

WEBB CITY R-VII SCHOOL DISTRICT

WEBB CITY, MISSOURI

BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2016

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INDEPENDENT AUDITORS' REPORT

Board of Education
Webb City R-VII School District
Webb City, Missouri

We have audited the basic financial statements of the governmental activities, the discretely presented component unit, and each major fund, of the Webb City R-VII School 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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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, the discretely presented component unit, and each major fund, of Webb City R-VII School District as of June 30, 2016, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note A.

Basis of Accounting

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

Disclaimer of Opinion on Supplementary 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 Management's Discussion and Analysis, pension information, and budgetary comparison information on pages 8-16 and 47-53, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Management's Discussion and Analysis, pension information, and budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 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 the 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.

Board of Education
Webb City R-VII School District
Webb City, Missouri

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webb City R-VII School District's basic financial statements. The data contained under Other Financial Information on pages 55-58, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The Other Financial Information on pages 55-58 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WEBB CITY R-VII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Our discussion and analysis of Webb City R-VII School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 18.

FINANCIAL HIGHLIGHTS

- Assets: Total net position was \$17,533,138 at June 30, 2016. This was an increase of \$1,444,530 over the prior year.
- Receipts and Disbursements: Total receipts were \$43,320,680 and disbursements were \$41,876,150.
- Balances: The Operating Fund (Funds 1 & 2) balance increased from \$6,058,507 to \$6,313,563. The Debt Service Fund (Fund 3) balance increased from \$4,645,775 to \$6,711,065. The Capital Projects Fund (Fund 4) decreased from \$2,076,475 to \$1,983,693.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the District's modified cash basis of accounting.

Report Components

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the District operations in more detail than the government-wide statements by providing information about the District's funds. These statements tell how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Supplementary Information: This Management's Discussion and Analysis, pension information, and budgetary comparison schedules represent additional financial information. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Other Financial Information: This part of the annual report includes optional financial information, which includes the Schedule of Receipts by Source and the Schedule of Disbursements by Object as well as schedules and reports required by the State and Federal Governments. This other financial information is provided to address certain needs of various users of the District's annual report.

Basis of Accounting

This District has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing receipts, disbursements, and their related assets and liabilities. The modification to the cash basis relates to the presentation of investments. Under the modified cash basis of accounting, receipts and disbursements and the related assets are recorded when they result from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or services provided yet not collected) and liabilities and their related expenditures (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Government-Wide Statement of Net Position and the Statement of Activities

Our financial analysis of the District as a whole begins on page 10. The government-wide financial statements are presented on pages 18-19. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets resulting from the use of the modified cash basis of accounting.

The statements report the District's net position and changes in them. Over time, increases and decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other non-financial factors, however; such as changes in the District tax base, attendance, and the condition of the District's facilities, to assess the overall health of the District.

The Statement of Activities is presented by its governmental functions which include instruction, student services, instructional staff support, building administration, general administration, operation of plant, transportation, food service, community services, facility acquisition and construction and debt service. The Statement of Activities shows the net cost of these functions before considering the general receipts of the District.

Fund Financial Statements

Our analysis of the District's funds begins on page 12. The fund financial statements begin on page 21 and provide detailed information about the District's funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for District programs.

General Fund: The General Fund of the District is used to account for all resources except those required to be accounted for in the Special Revenue, Debt Service, Capital Projects Fund, or Internal Service Fund.

Special Revenue Fund: Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Debt Service Fund: Accounts for receipts restricted, committed or assigned for the retirement of principal and interest on the District's general obligation bonds.

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Internal Service Fund: Accounts for the financing of goods and services provided by one department or agency to other departments or agencies of the District. The Internal Service Fund of the District is used to account for the health self insurance fund.

Fiduciary Fund: Accounts for assets and liabilities of the District's flex account. Fiduciary funds are custodial in nature and do not involve measurement of results of operations.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The District's net position, resulting from cash transactions, increased by \$1,444,530 between fiscal years 2015 and 2016.

WEBB CITY R-VII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Net Position – Modified Cash Basis

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 17,533,138	\$ 16,088,608
TOTAL ASSETS	<u>\$ 17,533,138</u>	<u>\$ 16,088,608</u>
NET POSITION		
Restricted for self insurance	\$ 2,524,817	\$ 3,307,851
Restricted for student activities	243,101	212,097
Restricted for debt service	6,711,065	4,645,775
Unrestricted	<u>8,054,155</u>	<u>7,922,885</u>
TOTAL NET POSITION	<u>\$ 17,533,138</u>	<u>\$ 16,088,608</u>

Changes in Net Position – Modified Cash Basis

For the year ended June 30, 2016, net position of the District, resulting from cash transactions, changed as follows:

	<u>2016</u>	<u>2015</u>
RECEIPTS		
<u>Program Receipts</u>		
Charges for services	\$ 1,173,719	\$ 1,164,802
Operating grants and contributions	4,333,691	4,392,200
Capital grants and contributions	287,125	6,047,941
<u>General Receipts</u>		
Ad valorem tax receipts	8,112,855	7,990,396
Prop C sales tax receipts	3,970,463	3,838,456
Other tax receipts	246,763	246,277
County receipts	763,085	706,895
State receipts	19,115,792	18,415,383
Interest receipts	461,408	567,118
Other receipts	40,779	28,282
<u>Special Items</u>		
Refunding bonds	4,815,000	4,625,000
Sale of bonds	-	3,000,000
TOTAL RECEIPTS	<u>43,320,680</u>	<u>51,022,750</u>

WEBB CITY R-VII SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2016

Changes in Net Position – Modified Cash Basis (continued)

	<u>2016</u>	<u>2015</u>
DISBURSEMENTS		
Instruction	22,228,992	21,615,455
Student services	1,134,918	1,113,829
Instructional staff support	2,550,213	2,322,211
Building administration	1,811,749	1,800,452
General administration	1,051,384	848,936
Operation of plant	3,131,312	3,045,162
Transportation	1,600,479	1,551,105
Food service	1,575,503	1,598,947
Community services	453,469	635,550
Facilities acquisition and construction	1,371,217	16,125,639
Debt service	4,966,914	3,331,426
	<u>41,876,150</u>	<u>53,988,712</u>
TOTAL DISBURSEMENTS		
INCREASE (DECREASE) IN NET POSITION	<u>\$ 1,444,530</u>	<u>\$ (2,965,962)</u>

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Receipts, Disbursements and Changes in Fund Balances – Modified Cash Basis. You will notice that disbursements are listed in the first column, with receipts from that particular activity reported to the right. The result is a Net (Disbursements)/Receipts. This type of format highlights the relative financial burden of each of the functions on the District’s taxpayers. It also identifies how much each function draws from the general receipts, or if it is self-financing through fees and grants. All other governmental receipts are reported as general. It is important to note that all taxes are classified as general receipts, even if restricted for a specific purpose.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Over the course of the year, the District revises its annual budget to reflect unexpected changes in receipts and disbursements. The final amendment to the budget was approved June 9, 2016. A schedule of the District’s original and final budget amounts compared with actual receipts and disbursements is provided in the supplemental section of the audited financial report.

- Assets: Total fund balance was \$15,008,321 at June 30, 2016, \$6,711,065 was restricted for debt service.
- Receipts and Disbursements: Total receipts were \$43,320,680 and disbursements were \$41,093,116.

WEBB CITY R-VII SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS (continued)

- Operating Fund: The Operating Fund (Funds 1 and 2) balance increased from \$6,058,507 to \$6,313,563. On June 30 unrestricted reserves amounted to 18.40% of total operating disbursements for the 2015-2016 fiscal year.
- Debt Service Fund: The Debt Service Fund (Fund 3) balance increased from \$4,645,775 to \$6,711,065.
- Capital Projects Fund: The Capital Projects Fund (Fund 4) balance decreased from \$2,076,475 to \$1,983,693.

FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL RESULTS

	Budget		Actual
	Original	Final	
RECEIPTS			
Local	\$ 8,747,493	\$ 9,632,494	\$ 10,115,084
County	450,000	600,000	600,463
State	373,260	653,260	1,048,914
Federal	1,121,226	1,281,226	1,705,258
Other	710,500	710,500	67,366
TOTAL RECEIPTS	\$ 11,402,479	\$ 12,877,480	\$ 13,537,085
DISBURSEMENTS			
Instruction	\$ 4,506,478	\$ 4,446,478	\$ 4,309,926
Student services	372,766	422,766	420,805
Instructional staff support	1,081,062	1,286,062	1,269,753
Building administration	358,840	348,840	355,513
General administration	644,914	594,914	552,731
Operation of plant	3,184,823	3,144,823	3,065,119
Transportation	1,466,419	1,416,409	1,403,737
Food service	1,615,486	1,535,486	1,542,008
Community services	280,829	315,829	362,437
TOTAL DISBURSEMENTS	\$ 13,511,617	\$ 13,511,607	\$ 13,282,029

WEBB CITY R-VII SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2016

Receipts

This reflects only the District's General Fund (Fund 1) and does not include the Special Revenue Fund (Fund 2). The District originally budgeted total receipts of \$11,402,479. Actual total receipts were \$13,537,085. This amounted to \$2,134,606 in receipts above the original budget.

The District's budget has historically reflected a conservative philosophy of management in order to protect the District from unanticipated changes in state and federal monies. The District amends the budget throughout the year as necessary to reflect actual results.

Disbursements

The original District budget had total disbursements at \$13,511,617 and actual disbursements were \$13,282,029. This amounted to \$229,588 less spending than anticipated in the original budget. The District amends the budget during the year to reflect changes occurring during the year to more closely reflect actual disbursements as they might change during the year. We were pleased that the District again held actual spending to an amount less than was authorized.

DEBT ADMINISTRATION

Long-Term Debt – Modified Cash Basis

The District uses the modified cash basis of accounting, which recognizes disbursements when paid in cash and receipts when collected in cash. Therefore, long-term debt of the District is not reflected in the financial statements. The following is a summary of long-term debt of the District for the years ended June 30, 2016, and 2015.

	June 30,	
	2016	2015
LONG-TERM DEBT		
General Obligation Bonds Payable	\$ 28,905,000	\$ 27,925,000
Leases Payable	108,846	167,202
TOTAL LONG-TERM DEBT	<u>\$ 29,013,846</u>	<u>\$ 28,092,202</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Funding Trends

As mentioned in last year's trends, the outlook for school funding in Missouri has continued to slowly progress forward. The November election, both Federal and the State of Missouri, will have an economic impact. These economic patterns have yet to be created; therefore, the future is suspect economically. I don't think anyone has a clear picture of what will happen. Inflation also continues to appear to be in check as economic growth and assessed valuations seem to be creeping forward. The housing market in Webb City continues to improve with new subdivisions being built. Despite continued Federal turmoil, I am optimistic about the future. At the state level, Missouri has over anticipated revenues and appears to be on track for budget withholdings this year. This translates into less confidence the state will be able to meet its obligations for funding the budget. Three items loom large for school funding; the first has to do with the willingness of the new Governor to fund education; the second is whether the legislature is willing and capable of finding more revenue for funding the budget; and thirdly, what impact the federal government will have on education in the next four years. FY16 was not a reassessment year and as a result the District did increase its assessed valuation by about 2%. This was due to an increase in real estate property and not personal property, which has a tendency to depreciate. Next year is a reassessment year and hopefully will yield continued growth of at least 1%. My fear remains in 2018, that increasing school funding while reducing revenue through tax breaks could be problematic in the future.

Discussion

The community, Board of Education, faculty and staff have every right to be proud of the accomplishments of the past two decades, and the fiscal efficiency they have achieved. While I believe as we pause and mentally scan the past two decades, we can find a great deal of satisfaction relative to any accomplishment; however, I do not believe that we should seek repose within those things. It remains my belief that we must challenge ourselves daily in the effort to assure that all our programs and services provide the highest level of service to all our students. We must therefore temper our expectations as to the rate that future improvements can be accomplished.

While the District is currently very secure financially, it continues to be imperative that we monitor very closely the financial position of the District as we have done in the past. Our sound financial position enabled the District to plan for FY16 without having to make cuts in staffing and programs. The District has maintained good cash balances, has paid off a lease purchase for facilities and has refinanced District debt. The District has also taken on the addition of seven tornado safe rooms for a cost estimated at \$20M. The revenues to support these projects come from three sources; \$8.7M from the federal government/FEMA, voter approved bonding of \$9M, and the remainder from the districts fund four reserve balances. These expenditures will cross over fiscal years FY15 and FY16. These projects have now been completed as scheduled and on budget. The District continues to grow by 1% per year which is good sustainable growth.

WEBB CITY R-VII SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

The State of Missouri is still in a slow economic recovery. There is rumor of addressing an underfunded formula; however, I would guess that any changes are at least two years away. I would anticipate education funding to increase slightly to the estimated \$80M to the formula. The financial impact of the Affordable Health Care Act also creates some level of anxiety because those costs seem to be difficult to calculate. As is always the case, the future is filled with uncertainty relative to fiscal unknowns. I believe that some of the clouds of discouragement have passed and we are able to look to the future with greater clarity. In the meantime, it will remain necessary that sound fiscal management practices be in place at all levels.

I commend and thank the Board of Education for being such dedicated partners in the ongoing pursuit of quality programs for all students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Superintendent of Schools, Dr. Anthony Rossetti at Webb City R-VII School District, 411 N. Madison, Webb City, Missouri, 64870; telephone: (417) 673-6000; e-mail: trossetti@wcr7.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WEBB CITY R-VII SCHOOL DISTRICT
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 June 30, 2016

	Governmental Activities	Component Unit Webb City R-VII School Foundation
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 17,533,138	\$ 1,014,212
TOTAL ASSETS	<u>\$ 17,533,138</u>	<u>\$ 1,014,212</u>
NET POSITION		
Restricted for self insurance	\$ 2,524,817	\$ -
Restricted for student activities	243,101	-
Restricted for debt service	6,711,065	-
Restricted - Webb City R-VII School Foundation	-	1,014,212
Unrestricted	8,054,155	-
TOTAL NET POSITION	<u>\$ 17,533,138</u>	<u>\$ 1,014,212</u>

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
Year Ended June 30, 2016

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Receipts and Changes in Net Position	Webb City R-VII School Foundation
Governmental Activities:						
Instruction	\$ (22,228,992)	\$ 694,516	\$ 2,437,339	\$ -	\$ (19,097,137)	
Student services	(1,134,918)	-	22,002	-	(1,112,916)	
Instructional staff support	(2,550,213)	-	-	-	(2,550,213)	
Building administration	(1,811,749)	-	-	-	(1,811,749)	
General administration	(1,051,384)	-	-	-	(1,051,384)	
Operation of plant	(3,131,312)	-	-	-	(3,131,312)	
Transportation	(1,600,479)	-	403,123	-	(1,197,356)	
Food service	(1,575,503)	408,951	1,090,799	-	(75,753)	
Community services	(453,469)	70,252	293,857	-	(89,360)	
Facilities acquisition and construction	(1,371,217)	-	-	287,125	(1,084,092)	
Debt service	(4,966,914)	-	86,571	-	(4,880,343)	
NET PROGRAM						
(DISBURSEMENTS) RECEIPTS	<u>\$ (41,876,150)</u>	<u>\$ 1,173,719</u>	<u>\$ 4,333,691</u>	<u>\$ 287,125</u>	(36,081,615)	
Component Unit						
Webb City R-VII School Foundation	<u>\$ (135,515)</u>	<u>\$ -</u>	<u>\$ 170,116</u>	<u>\$ -</u>		\$ 34,601
General Receipts:						
Ad valorem tax receipts					8,112,855	-
Prop C sales tax receipts					3,970,463	-
Other tax receipts					246,763	-
County receipts					763,085	-
State receipts					19,115,792	-
Interest receipts					461,408	15,923
Other receipts					40,779	-
TOTAL GENERAL RECEIPTS					32,711,145	15,923
Special Item:						
Refunding bonds					4,815,000	-
INCREASE IN NET POSITION					1,444,530	50,524
NET POSITION - Beginning of year					16,088,608	963,688
NET POSITION - End of year					<u>\$ 17,533,138</u>	<u>\$ 1,014,212</u>

See accompanying notes.

FUND FINANCIAL STATEMENTS

WEBB CITY R-VII SCHOOL DISTRICT
 STATEMENT OF ASSETS AND FUND BALANCES – GOVERNMENTAL FUNDS – MODIFIED CASH
 BASIS
 June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 6,313,563	\$ -	\$ 6,711,065	\$ 1,983,693	\$ 15,008,321
TOTAL ASSETS	<u>\$ 6,313,563</u>	<u>\$ -</u>	<u>\$ 6,711,065</u>	<u>\$ 1,983,693</u>	<u>\$ 15,008,321</u>
FUND BALANCES					
Restricted for:					
Student activities	\$ 243,101	\$ -	\$ -	\$ -	\$ 243,101
Debt service	-	-	6,711,065	-	6,711,065
Assigned to capital outlay	-	-	-	1,983,693	1,983,693
Unassigned	<u>6,070,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,070,462</u>
TOTAL FUND BALANCES	<u>\$ 6,313,563</u>	<u>\$ -</u>	<u>\$ 6,711,065</u>	<u>\$ 1,983,693</u>	15,008,321
RECONCILIATION TO STATEMENT OF NET POSITION					
Amounts reported for governmental activities in the statement of net position are different because:					
Self insurance net position				<u>2,524,817</u>	
TOTAL NET POSITION				<u>\$ 17,533,138</u>	

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
RECEIPTS					
Local	\$ 10,115,084	\$ 1,725,435	\$ 2,061,468	\$ 36,634	\$ 13,938,621
County	600,463	97,351	65,271	-	763,085
State	1,048,914	17,878,601	-	1,404,909	20,332,424
Federal	1,705,258	1,325,230	86,571	287,125	3,404,184
Other	67,366	-	-	-	67,366
TOTAL RECEIPTS	13,537,085	21,026,617	2,213,310	1,728,668	38,505,680
DISBURSEMENTS					
Instruction	4,309,926	17,133,114	-	2,918	21,445,958
Student services	420,805	714,113	-	-	1,134,918
Instructional staff support	1,269,753	1,083,469	-	196,991	2,550,213
Building administration	355,513	1,456,236	-	-	1,811,749
General administration	552,731	498,653	-	-	1,051,384
Operation of plant	3,065,119	-	-	66,193	3,131,312
Transportation	1,403,737	50,000	-	146,742	1,600,479
Food service	1,542,008	-	-	33,495	1,575,503
Community services	362,437	91,032	-	-	453,469
Facilities acquisition and construction	-	-	-	1,371,217	1,371,217
Debt service	-	-	4,963,020	3,894	4,966,914
TOTAL DISBURSEMENTS	13,282,029	21,026,617	4,963,020	1,821,450	41,093,116
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	255,056	-	(2,749,710)	(92,782)	(2,587,436)
OTHER FINANCING SOURCES					
Refunding bonds	-	-	4,815,000	-	4,815,000
TOTAL OTHER FINANCING SOURCES	-	-	4,815,000	-	4,815,000
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	255,056	-	2,065,290	(92,782)	2,227,564
FUND BALANCE, July 1, 2015	6,058,507	-	4,645,775	2,076,475	12,780,757
FUND BALANCE, June 30, 2016	<u>\$ 6,313,563</u>	<u>\$ -</u>	<u>\$ 6,711,065</u>	<u>\$ 1,983,693</u>	<u>\$ 15,008,321</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES					
Net change in fund balances - total governmental funds					\$ 2,227,564
(Deficit) of receipts over disbursements of the self insurance fund					(783,034)
Change in net position of governmental activities					<u>\$ 1,444,530</u>

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
 STATEMENT OF NET POSITION – PROPRIETARY FUND – MODIFIED CASH BASIS
 June 30, 2016

	<u>Internal Service Fund</u>
ASSETS	
Cash and cash equivalents	\$ 453,530
Investments	<u>2,071,287</u>
	TOTAL ASSETS
	<u>\$ 2,524,817</u>
NET POSITION	
Restricted for health claims	<u>\$ 2,524,817</u>

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – PROPRIETARY
FUND – MODIFIED CASH BASIS
Year Ended June 30, 2016

	<u>Internal Service Fund</u>
RECEIPTS	
Contributions	\$ 2,927,706
Reinsurance	-
	<u>2,927,706</u>
	TOTAL RECEIPTS
	2,927,706
DISBURSEMENTS	
Insurance claims	3,216,243
Premiums	446,419
Administration	62,359
	<u>3,725,021</u>
	TOTAL DISBURSEMENTS
	3,725,021
	OPERATING (LOSS)
	(797,315)
NONOPERATING RECEIPTS	
Interest receipts	14,282
	<u>14,282</u>
	TOTAL NONOPERATING RECEIPTS
	14,282
	NET (LOSS)
	(783,034)
NET POSITION, July 1, 2015	<u>3,307,851</u>
NET POSITION, June 30, 2016	<u><u>\$ 2,524,817</u></u>

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – MODIFIED CASH BASIS
Year Ended June 30, 2016

	Internal Service Fund
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from contributions	\$ 2,927,706
Receipts from reinsurance	-
Payment of claims	(3,216,243)
Payments for insurance premiums	(446,419)
Payment of administrative costs	<u>(62,359)</u>
	NET CASH (USED) BY OPERATING ACTIVITIES
	(797,315)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	14,282
Maturity of investments	<u>(13,215)</u>
	NET CASH PROVIDED BY INVESTING ACTIVITIES
	1,067
	NET (DECREASE) IN CASH
	(796,249)
CASH AND CASH EQUIVALENTS, July 1, 2015	<u>1,249,779</u>
CASH AND CASH EQUIVALENTS, June 30, 2016	<u><u>\$ 453,530</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating (loss)	<u>\$ (797,315)</u>
	NET CASH (USED) BY OPERATING ACTIVITIES
	<u><u>\$ (797,315)</u></u>

See accompanying notes.

WEBB CITY R-VII SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY FUND ASSETS AND LIABILITIES – MODIFIED CASH BASIS
 June 30, 2016

	<u>Flex Plan Agency Fund</u>
ASSETS	
Restricted cash and cash equivalents	\$ 34,186
TOTAL ASSETS	<u>\$ 34,186</u>
LIABILITIES	
Due to others	\$ 34,186
TOTAL LIABILITIES	<u>\$ 34,186</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the modified cash basis of accounting, which is characteristic of local governmental units of this type.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is a primary government, which is governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America, the District has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The Webb City R-VII School Foundation has been included as a component unit based upon the significance of the operational and financial relationship with the District. The District is not aware of any entity for which the District would be considered as a component unit of that entity.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except fiduciary funds. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts and disbursements. The District has governmental funds, an internal service fund, and a fiduciary fund. The funds of the District are all considered major funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The funds presented in the accompanying basic financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund - Accounts for disbursements for non-certified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund - Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Debt Service Fund - Accounts for receipts restricted, committed or assigned for the retirement of principal and interest on the District's general obligation bonds.

Capital Projects Fund - Accounts for taxes and other receipts restricted, committed or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Internal Service Fund - Accounts for the financing of goods and services provided by one department or agency to other departments or agencies of the District. The Internal Service Fund of the District is used to account for the health self insurance fund.

Fiduciary Fund - Accounts for assets held by the District in a trustee capacity or as an agent for individuals. The District's Fiduciary Fund is an agency fund accounting for a flex account. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting

Primary Government

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net position/fund equity, receipts, and disbursements when they result from cash transactions. The modification to the cash basis relates to the presentation of investments. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Component Unit

The Foundation follows a modified-cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As such, certain financial account recognition and presentation features are different from the modified-cash basis of accounting followed by the District. The primary difference is investments carried at fair value, determined using quoted market prices.

Capital Outlay

General fixed assets are recorded as disbursements in the Capital Projects Fund at the time the goods received are paid for.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as disbursements in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Teachers' Salaries

The salary payment schedule of the District for the 2015-2016 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2016 payroll checks are included in the financial statements as disbursements in the month of June. This practice has been consistently followed in previous years.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool of cash and investments with the exception of the Debt Service Fund, which is kept in separate accounts. Investments of the pooled accounts consist primarily of certificates of deposit and U.S. Treasury notes, carried at cost, which approximates market.

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted”.

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance – This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance – This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2016, all bank balances on deposit were entirely insured or collateralized with securities.

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE C – INVESTMENTS

Primary Government

Investments of the District as of June 30, 2016, were as follows:

Investment Type	Maturity	Amount
Pro-rata shares of investment contracts with BOK Financial	N/A	\$ 680,293
Missouri Securities Investment Program - Cash Management Funds	N/A	938,847
Missouri Securities Investment Program - Certificates of Deposit	10/21/2016 to 11/14/2016	1,981,000
Missouri Securities Investment Program - Term	7/6/2016	6,000,000
U.S. Treasury Notes (SLGS) held by First Bank of Missouri	9/1/2016 to 3/1/2018	5,188,762
		<u>\$ 14,788,902</u>

Investment Contracts with BOK Financial

Funds on deposit with BOK Financial are invested in investment contracts in which the District has a pro-rata share of the investment contract. The investment contracts are in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service. Fair market value approximates cost.

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2016, all certificates of deposit are entirely insured or collateralized with securities.

Missouri Securities Investment Program

District funds in the Missouri Securities Investment Program are invested in cash management funds in which the District has a pro-rata share. The funds are invested in accordance with Section 165.051 of the Missouri Revised Statutes and the cash management fund has a current rating of AAAM. Fair market value approximates cost.

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE C – INVESTMENTS (continued)

U.S. Treasury Notes

District funds in US Treasury Notes (SLGS) are from the bond refunding dated April 12, 2016. These investments are held in irrevocable trust accounts with First Bank of Missouri and will be used to refund bonds on March 1, 2018. The funds are invested in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes. Fair market value approximates cost.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits the Districts investment portfolio to maturities of approximately one year with the exception of funds held in trust for advance refundings. Investments are generally held to maturity to limit interest rate risk.

Webb City R-VII School Foundation

Investments are recorded at fair value on a recurring basis during the year ended June 30, 2016, using quoted prices in active markets.

Investments at June 30, 2016, consisted of the following:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of deposits	7/24/2016 to 4/24/2017	\$ 40,088
Government bonds held by Arvest Asset Management	N/A	500,134
		<u>\$ 540,222</u>

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments but are considered deposits for custodial risk determination. State statutes require that the District’s deposits be collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2016, all certificates of deposit are entirely insured.

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE C – INVESTMENTS (continued)

Government Bonds

Funds held by Arvest Asset Management are U.S. Government Bonds with various maturities. Fair market value of the U.S. Government Bonds as of June 30, 2016, was \$500,011.

NOTE D – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a waiver of the rollback provision. The District has voted a full waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2015 for purposes of local taxation was:

Real estate	\$ 178,902,470
Personal property	<u>56,696,890</u>
	<u><u>\$ 235,599,360</u></u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.75	\$ 2.75
Debt Service Fund	<u>.68</u>	<u>.68</u>
TOTAL LEVY	<u><u>\$ 3.43</u></u>	<u><u>\$ 3.43</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2016, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

WEBB CITY R-VII SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE E – GENERAL OBLIGATION BONDS PAYABLE

General Obligation Bonds payable at June 30, 2016, consist of:

\$5,000,000 general obligation bond issue dated May 15, 2008, due in varying annual installments through March 1, 2028; interest at 4.0% to 5.0%.	\$ 5,000,000
\$582,000 Build America Recovery Zone Economic Development Bond issue dated June 30, 2010, due in varying annual installments through March 1, 2010; interest at 6.0%.	582,000
\$1,418,000 qualified school construction bond (QSCB) issue dated June 30, 2010, due in varying annual installments through March 1, 2027; interest at 5.9%.	1,418,000
\$5,200,000 general obligation school refunding bond issue dated March 1, 2012, due in varying annual installments through March 1, 2023; interest at 1.15% to 2.0%.	4,500,000
\$6,000,000 general obligation bond issued dated September 10, 2013, due in varying annual installments through March 1, 2033; interest at 4.25% to 4.50%.	6,000,000
\$7,625,000 general obligation refunding bond issue dated September 24, 2014, due in varying annual installments through March 1, 2034; interest at 2.0% to 4.0%.	6,590,000
\$4,815,000 general obligation refunding bond issue dated April 12, 2016, due in varying annual installments through March 1, 2028; interest at 3.0%.	4,815,000
	<u>\$ 28,905,000</u>

WEBB CITY R-VII SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE E – GENERAL OBLIGATION BONDS PAYABLE (continued)

The following is a summary of bond transactions for the year ended June 30, 2016:

Bonds Payable, July 1, 2015	\$ 27,925,000
Bonds issued	4,815,000
Bonds retired	<u>(3,835,000)</u>
Bonds Payable, June 30, 2016	<u><u>\$ 28,905,000</u></u>

Debt service requirements are:

Year Ended June 30,	Principal	Interest	Interest Rebate	Principal Intercepts	Total
2017	\$ 800,000	\$ 1,032,356	\$ (93,137)	\$ -	\$ 1,739,219
2018	5,950,000	1,024,807	(93,137)	-	6,881,670
2019	1,090,000	798,682	(93,137)	-	1,795,545
2020	910,000	780,432	(93,137)	100,000	1,697,295
2021	975,000	762,882	(93,137)	100,000	1,744,745
2022	1,060,000	742,732	(93,137)	100,000	1,809,595
2023	1,150,000	716,082	(93,137)	100,000	1,872,945
2024	1,240,000	686,082	(93,137)	150,000	1,982,945
2025	1,365,000	645,382	(93,137)	100,000	2,017,245
2026	1,390,000	600,532	(93,137)	200,000	2,097,395
2027	950,000	558,832	(93,137)	568,000	1,983,695
2028	1,107,000	446,670	(15,714)	-	1,537,956
2029	1,450,000	411,000	(13,500)	-	1,847,500
2030	1,450,000	345,000	(6,750)	-	1,788,250
2031	1,700,000	279,000	-	-	1,979,000
2032	1,700,000	208,000	-	-	1,908,000
2033	1,700,000	134,000	-	-	1,834,000
2034	1,500,000	60,000	-	-	1,560,000
	<u>\$ 27,487,000</u>	<u>\$ 10,232,471</u>	<u>\$ (1,060,471)</u>	<u>\$ 1,418,000</u>	<u>\$ 38,077,000</u>

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE E – GENERAL OBLIGATION BONDS PAYABLE (continued)

The interest and principal accumulation deposits on the Series QSCB issue will be intercepted under the Missouri Direct Deposit Program guidelines. The District will be partially reimbursed for the interest payments by the U.S. Treasury. The principal accumulation intercepts of various amounts per year beginning on March 1, 2020, are intercepted by DESE over a ten month period. On March 1 of each year those funds are to be transferred to First Bank of Missouri and deposited in the principal account of the bond fund. On March 1, 2027, the principal accumulation deposits will pay off \$1,418,000 Series 2010 QSCB issue in full.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2016, was:

Constitutional debt limit	\$ 35,339,904
General obligation bonds payable	(28,905,000)
Amount available in Debt Service Fund	<u>6,711,065</u>
LEGAL DEBT MARGIN	<u><u>\$ 13,145,969</u></u>

NOTE F – RETIREMENT PLANS

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

Financial reporting information included in the notes to the financial statements pertaining to the District’s participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as applicable to the District’s modified cash basis of accounting.

The financial statements were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

NOTE F – RETIREMENT PLANS (continued)

General Information about the Pension Plan

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 Sections 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.

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.

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 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 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.

NOTE F – RETIREMENT PLANS (continued)

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.

Summary Plan descriptions detailing the provisions of the plans can be found on the Systems’ website at www.psr-peers.org.

Cost-of-Living Adjustments (“COLA”). The Board of Trustees 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 PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015 and 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.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015 and 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 PSRS and PEERS were \$2,481,717 and \$437,064, respectively, for the year ended June 30, 2016.

NOTE F – RETIREMENT PLANS (continued)

Pension Liability

At June 30, 2016, the District had a liability of \$21,226,807 for its proportionate share of PSRS' net pension liability and \$2,203,952 for its proportionate share of PEERS' net pension liability. In total the District had a net pension liability of \$23,430,759. The net pension liability for the plans 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 paid to PSRS and PEERS of \$2,414,385 and \$428,612, respectively, for the year ended June 30, 2015, relative to the actual contributions of \$656,578,122 for PSRS and \$102,864,099 for PEERS from all participating employers. At June 30, 2015, the District's proportionate share was 0.3677% for PSRS and 0.4167% for PEERS.

Actuarial Assumptions

Actuarial valuations of the Systems 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 – 2.50%
- Total Payroll Growth
 - PSRS – 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.
 - PEERS – 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
 - PSRS – 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%.
 - PEERS – 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%.

NOTE F – RETIREMENT PLANS (continued)

- Cost-Of-Living Increases
 - PSRS – 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.
 - PEERS – 2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.
- Mortality Assumption:
 - Actives
 - PSRS – RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
 - PEERS – RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
 - Non-Disabled Retirees, Beneficiaries and Survivors
 - PSRS – RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
 - PEERS – RP 2000 Mortality Table set forward one year for males and no set back/forward for females, then projected to 2016 using Scale AA.
 - Disabled Retirees
 - PSRS – RP 2000 Disabled Mortality Table
 - PEERS – 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 – The Systems issue a publicly available financial report that can be obtained at www.psr-peers.org.
- Expected Rate of Return – The long-term expected rate of return on the Systems' 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 the Systems' 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 cashflows.

NOTE F – RETIREMENT PLANS (continued)

- 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 the Systems’ 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 Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.
- 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.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Return Arithmetic Basis</u>	<u>Weighted Long-Term Expected Real Return Arithmetic Basis</u>
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>		4.78%
		Inflation	2.50%
		Long-term arithmetical nominal return	7.28%
		Effect of covariance matrix	0.81%
		Long-term expected geometric return	<u>8.09%</u>

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE F – RETIREMENT PLANS (continued)

PSRS

Discount Rate	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Proportionate share of the Net Pension Liability / (Asset)	\$ 39,039,959	\$ 21,226,807	\$ 6,265,744

PEERS

Discount Rate	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Proportionate share of the Net Pension Liability / (Asset)	\$ 4,449,416	\$ 2,203,952	\$ 305,606

NOTE G – CLAIMS AND ADJUSTMENTS

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2016, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE H – RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

WEBB CITY R-VII SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE I – SELF INSURANCE FUND

The District has established a partially self-funded health benefit plan for District employees and their covered dependents to minimize the total cost of medical health insurance to the District. This program is for the benefit of all District employees covered under the Webb City R-VII Schools Employee Health Care Plan. Medical claims exceeding an individual participant limit of \$90,000 are covered through a private insurance carrier. The program is administered by Benefit Management, Inc. which provides claims review, processing and payment of claims from the health insurance fund. The District established an Internal Service Fund to account for these activities.

NOTE J – COMPENSATED ABSENCES PAYABLE

Employees earn ten sick days annually and the unused portion is accumulated and carried forward to a maximum of 150 days. Upon retirement, eligible employees are reimbursed 15 percent of the final daily salary rate times the number of unused sick days accumulated. The liability for accumulated sick leave payable at June 30, 2016, amounted to \$592,046.

NOTE K – POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note F, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subjected to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

NOTE L – LEASE PURCHASE

In August 2013, the District entered into a lease purchase agreement to finance the purchase of three school buses in the amount of \$246,660. The 3.45% lease is being repaid with annual payments of \$58,356 through September 20, 2017.

WEBB CITY R-VII SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE L – LEASE PURCHASE (continued)

The following is a schedule of future minimum payments for the lease:

Year Ended June 30,	Lease Payments
2017	\$ 58,356
2018	58,356
TOTAL MINIMUM LEASE PAYMENTS	116,712
LESS AMOUNT REPRESENTING INTEREST	(7,866)
NET LEASE PAYMENTS	<u>\$ 108,846</u>

NOTE M – BOND REFUNDING

On April 12, 2016, the District issued \$4,815,000 in general obligation and refunding bonds with interest at 3%. The District used the refunding bond proceeds to purchase U.S. Government Securities. The securities were deposited in an irrevocable trust and will be used to pay Series 2008 bonds on March 1, 2018. The Series 2008 bonds had interest ranging from 4% to 5%, These Series 2008 bonds are not considered defeased at June 30, 2016.

As a result of the refunding, the District reduced its total debt service requirements by \$752,550, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$651,536.

SUPPLEMENTARY INFORMATION

WEBB CITY R-VII SCHOOL DISTRICT
 SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – PSRS AND PEERS
 Year Ended June 30, 2016

Public School Retirement System (PSRS)

<u>Year Ended *</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2015	0.3626%	\$ 14,875,938	\$ 16,197,661	91.84%	89.34%
6/30/2016	0.3677%	21,226,807	16,749,712	126.73%	85.78%

Public Education Employee Retirement System (PEERS)

<u>Year Ended *</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2015	0.4068%	\$ 1,485,495	\$ 5,932,775	25.04%	91.33%
6/30/2016	0.4167%	2,203,952	6,247,971	35.27%	88.28%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

*The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the District's fiscal year.

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULES OF EMPLOYER CONTRIBUTIONS – PSRS AND PEERS
Year Ended June 30, 2016

Public School Retirement System (PSRS)

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 2,275,242	\$ 2,275,242	\$ -	\$ 15,761,280	14.44%
6/30/2014	2,335,088	2,335,088	-	16,197,661	14.42%
6/30/2015	2,414,385	2,414,385	-	16,749,712	14.48%
6/30/2016	2,481,717	2,481,717	-	17,175,233	14.44%

Public Education Employee Retirement System (PEERS)

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess / (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 391,047	\$ 391,047	\$ -	\$ 5,700,396	6.86%
6/30/2014	406,988	406,988	-	5,932,775	6.86%
6/30/2015	428,612	428,612	-	6,247,971	6.86%
6/30/2016	437,064	437,064	-	6,371,201	6.86%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

WEBB CITY R-VII SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
RECEIPTS				
Local	\$ 8,747,493	\$ 9,632,494	\$ 10,115,084	\$ 482,590
County	450,000	600,000	600,463	463
State	373,260	653,260	1,048,914	395,654
Federal	1,121,226	1,281,226	1,705,258	424,032
Other	710,500	710,500	67,366	(643,134)
TOTAL RECEIPTS	11,402,479	12,877,480	13,537,085	659,605
DISBURSEMENTS				
Instruction	4,506,478	4,446,478	4,309,926	136,552
Student services	372,766	422,766	420,805	1,961
Instructional staff support	1,081,062	1,286,062	1,269,753	16,309
Building administration	358,840	348,840	355,513	(6,673)
General administration	644,914	594,914	552,731	42,183
Operation of plant	3,184,823	3,144,823	3,065,119	79,704
Transportation	1,466,419	1,416,409	1,403,737	12,672
Food service	1,615,486	1,535,486	1,542,008	(6,522)
Community services	280,829	315,829	362,437	(46,608)
TOTAL DISBURSEMENTS	13,511,617	13,511,607	13,282,029	229,578
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(2,109,138)	(634,127)	255,056	889,183
FUND BALANCE, July 1, 2015	6,000,000	6,000,000	6,058,507	58,507
FUND BALANCE, June 30, 2016	<u>\$ 3,890,862</u>	<u>\$ 5,365,873</u>	<u>\$ 6,313,563</u>	<u>\$ 947,690</u>

WEBB CITY R-VII SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
RECEIPTS				
Local	\$ 1,729,521	\$ 1,254,521	\$ 1,725,435	\$ 470,914
County	50,000	100,000	97,351	(2,649)
State	17,818,220	18,218,220	17,878,601	(339,619)
Federal	1,498,073	1,523,073	1,325,230	(197,843)
Other	25,000	25,000	-	(25,000)
TOTAL RECEIPTS	21,120,814	21,120,814	21,026,617	(94,197)
DISBURSEMENTS				
Instruction	17,722,550	17,557,550	17,133,114	424,436
Student services	706,339	706,339	714,113	(7,774)
Instructional staff support	926,261	1,071,261	1,083,469	(12,208)
Building administration	1,482,472	1,502,472	1,456,236	46,236
General administration	283,192	283,192	498,653	(215,461)
Transportation	-	-	50,000	(50,000)
Community services	-	-	91,032	(91,032)
TOTAL DISBURSEMENTS	21,120,814	21,120,814	21,026,617	94,197
EXCESS OF RECEIPTS				
OVER DISBURSEMENTS	-	-	-	-
FUND BALANCE, July 1, 2015	-	-	-	-
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ -	\$ -

WEBB CITY R-VII SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
RECEIPTS				
Local	\$ 1,503,507	\$ 1,503,507	\$ 2,061,468	\$ 557,961
County	50,000	50,000	65,271	15,271
Federal	-	-	86,571	86,571
TOTAL RECEIPTS	<u>1,553,507</u>	<u>1,553,507</u>	<u>2,213,310</u>	<u>659,803</u>
DISBURSEMENTS				
Debt service	<u>4,808,183</u>	<u>5,008,183</u>	<u>4,963,020</u>	<u>45,163</u>
TOTAL DISBURSEMENTS	<u>4,808,183</u>	<u>5,008,183</u>	<u>4,963,020</u>	<u>45,163</u>
(DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	(3,254,676)	(3,454,676)	(2,749,710)	704,966
OTHER FINANCING SOURCES				
Refunding bonds	<u>-</u>	<u>4,815,000</u>	<u>4,815,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>4,815,000</u>	<u>4,815,000</u>	<u>-</u>
EXCESS (DEFICIT) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS	(3,254,676)	1,360,324	2,065,290	704,966
FUND BALANCE, July 1, 2015	<u>4,655,000</u>	<u>4,655,000</u>	<u>4,645,775</u>	<u>(9,225)</u>
FUND BALANCE, June 30, 2016	<u>\$ 1,400,324</u>	<u>\$ 6,015,324</u>	<u>\$ 6,711,065</u>	<u>\$ 695,741</u>

WEBB CITY R-VII SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
RECEIPTS				
Local	\$ 13,000	\$ 13,000	\$ 36,634	\$ 23,634
State	1,412,909	1,412,909	1,404,909	(8,000)
Federal	250,000	250,000	287,125	37,125
TOTAL RECEIPTS	1,675,909	1,675,909	1,728,668	52,759
DISBURSEMENTS				
Instruction	230,000	15,000	2,918	12,082
Instructional staff support	550,000	550,000	196,991	353,009
General administration	3,000	3,000	-	3,000
Operation of plant	15,000	40,000	66,193	(26,193)
Transportation	150,000	150,000	146,742	3,258
Food service	25,000	15,000	33,495	(18,495)
Facilities acquisition and construction	700,932	1,400,932	1,371,217	29,715
Debt service	-	-	3,894	(3,894)
TOTAL DISBURSEMENTS	1,673,932	2,173,932	1,821,450	352,482
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	1,977	(498,023)	(92,782)	405,241
FUND BALANCE, July 1, 2015	2,000,000	2,000,000	2,076,475	76,475
FUND BALANCE, June 30, 2016	\$ 2,001,977	\$ 1,501,977	\$ 1,983,693	\$ 481,716

WEBB CITY R-VII SCHOOL DISTRICT
NOTE TO BUDGETARY COMPARISON SCHEDULES
June 30, 2016

Budgets and Budgetary Accounting

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

- 1) In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
- 2) Prior to July, the superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- 3) 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.
- 4) Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
- 5) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
- 6) Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing receipts when collected and disbursements when paid.

OTHER FINANCIAL INFORMATION

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE
Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
LOCAL					
Current taxes	\$ 6,264,676	\$ -	\$ 1,549,083	\$ -	\$ 7,813,759
Delinquent taxes	239,800	-	59,296	-	299,096
School district trust fund (Prop C)	2,247,587	1,722,876	-	-	3,970,463
Financial institution tax	10,197	-	-	-	10,197
M & M surtax	235,508	-	-	-	235,508
In lieu of tax	1,058	-	-	-	1,058
Earnings on investments	5,772	2,559	451,572	1,505	461,408
Food service program	367,232	-	-	-	367,232
Food service non-program	41,719	-	-	-	41,719
Student activities	627,150	-	-	-	627,150
Community services	70,252	-	-	-	70,252
Other - from local sources	4,133	-	1,517	35,129	40,779
TOTAL LOCAL	10,115,084	1,725,435	2,061,468	36,634	13,938,621
COUNTY					
Fines, escheats, etc.	-	97,351	-	-	97,351
State assessed utilities	600,463	-	65,271	-	665,734
TOTAL COUNTY	600,463	97,351	65,271	-	763,085
STATE					
Basic formula - state monies	-	17,513,302	-	-	17,513,302
Transportation	278,304	-	-	-	278,304
Early childhood special education	239,332	358,999	-	-	598,331
Basic formula - classroom trust fund	197,581	-	-	1,404,909	1,602,490
Educational screening program	158,162	-	-	-	158,162
Career education	9,781	6,300	-	-	16,081
Food service	13,570	-	-	-	13,570
High need fund	130,182	-	-	-	130,182
Social worker grant	22,002	-	-	-	22,002
TOTAL STATE	1,048,914	17,878,601	-	1,404,909	20,332,424

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE (continued)
Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
FEDERAL					
Medicaid	102,370	-	-	-	102,370
ROTC	-	65,223	-	-	65,223
Perkins basic grant, career education	52,682	-	-	-	52,682
IDEA grants	15,562	-	-	-	15,562
IDEA entitlements	-	668,776	-	-	668,776
Early childhood special education	-	95,600	-	-	95,600
School lunch program	803,199	-	-	-	803,199
School breakfast program	208,778	-	-	-	208,778
Special milk program	3,047	-	-	-	3,047
ESEA, Title I	452,665	355,665	-	-	808,330
ESEA, Title III	4,750	-	-	-	4,750
ESEA, Title II, Part A	-	139,966	-	-	139,966
Federal emergency management agency (FEMA)	-	-	-	287,125	287,125
Dept. of health food service program	62,205	-	-	-	62,205
Interest Subsidy - Federal	-	-	86,571	-	86,571
TOTAL FEDERAL	1,705,258	1,325,230	86,571	287,125	3,404,184
OTHER SOURCES					
Refunding bonds	-	-	4,815,000	-	4,815,000
Tuition from other districts	67,366	-	-	-	67,366
TOTAL OTHER SOURCES	67,366	-	4,815,000	-	4,882,366
TOTAL RECEIPTS	\$ 13,537,085	\$ 21,026,617	\$ 7,028,310	\$ 1,728,668	\$ 43,320,680

The Schedule of Receipts by Source agrees to the Annual Secretary of the Board Report.

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT
Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Salaries	\$ 5,867,499	\$ 16,708,850	\$ -	\$ -	\$ 22,576,349
Teacher retirement	1,699	2,481,728	-	-	2,483,427
Non-teacher retirement	437,199	-	-	-	437,199
Social security	357,371	17,806	-	-	375,177
Medicare	79,947	231,467	-	-	311,414
Employee insurance	815,946	1,112,834	-	-	1,928,780
Tuition	-	473,932	-	-	473,932
Professional services	241,853	-	-	-	241,853
Audit	25,250	-	-	-	25,250
Technical services	33,944	-	-	-	33,944
Legal services	10,789	-	-	-	10,789
Property services	579,981	-	-	-	579,981
Travel	87,408	-	-	-	87,408
Property insurance	108,269	-	-	-	108,269
Fidelity premium	71,801	-	-	-	71,801
Other purchased services	93,333	-	-	-	93,333
General supplies	2,964,890	-	-	-	2,964,890
Library books	160,149	-	-	-	160,149
Food service	685,084	-	-	-	685,084
Energy supplies	636,599	-	-	-	636,599
Other Supplies	23,018	-	-	-	23,018
Buildings	-	-	-	1,016,398	1,016,398
Improvement to sites	-	-	-	227,422	227,422
Equipment - general	-	-	-	276,934	276,934
School buses	-	-	-	146,742	146,742
Vehicles	-	-	-	22,663	22,663
Other capital outlay	-	-	-	127,397	127,397
Principal	-	-	3,835,000	-	3,835,000
Interest	-	-	1,061,320	3,894	1,065,214
Other	-	-	66,700	-	66,700
TOTAL DISBURSEMENTS	\$ 13,282,029	\$ 21,026,617	\$ 4,963,020	\$ 1,821,450	\$ 41,093,116

WEBB CITY R-VII SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 Year Ended June 30, 2016

	<u>District Owned</u>
Certified salaries	\$ 50,000
Non-certified salaries	811,470
Employee benefits	265,412
Purchased services	48,299
Supplies	153,737
Depreciation	<u>124,148</u>
	<u>\$ 1,453,066</u>
School bus lease	
Principal	<u>\$ 54,462</u>
Interest	<u>\$ 3,894</u>
School bus purchased	<u>\$ 92,280</u>



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

Board of Education
Webb City R-VII School District
Webb City, Missouri

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, each major fund, and the discretely presented component unit of Webb City R-VII School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Webb City R-VII School District's basic financial statements and have issued our report thereon dated December 2, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Webb City R-VII School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Education
Webb City R-VII School District
Webb City, Missouri

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 a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webb City R-VII School 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 Report

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2016



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

Board of Education
Webb City R-VII School District
Webb City, Missouri

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Webb City R-VII School District's major federal program 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 Webb City R-VII School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

Member of The Leading Edge Alliance

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Webb City R-VII School 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 Webb City R-VII School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine 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 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.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2016

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	2015IN109943	\$ -	\$ 44,038
	10.553	2016N109943	-	164,739
			-	208,777
Special Milk Program	10.556	2015IN109943	-	544
	10.556	2016N109943	-	2,503
			-	3,047
National School Lunch - Cash	10.555	2015IN109943	-	159,005
	10.555	2016N109943	-	644,194
			-	803,199
- Commodities	10.555	049-144	-	151,847
Missouri Department of Health and Senior Services				
Child Nutrition Cluster				
Summer School Food Service Program	10.559	ERS0462044S	-	65,565
TOTAL U.S. DEPARTMENT OF AGRICULTURE				1,232,435
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs	84.010	S010A140025	-	3,507
	84.010	S010A150025	-	816,355
			-	819,862
Supporting Effective Instruction State Grant	84.367	S367A150024	-	139,966
English Language Acquisition State Grants	84.365	S365A140025	-	11,411
	84.365	S365A150025	-	16,334
			-	27,745
Career and Technical Education - Basic Grants to States	84.048	V048A140025	-	2,682
	84.048	V048A150025	-	53,853
			-	56,535
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A140040	-	12,766
	84.027	H027A150040	-	751,198
			-	763,964
Special Education Preschool Grants	84.173	H173A150103	-	15,974
TOTAL U.S. DEPARTMENT OF EDUCATION				779,938
TOTAL U.S. DEPARTMENT OF EDUCATION				1,824,046

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Year Ended June 30, 2016

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency Hazard Mitigation Grant	97.039	FEMA-DR-1980-MO	-	287,125
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	287,125
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Direct ROTC Salary Reimbursement	12.112	N/A	-	65,408
TOTAL U.S. DEPARTMENT OF DEFENSE			-	65,408
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,409,014

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note A to the District's financial statements.
2. Commodities, non-cash assistance of \$151,847, received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
3. The District did not provide funds to subrecipients in the current year.
4. The District elected not to use the 10% de minimis indirect cost rate.

WEBB CITY R-VII SCHOOL DISTRICT
 SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2016

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified: _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified: _____ yes X none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

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

Identification of major federal programs:

CFDA Number(s)
 10.553, 10.555, 10.556 & 10.559
 84.027 & 84.173

Name of Federal
Program or Cluster
 Child Nutrition Cluster
 Special Education Grants Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

WEBB CITY R-VII SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016

There were no prior audit findings.

SUPPLEMENTARY STATE INFORMATION



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

Board of Education
Webb City R-VII School District
Webb City, Missouri

We have examined management's assertions that Webb City R-VII School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2016. Management is responsible for the Webb City R-VII School District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence about the Webb City R-VII School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Webb City R-VII School District's compliance with specified requirements.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.

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

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
December 2, 2016

www.kpmcpa.com

1445 E. Republic Road Springfield, MO 65804 | 417-882-4300 | fax 417-882-4343
500 W. Main Street, Suite 200 Branson, MO 65616 | 417-334-2987 | fax 417-336-3403

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WEBB CITY R-VII SCHOOL DISTRICT 049-144
 SCHEDULE OF SELECTED STATISTICS
 Year Ended June 30, 2016

1. 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 were as follows:

Grades K-4	6.6667
Grades 5-6	6.5833
Grades 7-8	6.5167
Grades 9-12	6.1000

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

Kindergarten – Grade 12	1,056.40
-------------------------	----------

C. The number of days classes were in session and pupils were under the direction of the teachers during this school year was 175.

2. Average Daily Attendance (ADA)

Average Daily Attendance:

Regular term:

Full-time kindergarten – Grade 12	3,983.55
Remedial	<u>10.08</u>
Total regular term	3,993.63

Summer school average daily attendance	<u>112.62</u>
--	---------------

Total Average Daily Attendance	<u><u>4,106.25</u></u>
--------------------------------	------------------------

3. September Membership

September Membership FTE Count	<u><u>4,187.00</u></u>
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4. Free and Reduced Price Lunch FTE Count (Section 163.011(6), RSMo)

State FTE Total	Free	1,563.00
	Reduced	<u>306.00</u>
	Total	<u><u>1,869.00</u></u>

WEBB CITY R-VII SCHOOL DISTRICT 049-144
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2016

5. Finance

- A. A bond, as required by Section 162.401, RSMo, has been purchased for the District treasurer in the amount of \$100,000.
- B. The District's deposits were adequately secured during the year as required by Sections 110.010 and 110.020 RSMo.
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011 RSMo.
- D. Salaries reported for educators in the October core data cycle are supported by payroll/contract records.
- E. The District did not make a 7% x SAT x WADA transfer.
- F. The District published a summary of the 2014-2015 audit report within thirty days of receipt of the audit, pursuant to Section 165.121, RSMo.
- 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.
- H. The amount spent for approved professional development committee plan activities was \$199,218.

There were no findings noted above.

6. 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.
- B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.
- C. Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 2,308.00 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was -0-.
- D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.

WEBB CITY R-VII SCHOOL DISTRICT 049-144
SCHEDULE OF SELECTED STATISTICS (continued)
Year Ended June 30, 2016

6. Transportation (Section 163.161, RSMo) (continued)

E. Actual odometer records show the total District operated and contracted mileage for the year was 334,535. Of this total, the eligible non-disabled and students with disabilities route miles were 244,427 and the ineligible non-route and disapproved miles combined were 90,108.

F. The District operated the school transportation system for 175 days during this school year.

There were no findings noted above.