

**WENTZVILLE R-IV SCHOOL DISTRICT  
ST. CHARLES COUNTY, MISSOURI  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

# WENTZVILLE R-IV SCHOOL DISTRICT

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# WENTZVILLE R-IV SCHOOL DISTRICT

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## **FINANCIAL SECTION**



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
Wentzville R-IV 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 Wentzville R-IV School District ("District"), Missouri, as of and for the year ended June 30, 2016, 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 I; 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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 the District as of June 30, 2016, 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 I.

### ***Basis of Accounting***

We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared on a 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.

### ***Other Matters***

#### ***Report on Supplementary and Other Information***

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

The Budgetary Comparison Schedules presented on pages 31 through 35 and Schedule of Expenditures of Federal Awards presented on page 47 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2016, 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 and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Daniel Jones & Associates***

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 7, 2016

## **BASIC FINANCIAL STATEMENTS**

**Wentzville R-IV School District**  
**Statement of Net Position - Modified Cash Basis**  
**As of June 30, 2016**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents (Note II)	\$ 39,930,547.31
Investments	27,749,000.00
	<hr/>
Total Current Assets	<b>67,679,547.31</b>
<b>Restricted Assets:</b>	
Debt Service	
Cash	<hr/> 16,905,921.29
	<hr/>
Total Restricted Assets	16,905,921.29
	<hr/>
<b>Total Assets</b>	<b>\$ 84,585,468.60</b>
	<hr/> <hr/>
<b>Liabilities</b>	
Payroll Liabilities	-
<b>Net Position</b>	
<b>Restricted for:</b>	
Debt Service	16,905,921.29
Professional Development	91,065.20
Employee Section 125 Plan	10,361.89
<b>Unrestricted</b>	<hr/> 67,578,120.22
	<hr/>
<b>Total Net Position</b>	84,585,468.60
	<hr/>
<b>Total Net Position and Liabilities</b>	<b>\$ 84,585,468.60</b>
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

**Wentzville R-IV School District**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					<b>Governmental Activities</b>
Instruction	\$ 93,731,912.34	\$ 98,478.09	\$ 70,680,883.81	\$ -	\$ (22,952,550.44)
Attendance	1,167,115.04	-	-	-	(1,167,115.04)
Guidance	4,839,526.70	-	-	-	(4,839,526.70)
Health, Psych Speech and Audio	2,034,241.18	-	-	-	(2,034,241.18)
Improvement of Instruction	2,843,066.83	-	2,549,342.55	-	(293,724.28)
Professional Development	530,544.34	-	-	-	(530,544.34)
Media Services (Library)	2,546,374.04	-	-	-	(2,546,374.04)
Board of Education Services	1,011,234.54	-	-	-	(1,011,234.54)
Executive Administration	830,721.09	-	-	-	(830,721.09)
Building Level Administration	8,088,246.46	-	-	-	(8,088,246.46)
Business Central Service	1,434,629.97	-	-	-	(1,434,629.97)
Operation of Plant	18,157,663.30	-	-	-	(18,157,663.30)
Security Services	267,028.92	-	-	-	(267,028.92)
Pupil Transportation	8,806,914.74	-	1,832,919.00	-	(6,973,995.74)
Food Services	5,644,909.03	3,790,214.46	2,127,914.97	-	273,220.40
Central Office Support Services	3,406,014.77	-	-	-	(3,406,014.77)
Community Services	1,516,236.79	2,188,349.36	-	-	672,112.57
Capital Outlay	2,996,365.97	-	-	-	(2,996,365.97)
Debt Service:					
Principal Retirement	31,689,624.40	-	-	-	(31,689,624.40)
Interest and Fiscal Charges	20,260,903.38	-	-	-	(20,260,903.38)
Total Governmental Activities	<u>\$ 211,803,273.83</u>	<u>\$ 6,077,041.91</u>	<u>\$ 77,191,060.33</u>	<u>\$ -</u>	<u>\$ (128,535,171.59)</u>
<b>General Revenues:</b>					
Property Taxes, levied for general purposes					69,983,410.39
Property Taxes, levied for debt service					14,822,697.92
Other Taxes					6,583,846.74
Prop C - Sales Tax					13,207,132.49
Federal, State and County aid not restricted to specific purposes					159,344.35
Interest and Investment earnings					5,872,063.62
Miscellaneous					3,478,001.94
<b>Subtotal, General Revenues</b>					<u><b>143,442,890.45</b></u>
Change in Net Position					<b>14,907,718.86</b>
Net Position, July 1, 2015					<u>69,677,749.74</u>
Net Position, June 30, 2016					<u><b>\$ 84,585,468.60</b></u>

The notes to the financial statements are an integral part of this statement.

**Wentzville R-IV School District**  
**Balance Sheet - Modified Cash Basis**  
**All Governmental Funds**  
**As of June 30, 2016**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents (Note II)	\$ 15,889,359.16	\$ 8,544,150.82	\$ -	\$ 15,497,037.33	\$ 39,930,547.31
Investments	27,749,000.00	-	-	-	27,749,000.00
Restricted Cash - Debt Service	-	-	16,905,921.29	-	16,905,921.29
<b>Total Assets</b>	<b>\$ 43,638,359.16</b>	<b>\$ 8,544,150.82</b>	<b>\$ 16,905,921.29</b>	<b>\$ 15,497,037.33</b>	<b>\$ 84,585,468.60</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Payroll Liabilities	-	-	-	-	-
<b>Total Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Debt Service	-	-	16,905,921.29	-	16,905,921.29
Employee Section 125 Plan	10,361.89	-	-	-	10,361.89
Professional Development	91,065.20	-	-	-	91,065.20
<b>Committed for:</b>					
Student Scholarships	9,047.00	-	-	-	9,047.00
<b>Assigned to:</b>					
Capital Projects	-	-	-	15,497,037.33	15,497,037.33
Special Revenue Fund	-	8,544,150.82	-	-	8,544,150.82
<b>Unassigned</b>	<b>43,527,885.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,527,885.07</b>
<b>Total Fund Balances</b>	<b>43,638,359.16</b>	<b>8,544,150.82</b>	<b>16,905,921.29</b>	<b>15,497,037.33</b>	<b>84,585,468.60</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 43,638,359.16</b>	<b>\$ 8,544,150.82</b>	<b>\$ 16,905,921.29</b>	<b>\$ 15,497,037.33</b>	<b>\$ 84,585,468.60</b>

The notes to the financial statements are an integral part of this statement.

**Wentzville R-IV School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**  
**All Governmental Funds**  
**For the Year Ended June 30, 2016**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Local Sources	\$ 55,042,251.96	\$ 29,500,137.09	\$ 20,760,112.07	\$ 11,351,432.66	\$ 116,653,933.78
County Sources	1,404,596.09	1,110,104.82	406,852.55	312,842.97	3,234,396.43
State Sources	5,858,250.18	60,699,759.14	3,775,000.00	556,949.02	70,889,958.34
Federal Sources	2,773,572.72	3,380,565.87	282,788.75	23,519.00	6,460,446.34
<b>TOTAL REVENUES</b>	<b>65,078,670.95</b>	<b>94,690,566.92</b>	<b>25,224,753.37</b>	<b>12,244,743.65</b>	<b>197,238,734.89</b>
<b>Expenditures</b>					
<b>Current</b>					
Regular Instruction	17,045,459.49	76,271,883.71	-	414,569.14	93,731,912.34
Attendance	1,167,115.04	-	-	-	1,167,115.04
Guidance	290,654.46	4,548,872.24	-	-	4,839,526.70
Health, Psych Speech & Audio	2,032,774.78	-	-	1,466.40	2,034,241.18
Improvement of Instruction	697,862.67	2,145,204.16	-	-	2,843,066.83
Professional Development	360,111.52	170,432.82	-	-	530,544.34
Media Services	1,098,953.04	1,447,421.00	-	-	2,546,374.04
Board of Education Services	1,011,234.54	-	-	-	1,011,234.54
Executive Administration	411,140.78	418,338.35	-	1,241.96	830,721.09
Building Level Administration	2,744,573.83	5,340,777.49	-	2,895.14	8,088,246.46
Business Central Services	1,382,414.97	-	-	52,215.00	1,434,629.97
Operation of Plant	13,479,192.14	-	-	4,678,471.16	18,157,663.30
Security Services	267,028.92	-	-	-	267,028.92
Pupil Transportation	7,386,395.07	-	-	1,420,519.67	8,806,914.74
Food Service	5,603,212.06	-	-	41,696.97	5,644,909.03
Central Office Support Services	2,758,388.93	490,236.42	-	157,389.42	3,406,014.77
Other Supporting Services	-	-	-	-	-
Community Services	1,415,233.31	98,303.90	-	2,699.58	1,516,236.79
Capital Outlay	-	-	-	2,996,365.97	2,996,365.97
Debt Service:					
Principal	-	-	31,689,624.40	-	31,689,624.40
Interest and Charges	-	-	17,450,279.59	2,810,623.79	20,260,903.38
<b>Total Expenditures</b>	<b>59,151,745.55</b>	<b>90,931,470.09</b>	<b>49,139,903.99</b>	<b>12,580,154.20</b>	<b>211,803,273.83</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>5,926,925.40</b>	<b>3,759,096.83</b>	<b>(23,915,150.62)</b>	<b>(335,410.55)</b>	<b>(14,564,538.94)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers	(7,286,175.97)	-	-	7,286,175.97	-
Sale of Other Property	9,499.85	-	-	27,886.86	37,386.71
Refunding Bonds	-	-	29,336,393.00	-	29,336,393.00
Tuition from other Districts	25,682.30	-	-	-	25,682.30
Contracted Educational Services	72,795.79	-	-	-	72,795.79
<b>Total Other Financing Sources (Uses)</b>	<b>(7,178,198.03)</b>	<b>-</b>	<b>29,336,393.00</b>	<b>7,314,062.83</b>	<b>29,472,257.80</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,251,272.63)</b>	<b>3,759,096.83</b>	<b>5,421,242.38</b>	<b>6,978,652.28</b>	<b>14,907,718.86</b>
Fund Balances, July 1, 2015	44,889,631.79	4,785,053.99	11,484,678.91	8,518,385.05	69,677,749.74
Fund Balances, June 30, 2016	<u><u>\$ 43,638,359.16</u></u>	<u><u>\$ 8,544,150.82</u></u>	<u><u>\$ 16,905,921.29</u></u>	<u><u>\$ 15,497,037.33</u></u>	<u><u>\$ 84,585,468.60</u></u>

The notes to the financial statements are an integral part of this statement.

**Wentzville R-IV School District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**with the Government-Wide Statement of Net Position - Modified Cash Basis**  
**June 30, 2016**

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

Total Fund Balance - Governmental Funds	\$ 84,585,468.60
There are no items of reconciliation.	<u>-</u>
Total Net Position - Governmental Activities	<u><u>\$ 84,585,468.60</u></u>

The notes to the financial statements are an integral part of this statement.

**Wentzville R-IV School District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2016**

Total net change in fund balances - governmental funds	\$ 14,907,718.86
There are no items of reconciliation.	<u>-</u>
Change in net position of governmental activities	<u><u>\$ 14,907,718.86</u></u>

The notes to the financial statements are an integral part of this statement.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wentzville R-IV School District (“District”) operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District operates as a “six director” District (with seven members of the Board of Education). The District provides educational services.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Principles Determining the Scope of Reporting Entity

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

Excluded from the reporting entity:

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

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District’s financial statements. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

B. Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses on the modified cash basis of accounting. 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 fund types are used by the District:

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (concluded)

Governmental Fund

Governmental Funds are those through which most of the District's functions are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is determined upon changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund.

General Fund

This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The special revenue fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects Fund

This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

C. Basis of Presentation

*Government-wide Financial Statements*

The statement of net position and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

*Government-wide Financial Statements (concluded)*

Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact. The District did not have any nonspendable resources as of June 30, 2016.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District held bonds and are restricted through debt covenants.
- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority, which is the Board of Education. Formal action must be taken prior to the end of the fiscal year, such as a vote from the Board of Education. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of 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 which is the Board of Education, or a body or official, like the Superintendent or Chief Financial Officer, that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (concluded)

*Fund Financial Statements (concluded)*

- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four 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 District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

As of June 30, 2016, fund balance components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ 101,427.09	\$ 9,047.00	\$ -
Special Revenue/ (Teacher) Fund	-	-	-	8,544,150.82
Debt Service Fund	-	16,905,921.29	-	-
Capital Projects Fund	-	-	-	15,497,037.33
Total	<u>\$ -</u>	<u>\$ 17,007,348.38</u>	<u>\$ 9,047.00</u>	<u>\$ 24,041,188.15</u>

D. Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments and short-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (concluded)

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

E. Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which are managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained. Cash and cash equivalents have a maturity date of less than three months or are highly liquid. Investments have terms longer than three months and are not able to be liquefied easily.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumental obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested. In addition, see Note II, Cash and Investments.

F. Restricted Cash

Restricted cash represents amounts whose use is limited by legal requirements, and consists of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note II and Note IV.

G. Fund Balance Reserves

The District reserves those portions of fund balance legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods.

H. Net Position

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

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

K. Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

L. Compensated Absences

Vacation time, personal sick days and sick leave are considered expenditures in the year paid. Amounts that are unpaid and which are vested in the employee are paid at termination. Total vested and unpaid vacation and sick pay at June 30, 2016, amounted to approximately \$2,468,000.

M. Teachers' Salaries

The salary payment schedule of the District for the 2015-16 school year requires the payment of salaries over a twenty-four pay period cycle. Consequently, the July and August 2016 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

II. CASH AND 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 Funds be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the combined balance sheet arising from cash transactions as "Cash and Investments" under each fund's caption.

Deposits and Investments - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2016, the carrying amount of the District's deposits and investments was \$84,585,468.60, and the bank balance was \$89,777,217.11. Of the bank balance, \$500,000.00 was covered by collateral held at the Federal Reserve Bank of St. Louis, and the District's safekeeping bank agent, in the District's name, \$6,121,696.25 was secured through the MOHEFA program, \$9,738,895.77 through the MOSIP program, and \$73,416,625.09 was secured by pledged securities.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

II. CASH AND INVESTMENTS (concluded)

The deposits and investments held at June 30, 2016, and reported at fair market value are as follows:

TYPE	MATURITIES	FAIR MARKET VALUE
CASH AND CASH EQUIVALENTS:		
Demand Deposits	N/A	\$ 47,195,466.42
Missouri Security Investment Program	N/A	3,489,895.77
Missouri Direct Deposit Program	N/A	<u>6,151,106.41</u>
Total Deposits		56,836,468.60
INVESTMENTS:		
UMB Bank Certificates of Deposit	Various	21,320,000.00
Missouri Security Investment Program Certificates of Deposit	Various	<u>6,429,000.00</u>
Total Investments		<u>27,749,000.00</u>
TOTAL CASH AND INVESTMENTS		\$ <u><u>84,585,468.60</u></u>

A. Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk for the year ended June 30, 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type not exposed to custodial credit risk.

B. Summary of Carrying Values

The carrying values of deposits shown above are included in the financial statements at June 30, 2016, as follows:

Included in the following fund financial statement captions.

BALANCE SHEET – CASH, CASH EQUIVALENTS, AND INVESTMENT BALANCES

General Fund	\$ 43,638,359.16
Special Revenue Fund	8,544,150.82
Debt Service Fund	16,905,921.29
Capital Projects Fund	<u>15,497,037.33</u>
TOTAL CASH AND INVESTMENTS	\$ <u><u>84,585,468.60</u></u>

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on a prior year weighted average attendance. Districts are required to reduce the property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year, unless the District receives a Proposition C waiver.

The assessed valuation of the tangible taxable property (including state assessed railroad and utilities) for the calendar year 2015, for purposes of local taxation, was:

Real Estate:		
Residential	\$	1,081,735,068
Agricultural		6,084,633
Commercial		276,852,621
Personal Property:		<u>266,011,555</u>
TOTAL	\$	<u><u>1,630,683,877</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2015-16, for purposes of local taxation, was:

	UNADJUSTED	ADJUSTED
General Fund	\$ 2.2836	\$ 2.2836
Special Revenue Fund	1.3300	1.3300
Debt Service Fund	0.9200	0.9200
Capital Projects Fund	<u>0.6781</u>	<u>0.6781</u>
TOTAL	\$ <u><u>5.2117</u></u>	\$ <u><u>5.2117</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2016, aggregated approximately 98.80% of the current assessment computed on the basis of the levy as shown above.

IV. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	GENERAL OBLIGATION BONDS	LEASEHOLD REVENUE BONDS
Long-Term Debt July 1, 2015	\$ 171,003,677	\$ 55,580,000
Add-Issued	29,336,393	30,000,000
Less-Payments	<u>(31,689,625)</u>	<u>(2,885,000)</u>
Long-Term Debt - June 30, 2016	\$ <u><u>168,650,445</u></u>	\$ <u><u>82,695,000</u></u>

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

IV. CHANGES IN LONG-TERM DEBT (continued)

Bonds payable at June 30, 2016, consist of:

\$8,540,000 General Obligation Bonds Series 2008; due in one payment of \$8,540,000 on March 1, 2028; interest rate at 5.00% paid semi-annually. This bond was refunded during the fiscal year by the Series 2015.	\$ -
\$30,623,677 General Obligation Improvement and Refunding Bonds series 2009A due in varying installments through 2029, interest rate at 2.25% to 4.00% paid semi-annually. A portion of this issuance was refunded by the Series 2016.	14,044,052
\$14,250,000 Taxable General Obligation Bonds Series 2009B due in one payment of \$14,250,000 on March 1, 2029; interest at 6.10% paid semi-annually.	14,250,000
\$9,185,000 General Obligation Qualified School Construction Bonds series 2009C due in varying installments through 2024; interest at 0.80% paid semi-annually.	9,185,000
\$7,950,000 General Obligation Refunding Bonds Series 2011 due in varying installments through 2022; interest at 2.00% to 4.308% paid semi-annually.	7,425,000
\$42,535,000 General Obligation Refunding Bonds Series 2011A due in varying installments through 2024; interest rate at 2.00% to 4.00% paid semi-annually.	37,060,000
\$6,960,000 General Obligation Refunding Bonds Series 2011B due in varying installments through 2016; interest at 2.00% to 2.15% paid semi-annually.	-
\$43,755,000 General Obligation Refunding Bonds Series 2013 due in varying installments through 2025; interest at 1.00% to 4.00% paid semi-annually.	40,560,000
\$20,655,000 General Obligation Refunding Bonds Series 2014 due in varying installments through 2020; interest at 1.75% to 4.00% paid semi-annually.	16,790,000
\$8,465,000 General Obligation Refunding Bonds Series 2015 due in one payment of \$8,465,000 on March 1, 2028; interest rate 4.00% to 5.00% paid semi-annually.	8,465,000
\$20,871,393 General Obligation Refunding Bonds Series 2016 due in varying installments through March 1, 2029; interest is variable and paid at the same time as the principal payments.	<u>20,871,393</u>
TOTAL GENERAL OBLIGATION BONDS.....	<u>\$ 168,650,445</u>

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

IV. CHANGES IN LONG-TERM DEBT (continued)

Lease Revenue Bonds payable at June 30, 2016, consist of:

\$30,765,000 Original Principal of Wentzville R-IV School District Lease Participation Certificates Series 2011- due in varying annual installments ranging from \$375,000 to \$3,125,000 through April 1, 2031.	\$ 26,665,000
\$32,050,000 Original Principal of Wentzville R-IV School District Lease Participation Certificates Series 2012- due in varying annual installments ranging from \$1,050,000 to \$2,180,000 through April 1, 2031.	26,860,000
\$30,000,000 Original Principal of Wentzville R-IV School District Lease Participation Certificates Series 2015- due in varying annual installments ranging from \$830,000 to \$2,105,000 through April 1, 2035.	<u>29,170,000</u>
TOTAL .....	<u>\$ 82,695,000</u>

The bond payments are made from the Debt Service fund. The leasehold revenue bond payments are made out of the Wentzville R-IV School District Capital Projects Fund.

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2016, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ 10,065,000	\$ 5,079,329	\$ 15,144,329
2018	11,250,000	4,822,244	16,072,244
2019	10,700,573	5,783,557	16,484,130
2020	12,145,336	4,580,545	16,725,881
2021	12,207,776	5,117,154	17,324,930
2022-2026	71,663,362	20,901,616	92,564,978
2027-2031	<u>40,618,398</u>	<u>16,925,852</u>	<u>57,544,250</u>
TOTALS	<u>\$ 168,650,445</u>	<u>\$ 63,210,297</u>	<u>\$ 231,860,742</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of the district (including state-assessed railroad and utilities). The District did not exceed the legal debt margin at June 30, 2016.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

IV. CHANGES IN LONG-TERM DEBT (concluded)

The annual requirements to amortize leasehold revenue bond debt outstanding as of June 30, 2016, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ 3,230,000	\$ 3,023,356	\$ 6,253,356
2018	3,420,000	2,921,756	6,341,756
2019	3,640,000	2,801,506	6,441,506
2020	3,850,000	2,665,613	6,515,613
2021	4,080,000	2,524,720	6,604,720
2022-2026	24,410,000	10,057,596	34,467,596
2027-2031	32,090,000	4,934,145	37,024,145
2032-2035	7,975,000	602,759	8,577,759
TOTALS	\$ 82,695,000	\$ 29,531,451	\$ 112,226,451

V. LEASES

CAPITAL LEASES

The District entered into a capital lease with Bank of America on November 19, 2010, for the purchase of 5 Blue Bird School Buses. The lease payments are \$66,080.19 paid annually with a 4.25% interest rate.

The District entered into a capital lease with Mercedes-Benz Financial Services, U.S.A. on August 1, 2011, for the purchase of 21 School Buses. The lease payments are \$257,097.00 paid annually with a 3.28% interest rate.

The District entered into a capital lease with Mercedes-Benz Financial Services, U.S.A. on August 1, 2012, for the purchase of 16 School Buses. The lease payments are \$199,425.82 paid annually with a 2.09% interest rate.

The District entered into a capital lease with Sovereign Financial on August 2, 2013, for the purchase of 19 School Buses. The lease payments are \$241,343.00 paid annually with a 1.79% interest rate.

The District entered into a capital lease with Santander Bank on June 25, 2015, for the purchase of 25 School Buses. The lease payments are \$295,137.00 paid annually with a 2.30% interest rate.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

V. LEASES (concluded)

The following is a summary of capital lease future payments for the year ended June 30, 2016:

FISCAL YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ 974,150.98	\$ 84,932.03	\$ 1,059,083.01
2018	932,530.05	60,472.77	993,002.82
2019	697,747.48	38,158.34	735,905.82
2020	512,772.11	23,707.89	536,480.00
2021	282,015.58	13,121.42	295,137.00
2022	288,480.77	6,656.23	295,137.00
TOTALS	<u>\$ 3,687,696.97</u>	<u>\$ 227,048.68</u>	<u>\$ 3,914,745.65</u>

OPERATING LEASES

The District entered into an operating lease with Copying Concepts on May 14, 2013, for copy machines. The payments are \$11,273 paid monthly for a term of 48 months.

The District entered into an operating lease with Copying Concepts on June 26, 2016, for copy machines. The payments are \$457 paid monthly for a term of 37 months.

The following is a summary of operating lease future payments for the year ended June 30, 2016:

FISCAL YEAR ENDING JUNE 30,	PAYMENT
2017	\$ 129,487
2018	457
TOTALS	<u>\$ 129,944</u>

VI. RETIREMENT PLAN

**Net Pension Liability**

For fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68" were effective. These GASB pronouncements had no effect on beginning net position as reported June 30, 2014, as the net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VI. RETIREMENT PLAN (continued)

**Net Pension Liability (concluded)**

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

**General Information about the Pension Plan - PSRS**

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

*Benefits Provided.* PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is 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.psrs-peers.org](http://www.psrs-peers.org). Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VI. RETIREMENT PLAN (continued)

**General Information about the Pension Plan – PSRS (concluded)**

*Cost-of-Living Adjustments ("COLA").* The PSRS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

*Contributions.* PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the State in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS were \$11,045,277 for the year ended June 30, 2016.

**General Information about the Pension Plan - PEERS**

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

Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was 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.psrs-peers.org](http://www.psrs-peers.org).

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

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VI. RETIREMENT PLAN (continued)

**General Information about the Pension Plan – PEERS (concluded)**

A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psrs-peers.org](http://www.psrs-peers.org).

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

*Contribution.* PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS were \$1,851,877 for the year ended June 30, 2016.

**Pension Liabilities and Pension Expense - PSRS**

At June 30, 2016, the District has a liability of \$92,054,027 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$10,469,563 paid to PSRS for the year ended June 30, 2015 relative to the actual contributions of \$656,578,122 from all participating employers. At June 30, 2015, the District's proportionate share was 1.5946%.

**Pension Liabilities and Pension Expense - PEERS**

At June 30, 2016, the District has a liability of \$9,109,351 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$1,771,618 paid to PEERS for the year ended June 30, 2015 relative to the actual contributions of \$102,864,099 from all participating employers. At June 30, 2015, the District's proportionate share was 1.5946%.

**Actuarial Assumptions - PSRS**

Actuarial valuations of PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VI. RETIREMENT PLAN (continued)

**Actuarial Assumptions – PSRS (concluded)**

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- |                                  |   |
|----------------------------------|---|
| - Measurement Date               | June 30, 2015   |
| - Valuation Date                 | June 30, 2015   |
| - Expected Return on Investments | 8.00%, net of investment expenses and including 2.5% inflation  |
| - Inflation                      | 2.5%  |
| - Total Payroll Growth           | 3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.                              |
| - Future Salary Increases        | 4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%. |
| - Cost-of-Living Increases       | 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.   |
| - Mortality Assumption           |   |

Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
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Non-Disabled Retirees, Beneficiaries and Survivors:	RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
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Disabled Retirees:	RP 2000 Disabled Mortality Table
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**Changes in Actuarial Assumptions and Methods**

There were no changes in actuarial assumptions or methods for the June 30, 2015 valuation.

Fiduciary Net Position	PSRS issues a publicly available financial report that can be obtained at <a href="http://www.psrs-peers.org">www.psrs-peers.org</a> .
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WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VI. RETIREMENT PLAN (continued)

**Actuarial Assumptions - PEERS**

Actuarial valuations of PEERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2015
- Valuation Date	June 30, 2015
- Expected Return on Investments	8.00%, net of investment expenses and including 2.5% inflation
- Inflation	2.5%
- Total Payroll Growth	3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.
- Future Salary Increases	5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.
- Cost-of-Living Increases	2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.
- Mortality Assumption	

Actives:	RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
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Non-Disabled Retirees, Beneficiaries and Survivors:	RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
--	--

Disabled Retirees:	RP 2000 Disabled Mortality Table
--------------------	----------------------------------

**Changes in Actuarial Assumptions and Methods**

There were no changes in actuarial assumptions or methods for the June 30, 2015 valuation.

Fiduciary Net Position	PEERS issues a publicly available financial report that can be obtained at <a href="http://www.psr-peers.org">www.psr-peers.org</a> .
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WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

VI. RETIREMENT PLAN (continued)

**Expected Rate of Return**

The long-term expected rate of return on PSRS and PEERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PSRS and PEERS' target allocation as of June 30, 2015 is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-term Expected Real Return Arithmetic Basis</b>	<b>Weighted Long-term Expected Real Return Arithmetic Basis</b>
U.S. Public Equity	27.0%	5.85%	1.58%
Public Credit	12.0%	2.44%	0.29%
Hedged Assets	6.0%	5.22%	0.31%
Non-U.S. Public Equity	15.0%	6.64%	1.00%
U.S. Treasuries	16.0%	1.01%	0.16%
U.S. TIPS	4.0%	1.12%	0.04%
Private Credit	2.0%	7.61%	0.15%
Private Equity	10.5%	8.61%	0.90%
Private Real Estate	7.5%	4.60%	0.35%
Total	<u>100.0%</u>		<u>4.78%</u>
Inflation			<u>2.50%</u>
Long term arithmetical nominal return			<u>7.28%</u>
Effect of coverage matrix			<u>0.81%</u>
Long term expected geometric return			<u>8.09%</u>

- Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2015, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

VI. RETIREMENT PLAN (continued)

**Expected Rate of Return (concluded)**

- Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
---------------	----------------------------	-----------------------------	----------------------------

PSRS Proportionate share of the Net Pension

Liability / (Asset)	\$169,304,101	\$92,054,027	\$27,172,575
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Discount Rate	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
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PEERS Proportionate share of the Net Pension

Liability / (Asset)	\$18,390,279	\$9,109,351	\$1,263,129
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**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS**

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/15	1.5383%	\$63,109,917	\$68,934,957	91.55%	89.34%
6/30/16	1.5946%	\$92,054,027	\$72,808,562	126.43%	85.78%

**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS**

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/15	1.6978%	\$6,199,787	\$24,757,495	25.04%	91.33%
6/30/16	1.7223%	\$9,109,351	\$25,825,342	35.27%	88.28%

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

VI. RETIREMENT PLAN (concluded)

**Schedule of Employer Contributions - PSRS**

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	\$9,249,587	\$9,249,587	\$ -	\$64,227,764	14.40%
6/30/15	9,906,415	9,906,415	-	68,934,957	14.37%
6/30/16	10,469,563	10,469,563	-	72,808,562	14.38%

**Schedule of Employer Contributions - PEERS**

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	\$1,572,066	\$1,572,066	\$ -	\$22,916,450	6.86%
6/30/15	1,698,359	1,698,359	-	24,757,495	6.86%
6/30/16	1,771,618	1,771,618	-	25,825,342	6.86%

VII. CONTINGENCIES

During the course of ordinary operations, the District is subjected to various lawsuits. The District's insurance carrier and attorneys are vigorously contesting all the claims. The District believes that all lawsuits outstanding at June 30, 2015, will have no material impact on the finances of the District.

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

Participation in Public Entity Risk Pools – The District is exposed to various risks of loss due to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was joined together with approximately 467 other Missouri public school districts and Missouri Junior Colleges to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies, but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2016 assessment was \$1,778,339.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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VII. CONTINGENCIES (concluded)

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

VIII. OTHER POST-EMPLOYMENT BENEFITS

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program. For the year ended June 30, 2016, the District had 10 participants in this program with contributions totaling \$31,498.47.

In addition to the pension benefits described in Note VI, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A standalone financial report is not available for the plan. During the year, approximately 277 retirees participated in the District's insurance plans and paid premiums totaling \$877,775.28.

IX. INTERFUND TRANSFERS

During 2016, transfers were made to the Capital Projects Fund from the General Fund. Transfers are made to the Capital Projects Fund to allocate more funds to capital projects.

	<u>TRANSFERS TO:</u>
	CAPITAL PROJECTS FUND
<u>TRANSFERS FROM:</u>	
General (Incidental) Fund	\$ 7,286,175.97
	<u>\$ 7,286,175.97</u>

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

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X. EMPLOYEE BENEFITS PLANS

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

XI. SUBSEQUENT EVENTS

On August 18, 2016, the District issued Lease Participation Refunding and Improvement Certificates, Series 2016 in the amount of \$54,005,000. The purpose of this debt is to refund the District's Lease Participation Certificates Series 2011, construct two new elementary schools, and improve and renovate existing classrooms to schools within the District.

## **SUPPLEMENTARY INFORMATION**

**Wentzville R-IV School District**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2016**

	<b>Budgeted Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Local Sources	\$ 55,123,428.00	\$ 52,408,943.00	\$ 55,042,251.96	\$ 2,633,308.96
County Sources	1,321,868.00	1,321,868.00	1,404,596.09	82,728.09
State Sources	5,519,143.00	5,557,143.00	5,858,250.18	301,107.18
Federal Sources	2,761,814.00	2,852,192.00	2,773,572.72	(78,619.28)
<b>TOTAL REVENUES</b>	<b>64,726,253.00</b>	<b>62,140,146.00</b>	<b>65,078,670.95</b>	<b>2,938,524.95</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	17,447,567.00	17,036,703.00	17,045,459.49	8,756.49
Attendance	1,069,164.00	1,069,164.00	1,167,115.04	97,951.04
Guidance	305,922.00	311,322.00	290,654.46	(20,667.54)
Health, Psych Speech & Audio	2,262,447.00	2,233,706.00	2,032,774.78	(200,931.22)
Improvement of Instruction	849,325.00	856,652.00	697,862.67	(158,789.33)
Professional Development	358,810.00	431,895.00	360,111.52	(71,783.48)
Media Services	1,207,968.00	1,231,368.00	1,098,953.04	(132,414.96)
Board of Education Services	487,215.00	986,815.00	1,011,234.54	24,419.54
Executive Administration	391,869.00	390,627.00	411,140.78	20,513.78
Building Level Administration	2,823,343.00	2,888,957.00	2,744,573.83	(144,383.17)
Business Central Services	1,480,399.00	1,464,591.00	1,382,414.97	(82,176.03)
Operation of Plant	15,688,180.00	15,486,898.00	13,479,192.14	(2,007,705.86)
Security Services	1,130.00	1,130.00	267,028.92	265,898.92
Pupil Transportation	7,503,643.00	7,461,745.00	7,386,395.07	(75,349.93)
Food Service	6,185,881.00	6,106,184.00	5,603,212.06	(502,971.94)
Central Office Support Services	2,702,947.00	2,893,172.00	2,758,388.93	(134,783.07)
Other Supporting Services	-	-	-	-
Community Services	1,520,542.00	1,509,175.00	1,415,233.31	(93,941.69)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>62,286,352.00</b>	<b>62,360,104.00</b>	<b>59,151,745.55</b>	<b>(3,208,358.45)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>2,439,901.00</b>	<b>(219,958.00)</b>	<b>5,926,925.40</b>	<b>6,146,883.40</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	(7,286,175.97)	(7,286,175.97)	-
Sale of Other Property	-	-	9,499.85	9,499.85
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	25,682.30	25,682.30
Contracted Educational Services	-	-	72,795.79	72,795.79
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(7,286,175.97)</b>	<b>(7,178,198.03)</b>	<b>107,977.94</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,439,901.00</b>	<b>(7,506,133.97)</b>	<b>(1,251,272.63)</b>	<b>6,254,861.34</b>
Fund Balance, July 1, 2015	44,889,631.79	44,889,631.79	44,889,631.79	-
<b>Fund Balance, June 30, 2016</b>	<b>\$ 47,329,532.79</b>	<b>\$ 37,383,497.82</b>	<b>\$ 43,638,359.16</b>	<b>\$ 6,254,861.34</b>

**Wentzville R-IV School District**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	<b>Budgeted Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Local Sources	\$ 26,189,072.00	\$ 29,119,822.00	\$ 29,500,137.09	\$ 380,315.09
County Sources	1,012,850.00	1,012,850.00	1,110,104.82	97,254.82
State Sources	59,494,814.00	59,494,814.00	60,699,759.14	1,204,945.14
Federal Sources	3,484,135.00	3,862,720.00	3,380,565.87	(482,154.13)
<b>TOTAL REVENUES</b>	<b>90,180,871.00</b>	<b>93,490,206.00</b>	<b>94,690,566.92</b>	<b>1,200,360.92</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	79,200,119.00	79,366,526.00	76,271,883.71	(3,094,642.29)
Attendance	-	-	-	-
Guidance	4,510,810.00	4,510,810.00	4,548,872.24	38,062.24
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	2,083,590.00	2,316,758.00	2,145,204.16	(171,553.84)
Professional Development	192,295.00	174,642.00	170,432.82	(4,209.18)
Media Services	1,459,659.00	1,459,659.00	1,447,421.00	(12,238.00)
Board of Education Services	-	-	-	-
Executive Administration	419,330.00	419,330.00	418,338.35	(991.65)
Building Level Administration	5,351,401.00	5,351,401.00	5,340,777.49	(10,623.51)
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	443,416.00	443,416.00	490,236.42	46,820.42
Other Supporting Services	-	-	-	-
Community Services	226,033.00	229,425.00	98,303.90	(131,121.10)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>93,886,653.00</b>	<b>94,271,967.00</b>	<b>90,931,470.09</b>	<b>(3,340,496.91)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	(3,705,782.00)	(781,761.00)	3,759,096.83	4,540,857.83
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Contracted Educational Services	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,705,782.00)</b>	<b>(781,761.00)</b>	<b>3,759,096.83</b>	<b>4,540,857.83</b>
Fund Balance, July 1, 2015	4,785,053.99	4,785,053.99	4,785,053.99	-
<b>Fund Balance, June 30, 2016</b>	<b>\$ 1,079,271.99</b>	<b>\$ 4,003,292.99</b>	<b>\$ 8,544,150.82</b>	<b>\$ 4,540,857.83</b>

**Wentzville R-IV School District**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**Debt Service Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Local Sources	\$ 15,102,602.00	\$ 20,602,853.00	\$ 20,760,112.07	\$ 157,259.07
County Sources	318,640.00	318,640.00	406,852.55	88,212.55
State Sources	3,775,000.00	3,775,000.00	3,775,000.00	-
Federal Sources	280,000.00	280,000.00	282,788.75	2,788.75
TOTAL REVENUES	19,476,242.00	24,976,493.00	25,224,753.37	248,260.37
Expenditures				
Current				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	8,980,000.00	31,689,625.00	31,689,624.40	(0.60)
Interest and Charges	5,330,950.00	17,493,567.00	17,450,279.59	(43,287.41)
TOTAL EXPENDITURES	14,310,950.00	49,183,192.00	49,139,903.99	(43,288.01)
Revenues Collected Over (Under)				
Expenditures Paid	5,165,292.00	(24,206,699.00)	(23,915,150.62)	291,548.38
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	29,336,393.00	29,336,393.00	-
Tuition from other Districts	-	-	-	-
Contracted Educational Services	-	-	-	-
Total Other Financing Sources (Uses)	-	29,336,393.00	29,336,393.00	-
NET CHANGE IN FUND BALANCES	5,165,292.00	5,129,694.00	5,421,242.38	291,548.38
Fund Balance, July 1, 2015	11,484,678.91	11,484,678.91	11,484,678.91	-
Fund Balance, June 30, 2016	\$ 16,649,970.91	\$ 16,614,372.91	\$ 16,905,921.29	\$ 291,548.38

**Wentzville R-IV School District**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2016**

	<b>Budgeted Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Local Sources	\$ 11,181,187.00	\$ 11,205,487.00	\$ 11,351,432.66	\$ 145,945.66
County Sources	231,642.00	231,642.00	312,842.97	81,200.97
State Sources	579,720.00	579,610.00	556,949.02	(22,660.98)
Federal Sources	-	-	23,519.00	23,519.00
<b>TOTAL REVENUES</b>	<b>11,992,549.00</b>	<b>12,016,739.00</b>	<b>12,244,743.65</b>	<b>228,004.65</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	653,070.00	554,274.00	414,569.14	(139,704.86)
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	4,500.00	1,466.40	(3,033.60)
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	1,242.00	1,241.96	(0.04)
Building Level Administration	-	2,900.00	2,895.14	(4.86)
Business Central Services	40,985.00	40,985.00	52,215.00	11,230.00
Operation of Plant	3,790,416.00	4,371,548.00	4,678,471.16	306,923.16
Security Services	-	-	-	-
Pupil Transportation	993,767.00	1,420,527.00	1,420,519.67	(7.33)
Food Service	95,000.00	41,697.00	41,696.97	(0.03)
Central Office Support Services	160,000.00	184,176.00	157,389.42	(26,786.58)
Other Supporting Services	-	-	-	-
Community Services	57,300.00	60,000.00	2,699.58	(57,300.42)
Capital Outlay	3,441,892.00	3,441,892.00	2,996,365.97	(445,526.03)
Debt Service:				
Principal	-	-	-	-
Interest and Charges	3,406,643.00	3,406,643.00	2,810,623.79	(596,019.21)
<b>TOTAL EXPENDITURES</b>	<b>12,639,073.00</b>	<b>13,530,384.00</b>	<b>12,580,154.20</b>	<b>(950,229.80)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>(646,524.00)</b>	<b>(1,513,645.00)</b>	<b>(335,410.55)</b>	<b>1,178,234.45</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	7,286,175.97	7,286,175.97	-
Sale of Other Property	-	-	27,886.86	27,886.86
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Contracted Educational Services	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>7,286,175.97</b>	<b>7,314,062.83</b>	<b>27,886.86</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(646,524.00)</b>	<b>5,772,530.97</b>	<b>6,978,652.28</b>	<b>1,206,121.31</b>
Fund Balance, July 1, 2015	8,518,385.05	8,518,385.05	8,518,385.05	-
<b>Fund Balance, June 30, 2016</b>	<b>\$ 7,871,861.05</b>	<b>\$ 14,290,916.02</b>	<b>\$ 15,497,037.33</b>	<b>\$ 1,206,121.31</b>

**Wentzville R-IV School District**  
**Budgetary Comparison Schedule - Modified Cash Basis**  
**All Governmental Funds**  
**For the Year Ended June 30, 2016**

	<b>Budgeted Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Local Sources	\$ 107,596,289.00	\$ 113,337,105.00	\$ 116,653,933.78	\$ 3,316,828.78
County Sources	2,885,000.00	2,885,000.00	3,234,396.43	349,396.43
State Sources	69,368,677.00	69,406,567.00	70,889,958.34	1,483,391.34
Federal Sources	6,525,949.00	6,994,912.00	6,460,446.34	(534,465.66)
<b>TOTAL REVENUES</b>	<b>186,375,915.00</b>	<b>192,623,584.00</b>	<b>197,238,734.89</b>	<b>4,615,150.89</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	97,300,756.00	96,957,503.00	93,731,912.34	(3,225,590.66)
Attendance	1,069,164.00	1,069,164.00	1,167,115.04	97,951.04
Guidance	4,816,732.00	4,822,132.00	4,839,526.70	17,394.70
Health, Psych Speech & Audio	2,262,447.00	2,238,206.00	2,034,241.18	(203,964.82)
Improvement of Instruction	2,932,915.00	3,173,410.00	2,843,066.83	(330,343.17)
Professional Development	551,105.00	606,537.00	530,544.34	(75,992.66)
Media Services	2,667,627.00	2,691,027.00	2,546,374.04	(144,652.96)
Board of Education Services	487,215.00	986,815.00	1,011,234.54	24,419.54
Executive Administration	811,199.00	811,199.00	830,721.09	19,522.09
Building Level Administration	8,174,744.00	8,243,258.00	8,088,246.46	(155,011.54)
Business Central Services	1,521,384.00	1,505,576.00	1,434,629.97	(70,946.03)
Operation of Plant	19,478,596.00	19,858,446.00	18,157,663.30	(1,700,782.70)
Security Services	1,130.00	1,130.00	267,028.92	265,898.92
Pupil Transportation	8,497,410.00	8,882,272.00	8,806,914.74	(75,357.26)
Food Service	6,280,881.00	6,147,881.00	5,644,909.03	(502,971.97)
Central Office Support Services	3,306,363.00	3,520,764.00	3,406,014.77	(114,749.23)
Other Support Services	-	-	-	-
Community Services	1,803,875.00	1,798,600.00	1,516,236.79	(282,363.21)
Capital Outlay	3,441,892.00	3,441,892.00	2,996,365.97	(445,526.03)
Debt Service:				
Principal	8,980,000.00	31,689,625.00	31,689,624.40	(0.60)
Interest and Charges	8,737,593.00	20,900,210.00	20,260,903.38	(639,306.62)
<b>TOTAL EXPENDITURES</b>	<b>183,123,028.00</b>	<b>219,345,647.00</b>	<b>211,803,273.83</b>	<b>(7,542,373.17)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>3,252,887.00</b>	<b>(26,722,063.00)</b>	<b>(14,564,538.94)</b>	<b>12,157,524.06</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Sale of Other Property	-	-	37,386.71	37,386.71
Refunding Bonds	-	29,336,393.00	29,336,393.00	-
Tuition from other Districts	-	-	25,682.30	25,682.30
Contracted Educational Services	-	-	72,795.79	72,795.79
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>29,336,393.00</b>	<b>29,472,257.80</b>	<b>135,864.80</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,252,887.00</b>	<b>2,614,330.00</b>	<b>14,907,718.86</b>	<b>12,293,388.86</b>
Fund Balance, July 1, 2015	69,677,749.74	69,677,749.74	69,677,749.74	-
<b>Fund Balance, June 30, 2016</b>	<b>\$ 72,930,636.74</b>	<b>\$ 72,292,079.74</b>	<b>\$ 84,585,468.60</b>	<b>\$ 12,293,388.86</b>

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
YEAR ENDED JUNE 30, 2016

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I. BUDGETS AND BUDGETARY ACCOUNTING

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

- A. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
- B. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- C. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
- D. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- E. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted on June 18, 2015, and as finally amended by the Board of Education on June 16, 2016.

- F. Budgets are adopted on the cash basis of accounting for all Governmental Funds.

WENTZVILLE R-IV SCHOOL DISTRICT  
OTHER POST-EMPLOYMENT BENEFITS  
YEAR ENDED JUNE 30, 2016

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OTHER POST-EMPLOYMENT BENEFITS

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program. For the year ended June 30, 2016, the District had 10 participants in this program with contributions totaling \$31,498.47.

In addition to the pension benefits described in Note VI, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand alone financial report is not available for the plan. During the year, approximately 277 retirees participated in the District's insurance plans and paid premiums totaling \$877,775.28.

## **STATE COMPLIANCE SECTION**



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the  
Board of Education  
Wentzville R-IV School District

### **Report on Compliance with State Requirements**

We have examined management's assertions that the Wentzville R-IV School District ("District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2016.

### **Management's Responsibility**

Management is responsible for the District's compliance with the aforementioned requirements.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination. Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, 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 examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

### **Opinion on Compliance with State Requirements**

In our opinion, management's assertions that the Wentzville R-IV School District complied with the aforementioned requirements for the year ended June 30, 2016, are fairly stated, in all material respects.

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

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 7, 2016

WENTZVILLE R-IV SCHOOL DISTRICT  
DISTRICT COUNTY NUMBER 096-110  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2016

I. CALENDAR (Sections 160.041 and 171.031, RSMo)

- A. Standard day length (SDL) – The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Kindergarten – Full Day	6.6000	SDL	Grades 1 – 5	6.6000	SDL
			Grades 6 – 8	6.6000	SDL
			Grades 9 - 12	6.5000	SDL

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

Kindergarten – Full Day	1,166.40	Hours	Grades 1 – 5	1,166.40	Hours
			Grades 6 – 8	1,124.00	Hours
			Grades 9 – 11	1,128.40	Hours
			Grades 12	1,080.50	Hours

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

Kindergarten – Full Day	178	Days	Grades 1 - 5	178	Days
			Grades 6 – 8	178	Days
			Grades 9 – 11	179	Days
			Grades 12	171	Days

II. AVERAGE DAILY ATTENDANCE (ADA)

REGULAR TERM	FULL-TIME & PART-TIME	REMEDIAL	TOTAL
Kindergarten – Full Day	1,115.8145	0.3479	1,116.1624
Grades 1-5	6,018.6332	7.9132	6,026.5464
Grades 6-8	3,328.2800	-	3,328.2800
Grades 9-12	3,938.6928	-	3,938.6928
SUBTOTAL REGULAR TERM	<u>14,401.4205</u>	<u>8.2611</u>	14,409.6816
SUMMER SCHOOL SUBTOTAL			<u>98.1008</u>
TOTAL REGULAR TERM PLUS SUMMER SCHOOL ADA			<u>14,507.7824</u>

WENTZVILLE R-IV SCHOOL DISTRICT  
DISTRICT COUNTY NUMBER 096-110  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2016

III. SEPTEMBER MEMBERSHIP

FULL TIME & PART TIME

SEPTEMBER MEMBERSHIP FTE COUNT 15,203

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

FULL-TIME AND PART-TIME

STATE FTE TOTAL

FREE	2,699
REDUCED	<u>563</u>

TOTAL	<u><u>3,262</u></u>
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V. FINANCE

- |    |   |                      |
|----|---|----------------------|
| A. | As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of .....  | <u>\$ 50,000</u>     |
| B. | The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.....   | <u>TRUE</u>          |
| C. | The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.....   | <u>TRUE</u>          |
| D. | Salaries reported for education in the October Core Data cycle are supported by payroll/contract records.....   | <u>TRUE</u>          |
| E. | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken..... | <u>TRUE</u>          |
| 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.....   | <u>TRUE</u>          |
| 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.....                       | <u>TRUE</u>          |
| H. | The amount spent for approved professional development committee plan activities was:.....  | <u>\$ 530,544.34</u> |

WENTZVILLE R-IV SCHOOL DISTRICT  
DISTRICT COUNTY NUMBER 096-110  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2016

VI. TRANSPORTATION (SECTION 163.161, RSMo)

A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.....	TRUE
B.	The District's school transportation ridership records are maintained in a manner 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.....	# 9,635.00
	• Ineligible ADT.....	# 521.00
D.	The District's transportation odometer mileage records are maintained in a manner as to accurately disclose in all material respects the eligible and ineligible mileage for the year.....	TRUE
E.	Actual odometer records show the total District-operated <u>and</u> contracted mileage for the year was:.....	# 1,936,042
	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was:	
	• Eligible Miles.....	# 1,689,148
	• Ineligible Miles (Non-Route/Disapproved).....	# 246,894
F.	Number of days the District operated the school transportation system during the regular school year:.....	179

WENTZVILLE R-IV SCHOOL DISTRICT  
SCHEDULE OF STATE FINDINGS  
YEAR ENDED JUNE 30, 2016

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I. CHAPTER 67 RSMO (BUDGET STATUTE)

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopts an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no state findings for the fiscal year ended June 30, 2016.

## **FEDERAL COMPLIANCE SECTION**



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
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CERTIFIED PUBLIC ACCOUNTANTS

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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*

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
Wentzville R-IV School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Wentzville R-IV School District ("District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2016.

***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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 from 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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 7, 2016



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education  
Wentzville R-IV School District

**Report on Compliance for Each Major Federal Program**

We have audited Wentzville R-IV School District's ("District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## Report on Internal Control Over Compliance

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

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

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

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

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ARNOLD, MISSOURI

November 7, 2016

**WENTZVILLE R-IV SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016**

<b>FEDERAL GRANTOR/ PASS-THROUGH</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH ENTITY NUMBER</b>	<b>PASSED-THROUGH TO SUBRECIPIENTS</b>	<b>TOTAL FEDERAL EXPENDITURES</b>
<b><u>Cash Federal Expenditures</u></b>				
<b>DEPARTMENT OF EDUCATION</b>				
Passed Through State Department of Elementary and Secondary Education				
Special Education Cluster				
Early Childhood Special Education	84.173A	092-089	\$ -	\$ 61,475.00
Special Education, Part B	84.027A	092-089	-	2,055,502.09
High Need Fund	84.027A	092-089	-	207,879.98
Special Education SWIS	84.027A	092-089	-	5,025.00
State-Wide Collaborative Work Initiative	84.027A	092-089	-	73,905.63
Early Childhood Special Education	84.027A	092-089	-	276,011.00
Total Special Education Cluster			-	2,679,798.70
Title I Cluster				
Title I Grants to Local Education Agencies	84.010A	092-089	-	864,019.77
Total Title I Cluster			-	864,019.77
Career and Technical Education - Basic Grants to States	84.048	092-089	-	200.00
Title III - LEP	84.365A	092-089	-	28,384.68
Title II, Part A - ESEA	84.367A	092-089	-	161,786.32
Grants for State Assessments and Related Activities	84.369A	092-089	-	290.67
<b>Total Department of Education</b>			-	<b>3,734,480.14</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through State Department of Elementary and Secondary Education				
Child Nutrition Cluster				
National School Lunch Program	10.555	092-089	-	1,753,352.05
National School Snack Program	10.555	092-089	-	11,301.04
National School Breakfast Program	10.553	092-089	-	314,616.03
Passed Through State Department Health and Senior Services				
Child and Adult Food Care Program	10.558	3M0300305	-	5,656.00
<b><u>Non-Cash Federal Expenditures</u></b>				
Passed Through State Department of Elementary and Secondary Education				
Donated Foods	10.555	092-089	-	191,721.91
<b>Total Child Nutrition Cluster</b>			-	<b>2,276,647.03</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ -</b>	<b>\$ 6,011,127.17</b>

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

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NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Wentzville R-IV School District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the cash basis of accounting.

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

<u>Federal Sources</u>	
General Fund	\$ 2,773,572.72
Special Revenue Fund	3,380,565.87
Debt Service Fund	282,788.75
Capital Projects Fund	23,519.00
	<u>\$ 6,460,446.34</u>

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles as applicable to the modified cash basis of accounting.

WENTZVILLE R-IV SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

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NOTE 6 -MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 – NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 8 – SUBRECIPIENTS

The District provided no federal awards to subrecipients during the year ended June 30, 2016.

WENTZVILLE R-IV SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? ☐ Yes ☒ No
  - b. Significant deficiency(ies) identified? ☐ Yes ☒ None Reported
3. Noncompliance material to financial statements noted? ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
  - a. Material weakness(es) identified? ☐ Yes ☒ No
  - b. Significant deficiency(ies) identified? ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No
4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster:
84.027A, 84.173A	Special Education Cluster
5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee? ☐ Yes ☒ No

WENTZVILLE R-IV SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

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II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2016.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

WENTZVILLE R-IV SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016

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I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2015.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2015.