

INDEPENDENT AUDITOR'S REPORT

Board of Education
Valley R-VI School District
Caledonia, Missouri

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Valley R-VI School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's 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 cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis of accounting 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of Valley R-VI School District as of June 30, 2015 and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Report on Supplementary and Other Information

Our audit was performed for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's financial statements. The accompanying budgetary comparison information, Schedule of Expenditures by Object – Cash Basis and Management's Discussion and Analysis are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison information and the Schedule of Expenditures by Object – Cash Basis presented on pages 26 to 29 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 financial statements or to the 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 financial statements as a whole on the basis of accounting described in Note 1.

Management's Discussion and Analysis on pages 3 to 8 has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Catlett & Associates, LLC

Saint Peters, Missouri
November 13, 2015

Valley R-VI School District
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis
All Governmental Funds
Year Ended June 30, 2015

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|--|-------------------------|-------------------------------------|--------------------------------------|---------------------|
| CASH RECEIPTS | | | | |
| Local | \$ 935,436 | \$ 216,293 | \$ 157,178 | \$ 1,308,907 |
| County | 292,348 | 9,497 | 88,168 | 390,013 |
| State | 681,004 | 1,763,893 | - | 2,444,897 |
| Federal | 198,841 | 173,852 | - | 372,693 |
| Other | 16,528 | 109,148 | - | 125,676 |
| TOTAL CASH RECEIPTS | <u>2,124,157</u> | <u>2,272,683</u> | <u>245,346</u> | <u>4,642,186</u> |
| CASH DISBURSEMENTS | | | | |
| Current | | | | |
| Instruction | 291,628 | 1,848,996 | - | 2,140,624 |
| Attendance and social work services | 28,948 | 58,697 | - | 87,645 |
| Guidance | 2,536 | 77,880 | - | 80,416 |
| Health services | 30,152 | - | - | 30,152 |
| Improvement of instruction | 1,990 | - | - | 1,990 |
| Professional development | 26,938 | 3,894 | - | 30,832 |
| Media services | 74,088 | 82,697 | - | 156,785 |
| Board of Education services | 36,757 | - | - | 36,757 |
| Executive administration | 100,664 | 99,892 | 1,098 | 201,654 |
| Building level administration | 40,026 | 88,138 | 3,294 | 131,458 |
| Operation of plant | 508,701 | - | 30,878 | 539,579 |
| Security services | 4,551 | - | - | 4,551 |
| Pupil transportation | 244,310 | 11,411 | - | 255,721 |
| Food service | 224,421 | - | - | 224,421 |
| Community services | 17,569 | 1,078 | - | 18,647 |
| Capital outlay | - | - | 96,447 | 96,447 |
| Debt service | | | | |
| Principal | - | - | 184,653 | 184,653 |
| Interest and other charges | - | - | 23,634 | 23,634 |
| TOTAL CASH DISBURSEMENTS | <u>1,633,279</u> | <u>2,272,683</u> | <u>340,004</u> | <u>4,245,966</u> |
| Cash receipts in excess of (less than) cash disbursements | 490,878 | - | (94,658) | 396,220 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the sale of property | - | - | 200 | 200 |
| Fund balance, beginning of year | <u>1,636,486</u> | <u>-</u> | <u>779,690</u> | <u>2,416,176</u> |
| Fund balance, end of year | <u>\$ 2,127,364</u> | <u>\$ -</u> | <u>\$ 685,232</u> | <u>\$ 2,812,596</u> |

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