	12,550	2,696	513	728
	<u>\$ 63,418,273</u>	<u>\$ 60,866,521</u>	<u>\$ 59,706,226</u>	<u>\$ 60,010,459</u>	<u>\$ 58,365,570</u>



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

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES PAID BY OBJECT
FOR THE YEARS ENDED JUNE 30, 2015, 2014, 2013, 2012 AND 2011**

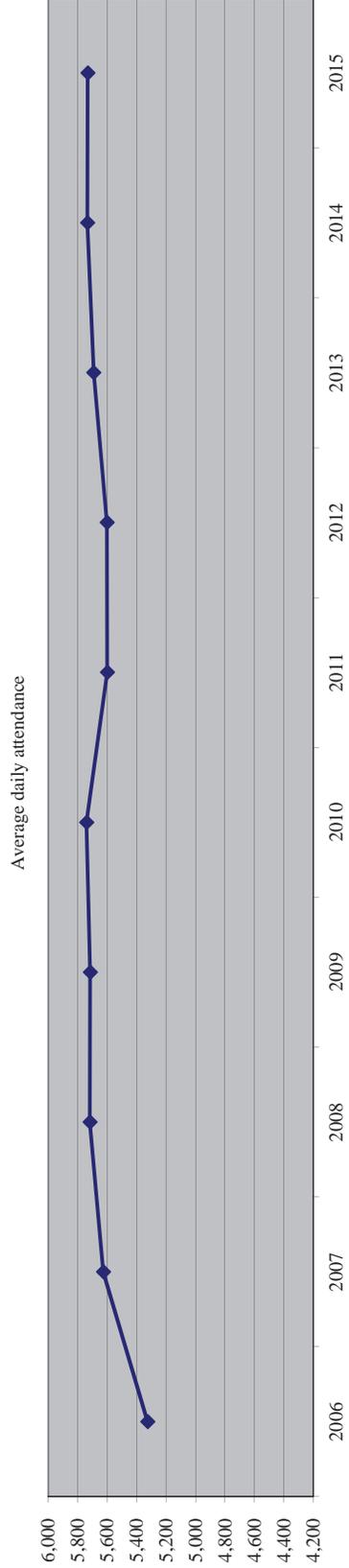
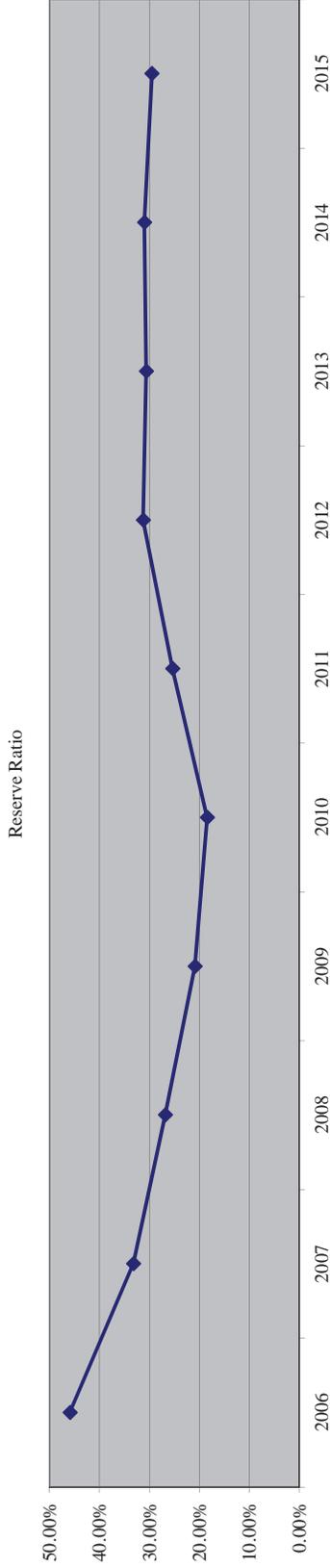
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2015 TOTALS	2014 TOTALS	2013 TOTALS	2012 TOTALS	2011 TOTALS
Salaries	\$ 7,274,839	\$ 25,030,999	\$ -	\$ -	\$ 32,305,838	\$ 30,979,906	\$ 30,553,730	\$ 29,103,239	\$ 28,580,906
Employee benefits	2,286,881	7,258,797	-	-	9,545,678	8,325,194	7,512,337	7,088,820	6,954,247
Purchased services	6,521,503	397,665	-	-	6,919,168	6,919,406	7,205,893	6,606,254	6,739,285
Supplies	6,407,217	-	-	-	6,407,217	6,194,640	6,188,690	5,918,187	5,313,989
Capital outlay	-	-	-	829,229	829,229	769,898	675,962	431,691	1,436,243
Principal	-	-	5,200,000	679,507	5,879,507	5,384,120	3,641,589	25,162,033	3,654,385
Interest and other charges	-	-	1,845,925	380,388	2,226,313	2,233,385	2,557,755	3,761,012	3,702,887
	<u>\$ 22,490,440</u>	<u>\$ 32,687,461</u>	<u>\$ 7,045,925</u>	<u>\$ 1,889,124</u>	<u>\$ 64,112,950</u>	<u>\$ 60,806,549</u>	<u>\$ 58,335,956</u>	<u>\$ 78,071,236</u>	<u>\$ 56,381,942</u>



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

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SELECTED TRENDS
FOR THE YEARS ENDED JUNE 30, 2006 THROUGH 2015**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General and Special Revenue Funds										
Total Fund Balances	\$ 18,305,918	\$ 15,164,576	\$ 13,402,489	\$ 10,600,670	\$ 9,423,465	\$ 12,082,415	\$ 15,238,688	\$ 15,774,687	\$ 16,258,016	\$ 16,281,298
Total Expenditures	39,847,881	45,651,109	49,904,840	50,728,172	51,058,823	47,588,427	48,716,502	51,460,650	52,419,146	55,177,901
Reserve Ratio	45.94%	33.22%	26.86%	20.90%	18.46%	25.39%	31.28%	30.65%	31.02%	29.51%
Average daily attendance	5,325.53	5,626.28	5,717.11	5,715.24	5,739.72	5,598.95	5,601.17	5,691.34	5,733.52	5,731.27



**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2015**

1. CALENDAR

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

Grades K - 4	1,116.00
Grades 5 - 6	1,168.83
Grades 7 - 8	1,171.00
Grades 9 - 12	1,139.95

B. The number of days classes were in session and pupils were under the direction of teachers during this school year was 172 days.

2. AVERAGE DAILY ATTENDANCE (ADA)

Grades K - 4	2,086.11
Grades 5 - 6	882.09
Grades 7 - 8	922.27
Grades 9 - 12	1,746.95
Remedial	1.07
Resident II	<u>5.54</u>
	5,644.03
Summer School	<u>87.24</u>
Total Average Daily Attendance	<u><u>5,731.27</u></u>

3. SEPTEMBER MEMBERSHIP

September Membership FTE Count 5,991.84

4. FREE AND REDUCED PRICE LUNCH FTE COUNT (Section 163.011(6), RSMo)

State FTE Total Free: 1,327.25
Reduced: 282.00

5. FINANCE

A. A bond as required by Section 162.401, RSMo. has been purchased for the District's treasurer in the amount of: \$50,000

B. The District's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo. True

C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. True

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2015**

5. **FINANCE** (continued)

- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True
- E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, did the Board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken? N/A
- F. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. True
- G. The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. True
- H. The amount spent for approved professional development committee plan activities was: \$214,504

6. **TRANSPORTATION** (Section 163.161, RSMo.)

- A. The District's transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported. True
- C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

Eligible ADT:	4,303.00
Ineligible ADT:	143.00
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible miles for the year. True
- E. Actual odometer records, the total district-operated and contracted mileage for the year was: 1,172,128

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

Eligible miles:	1,053,323
Ineligible miles (non-route/disapproved):	118,805
- F. Number of days the District operated the school transportation system during this school year. 172

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
National School Breakfast Program	10.553	019-142	\$ 147,831
National School Lunch Program	10.555	019-142	705,660
National School Snack Program	10.555	019-142	3,251
Non-cash: Food Distribution Program	10.555	019-142	<u>122,797</u>
Total Child Nutrition Cluster			<u>979,539</u>
<u>U.S. Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education:			
IDEA, Part B	84.027A	019-142	930,029
IDEA Preschool Grants	84.173A	019-142	<u>31,375</u>
Total Special Education Cluster			<u>961,404</u>
Title I, Part A	84.010A	019-142	478,411
Title II.A	84.367A	019-142	<u>89,046</u>
			<u>\$ 2,508,400</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Raymore-Peculiar R-II School District under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

Note 2. 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

INTERNAL CONTROL AND COMPLIANCE

**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 September 19, 2015, 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, 2014 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2015; 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, 2015. 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, 2015, 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.

September 19, 2015

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

TRANSPORTATION

During our audit, we noted non-route mileage was overstated on the Application for State Transportation Aid by 57,397 miles. The District's bus contractor had incorrectly included non-district mileage as maintenance mileage. Additionally, we noted that the number of days the transportation system operated was understated by 2 on the Application for State Transportation Aid. As a result of our audit, the District has corrected 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 19, 2015.

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 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.

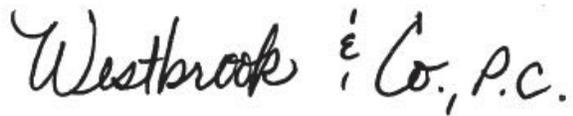
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

A handwritten signature in black ink that reads "Westbrook & Co., P.C." The signature is written in a cursive, flowing style.

Richmond, Missouri
September 19, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Westbrook & Co., P.C.".

Richmond, Missouri
September 19, 2015

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified?	_____ Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No	

Federal Awards

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ Yes	<u> X </u> No	
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Identification of major programs:
Special Education Cluster CFDA No. 84.027A and 84.173A

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No	
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B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None

**RAYMORE-PECULIAR R-II SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

The prior audit report contained no written comments relating to the federal awards programs.