

**WEBSTER GROVES SCHOOL DISTRICT  
BOARD OF EDUCATION ITEM OF CONSIDERATION**

**DATE: September 24, 2015**

**TOPIC/PROPOSAL: 2014-2015 Financial Statements**

**BACKGROUND INFORMATION:**

The WGSD Board of Education approved Clifton, Larson, Allen LLP to conduct an independent audit of the Webster Groves School District. This audit was conducted between June and September, 2015. The audit found no material concerns regarding the District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures as well as attendance and pupil transportation records and other statutory requirements.

**INSTRUCTIONAL IMPACT/RATIONALE:**

The audit provides an independent analysis and opinion regarding the fiscal operations of the school district.

**CSIP/DISTRICT GOAL ADDRESSED:**

CSIP Goal 7 – The district will maximize the use of district resources.

**FISCAL NOTE**

The cost of the independent audit is expected to be \$12,500.00.

**ADMINISTRATIVE RECOMMENDATION:**

- **Action Requested:**  **X**
- **Information:**
- **Proposed Motion for Approval (if applicable):**

I move that the Board of Education approve the audit as presented by Clifton, Larson, Allen LLP

**PREPARED BY:** Dr. Diane Moore

**Motion:** \_\_\_\_\_ **Second:** \_\_\_\_\_

**Board Vote:**  (yes)  (no)  (abstain)  (Consent Agenda)

9/24/2015

**WEBSTER GROVES SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2015**

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2015**

**FINANCIAL AND SINGLE AUDIT SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>STATEMENT OF NET POSITION – CASH BASIS</b>	<b>13</b>
<b>STATEMENT OF ACTIVITIES – CASH BASIS</b>	<b>14</b>
<b>STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM CASH TRANSACTIONS – GOVERNMENTAL FUNDS</b>	<b>15</b>
<b>RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE (CASH BASIS) TO NET POSITION (CASH BASIS) OF GOVERNMENTAL ACTIVITIES</b>	<b>16</b>
<b>STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE – CASH BASIS –GOVERNMENTAL FUNDS</b>	<b>17</b>
<b>RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CASH BASIS) TO THE STATEMENT OF ACTIVITIES (CASH BASIS)</b>	<b>18</b>
<b>STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE BUDGET TO ACTUAL – GENERAL FUND AND SPECIAL REVENUE FUND</b>	<b>19</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>21</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>1 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>33</b>
<b>2 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE     BUDGET TO ACTUAL– DEBT SERVICE FUND AND CAPITAL PROJECTS FUND</b>	<b>35</b>
<b>3 SCHEDULE OF RECEIPTS BY SOURCE – ALL GOVERNMENTAL FUNDS – CASH     BASIS</b>	<b>37</b>
<b>4 SCHEDULE OF DISBURSEMENTS BY OBJECT</b>	<b>39</b>
<b>INDEPENDENT AUDITOR'S 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</b>	<b>40</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>	<b>42</b>

**WEBSTER GROVES SCHOOL DISTRICT  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>44</b>
<b>INDEPENDENT AUDITORS' REPORT ON TRANSPORTATION COSTS ELIGIBLE FOR STATE AID</b>	<b>46</b>
<b>SCHEDULE OF TRANSPORTATION DISBURSEMENTS</b>	<b>47</b>
<b>REPORT ON COMPLIANCE WITH STATE REQUIREMENTS</b>	<b>48</b>
<b>SCHEDULE OF SELECTED STATISTICS</b>	<b>49</b>

DRAFT

## INDEPENDENT AUDITORS' REPORT

Board of Education  
Webster Groves School District  
Webster Groves, Missouri

### ***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the entity'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 cash basis of accounting described in Note 1; this includes determining that the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities and each major fund of the Webster Groves School District as of June 30, 2015, and the respective changes in financial position – cash basis, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund – cash basis for the year then ended, on the basis of accounting described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which 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 opinion is not modified with respect to that matter.

**Other Matters**

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District's basic financial statements. Management 's discussion and analysis and the Schedule of Receipts, Disbursements and Changes in Fund Balance - Budget to Actual - Debt Service Fund and Capital Projects Fund, the Schedule of Receipts by Source – All Governmental Funds, the Schedule of Disbursements Paid by Object are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Receipts, Disbursements and Changes in Fund Balance - Budget to Actual - Debt Service Fund and Capital Projects Fund, the Schedule of Receipts by Source – All Governmental Funds, the Schedule of Disbursements Paid by Object 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Education  
Webster Groves School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2015, on our consideration of the Webster Groves School 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 result 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 Webster Groves School District's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 18, 2015

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

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

**Financial Highlights**

The School District of Webster Groves GASB 34 reporting model for fiscal year ended June 30, 2015 will include an analysis with comparative data between year ending June 30, 2015 and June 30, 2014.

Key financial highlights for 2015 are as follows:

- ❖ The District's financial status, as reflected in total net position is \$39,510,438. The District had a beginning net position balance of \$41,632,842 which produced a fiscal year decrease of \$2,122,404. The restricted Net Position balance encompasses balance reserved from bond issue sales. Below is a reflection of net position changes from 2014 to 2015.

	2015	2014
<b>NET POSITION</b>		
Restricted	\$ 22,226,600	\$ 25,399,272
Unrestricted	17,283,838	16,233,570
Total Net Position	\$ 39,510,438	\$ 41,632,842

- ❖ The School District had \$63,824,935 in disbursements; \$7,524,902 of the disbursements was offset by program specific charges for services, grants or contributions. General receipts (primarily taxes) of \$54,177,630, along with receipts for operating grants and contributions and escrow funds adequately provided for these programs. Shown below is a two year comparison:

	2015	2014
Charges, Operating Grants, and Contributions	\$ 7,524,902	\$ 7,000,920
All Other Disbursements		
Salaries, Benefits, Supplies, Equipment, etc.	56,300,033	57,843,676
Total Disbursements	\$ 63,824,935	\$ 64,844,596

- ❖ Total assets of governmental activities were valued at \$39,626,307. Current assets include cash and cash held in escrow by Trustee.

	2015	2014
<b>ASSETS</b>		
Current	\$ 39,626,307	\$ 41,986,561
Total Assets	\$ 39,626,307	\$ 41,986,561

- ❖ The District's current assets decreased by \$2,360,254 from last year due to a crossover refunding resulting in a large increase in the escrow account balance.



**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**Financial Highlights (Continued)**

- ❖ Total liabilities were \$115,869. These liabilities are Payroll Deductions and Withholdings.

<b>LIABILITIES</b>	2015	2014
Current	\$ 115,869	\$ 353,719
Total Liabilities	\$ 115,869	\$ 353,719

- ❖ The District is reporting a July 1, 2014 beginning Fund Balance of \$41,632,842 and has a June 30, 2015 ending fund balance of \$39,510,438. The decrease of \$2,122,404 is primarily due to the payment of bonds.
- ❖ Among major funds, the Operating Funds, (General, Special, and Capital Projects) had \$57,484,780 in receipts and \$57,721,056 in disbursements. The School District transferred \$12,919,612 from the General Fund to the Special Revenue (Teachers) Fund and transferred \$703,127 from the General Fund to the Capital Projects Fund. The Operating Fund's balance was \$17,156,344 as of June 30, 2015.
- ❖ Debt Service Fund had \$4,217,752 in receipts and \$6,103,879 in disbursements. The Debt Service Fund's balance decreased \$1,886,127 for fiscal year ending June 30, 2015 due to continuing payments on bonds.

**Using the Other Comprehensive Basis of Accounting (OCBOA)**

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities are presented on pages 13 and 14. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District of Webster Groves as a whole looks at all financial transactions and asks the question, "How did we do financially during school year 2014-2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the cash basis of accounting which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District of Webster Groves as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not.

In the Statement of Net Position and the Statement of Activities, the School District of Webster Groves reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to: instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District of Webster Groves does not have any business-like activities.

**Reporting the School District of Webster Groves Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District of Webster Groves major funds begins on page 15. Fund financial reports provide detailed information about the District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund, and Capital Projects Fund.

**Governmental Funds**

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These statements include all significant assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting (OCBOA) than Generally Accepted Accounting Principles. Under this basis of accounting, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**The School District of Webster Groves as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2015 and 2014.

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current and Other Assets	\$ 39,626,307	\$ 41,986,561
Total Assets	<u>39,626,307</u>	<u>41,986,561</u>
<b>LIABILITIES</b>		
Current	<u>115,869</u>	<u>353,719</u>
Total Liabilities	<u>115,869</u>	<u>353,719</u>
<b>NET POSITION</b>		
Restricted	22,226,600	25,399,272
Unrestricted	<u>17,283,838</u>	<u>16,233,570</u>
Total Net Position	<u>\$ 39,510,438</u>	<u>\$ 41,632,842</u>

Total assets of governmental activities were valued at \$39,626,307. The District reports on cash basis accounting.

Total liabilities at June 30, 2015, were \$115,869. This was a decrease of \$237,850. Unrestricted net position totals \$17,283,838. The District has restricted net position of \$22,226,600 to comply with requirements imposed by the State of Missouri. This balance is restricted for future General Obligation Bond payments. The District also has restricted net position of \$944,894 for purposes of construction.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**The School District of Webster Groves as a Whole (Continued)**

Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District are reported at Table 2 shows the changes in net position for fiscal year 2015.

	2015	2014
<b>RECEIPTS</b>		
Charges for Services	\$ 5,585,355	\$ 5,095,025
Operating Grants and Contributions	1,939,547	1,905,895
General Receipts:		
Property and Fair Share Taxes	46,109,797	46,115,237
Grants and Entitlements	6,605,166	6,438,552
Interest and Investment Earnings	70,316	10,582
Bond Proceeds	-	7,440,000
Bond Premium	-	729,657
Other	1,392,351	1,481,183
Total Receipts	61,702,532	69,216,131
<b>PROGRAM DISBURSEMENTS</b>		
Instruction	33,849,152	34,029,509
Student Services	2,554,703	2,396,459
Instructional Staff Support	1,561,079	1,514,942
Building Administration	4,016,531	3,795,410
General Administration and Central Services	3,333,414	3,261,468
Operation of Plant	6,971,019	6,742,733
Transportation	264,816	251,028
Food Service	1,157,696	874,789
Community Services	2,306,546	2,266,856
Facility Acquisition and Construction	1,052,257	3,638,775
Debt Service and Fiscal Charges	6,757,722	6,072,627
Total Disbursements	63,824,935	64,844,596
<b>CHANGE IN POSITION</b>	\$ (2,122,403)	\$ 4,371,535

**Governmental Activities**

General receipts accounted for \$54,177,630 or 88 percent of all receipts. General receipts are composed primarily of receipts from taxes of \$46,109,797. Other sources of general receipts are federal and state aid not restricted for specific purposes of \$6,605,166, Interest and Investment Earnings of \$70,316, and Miscellaneous other sources of \$1,392,351.

Program specific receipts in the form of charges for services, operating grants and contributions accounted for \$7,524,902 or 12 percent of total receipts of \$61,702,532.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**Governmental Activities (Continued)**

The School District of Webster Groves had \$63,824,935 in disbursements; \$7,524,902 of these disbursements was offset by program specific charges for services, grants or contributions. General receipts (primarily taxes) of \$54,177,630, along with the offset of program specific receipts and escrow accounts for bond payments allowed the District to have adequate resources to provide for these programs.

Disbursements for instruction and student services account for 57 percent of total district disbursements at \$36,403,855. Disbursements for student support services, administration, facility improvements, and facility construction account for the majority of remaining disbursements at \$27,421,080 or 43 percent.

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

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 33,849,152	\$ (29,942,547)	\$ 34,029,509	\$ (30,289,450)
Student Services	2,554,703	(2,554,703)	2,396,459	(2,396,459)
Instructional Staff Support	1,561,079	(1,438,507)	1,514,942	(1,374,758)
Building Administration	4,016,531	(4,016,531)	3,795,410	(3,795,410)
General Administration and Central Services	3,333,414	(3,333,414)	3,261,468	(3,261,468)
Operation of Plant	6,971,019	(6,971,019)	6,742,733	(6,742,733)
Transportation	264,816	(260,271)	251,028	(243,987)
Food Service	1,157,696	83,322	874,789	316,421
Community Services	2,306,546	(56,384)	2,266,856	(344,430)
Facility Acquisition and Construction	1,052,257	(1,052,257)	3,638,775	(3,638,775)
Debt Service and Fiscal Charges	6,757,722	(6,757,722)	6,072,627	(6,072,627)
Total Disbursements	<u>\$ 63,824,935</u>	<u>\$ (56,300,033)</u>	<u>\$ 64,844,596</u>	<u>\$ (57,843,676)</u>

- ❖ Instruction disbursements include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.
- ❖ Student Services include guidance and counseling, health services, as well as the cost of student attendance reporting.
- ❖ Instructional Staff Support includes the activities involved with assisting staff with the content and process of teaching to pupils.
- ❖ Building Administration includes the cost of salaries and benefits for building level principals and office support staff.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**Governmental Activities (Continued)**

- ❖ General Administration and Central Services includes disbursements associated with administrative and financial supervision of the District. It also includes disbursements related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.
- ❖ Operations of Plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.
- ❖ Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.
- ❖ Food Services include the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.
- ❖ Community Services includes disbursements related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.
- ❖ Facility Acquisition and Construction includes disbursements for land or existing buildings; improvements of grounds; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.
- ❖ Debt Service and Fiscal Charges involve the transactions associated with the payment of principal, interest and other related charges to debt of the School District.

The dependence upon tax receipts is apparent. Over 80 percent of instructional activities are supported through taxes and other general receipts. Any fluctuation in local tax revenue will significantly affect the District's operating activities. The community, as a whole, is the primary support for the School District of Webster Groves. Having no additional revenue available from the State of Missouri, reinforces the School District's essential reliance upon future property taxes.

**The School District's Funds**

Information about the School District's major funds starts on page 15. These funds are accounted for using the cash basis of accounting. All governmental funds had total receipts of \$61,702,532 and disbursements of \$63,824,935. The net change in the fund balance total for the year was a decrease of \$2,122,403. The General (Incidental) Fund net change in fund balance was an increase of \$1,050,268. The Debt Service net change in fund balance was a decrease of \$1,886,127. The Capital Projects Fund net change in fund balance was a decrease of \$1,286,544 due to expenses incurred in Proposition W. The Special Revenue Fund (Teachers) received a transfer of funds from the General Fund (Incidental) to cover the expenses incurred.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Missouri law and is based on accounting for certain transaction on the cash basis accounting method which recognizes cash receipts and disbursements.

During the course of the fiscal year 2015, the School District of Webster Groves amended its budget two times, which resulted in a total budget decrease of \$32,621 in receipts and a decrease of \$454,655 in disbursements.

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

**Capital Assets**

The District has chosen to exclude monies invested in land, buildings, furniture and equipment and vehicles from the cash basis financial statements.

**Debt Administration**

At June 30, 2015, the School District of Webster Groves had \$78,618,280 general obligation bonds, due in varying amounts with interest rate charges over 20 years. The purpose of each debt project was for facility additions and improvements.

	2015	2014
2006 General Obligation Bonds	\$ 22,035,000	\$ 23,390,000
2007 General Obligation Bonds	4,209,280	4,530,000
2010A General Obligation Bonds	2,300,000	3,260,000
2010B General Obligation Bonds	18,900,000	18,900,000
2010C General Obligation Bonds	4,254,000	4,254,000
2012A General Obligation Bonds	9,595,000	9,595,000
2013A General Obligation Bonds	9,885,000	9,885,000
2014A General Obligation Bonds	7,440,000	7,440,000
Total	<u>\$ 78,618,280</u>	<u>\$ 81,254,000</u>

At June 30, 2015, the School District's overall legal debt margin was \$105,134,127 and the current debt was \$78,618,280.

**WEBSTER GROVES SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

**Current Financial Issues and Concerns**

The School District of Webster Groves is financially stable. The District is proud of its community support for the public schools. As the preceding information shows, the School District of Webster Groves will continue to provide quality programs with little increase in District disbursements for instructional cost.

Due to the current school finance formula of the State of Missouri, the School District must continue to rely heavily upon local revenues to sustain current programs. The District has not recognized any meaningful growth in state revenue for several years.

The Webster Groves School District has committed itself to financial excellence. The District's system of financial planning, budgeting, and internal financial controls are well regarded and the District will continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Dr. Diane Moore, Assistant Superintendent of Finance/Chief Financial Officer at School District of Webster Groves, 400 East Lockwood, Webster Groves, Missouri, 63119.

DRAFT



**WEBSTER GROVES SCHOOL DISTRICT  
STATEMENT OF NET POSITION – CASH BASIS  
JUNE 30, 2015**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 17,399,707
Restricted Assets:	
Cash	449,038
Cash in Escrow	874,550
Investments in Escrow	<u>20,903,012</u>
Total Assets	<u>39,626,307</u>
<b>LIABILITIES</b>	
Payroll Deductions and Withholdings	<u>115,869</u>
Total Liabilities	<u>115,869</u>
<b>NET POSITION</b>	
Restricted for:	
Debt Service	21,281,706
Capital Projects	944,894
Unrestricted	<u>17,283,838</u>
Total Net Position	<u><u>\$ 39,510,438</u></u>

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES – CASH BASIS  
YEAR ENDED JUNE 30, 2015**

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Position
				Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instruction	\$ 33,849,152	\$ 2,525,428	\$ 1,381,177	\$ (29,942,547)
Student Services	2,554,703	-	-	(2,554,703)
Instructional Staff Support	1,561,079	-	122,572	(1,438,507)
Building Administration	4,016,531	-	-	(4,016,531)
General Administration and Central Services	3,333,414	-	-	(3,333,414)
Operation of Plant	6,971,019	-	-	(6,971,019)
Transportation	264,816	-	4,545	(260,271)
Food Service	1,157,696	809,765	431,253	83,322
Community Services	2,306,546	2,250,162	-	(56,384)
Facility Acquisition and Construction	1,052,257	-	-	(1,052,257)
Debt Service and Fiscal Charges	6,757,722	-	-	(6,757,722)
	<u>\$ 63,824,935</u>	<u>\$ 5,585,355</u>	<u>\$ 1,939,547</u>	<u>(56,300,033)</u>
<b>GENERAL RECEIPTS:</b>				
Taxes				
Property Taxes, Levied for General Purposes				26,888,606
Property Taxes, Levied for Instruction				14,718,280
Property Taxes, Levied for Debt Services				4,057,889
Property Taxes, Levied for Capital Projects				445,022
Federal and State Aid Not Restricted to Specific Purposes				
General				5,906,683
State Assessed Utilities				698,483
Interest and Investment Earnings				70,316
Miscellaneous				1,392,351
Subtotal, General Receipts				<u>54,177,630</u>
Change in Net Position				(2,122,403)
Net Position - Beginning				<u>41,632,841</u>
<b>NET POSITION - ENDING</b>				<u><u>\$ 39,510,438</u></u>

See accompanying Notes to Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM  
CASH TRANSACTIONS - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>Governmental Fund Types</u>				<u>Total</u>
	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<b>ASSETS</b>					
<b>ASSETS</b>					
Cash	\$ 17,272,213	\$ -	\$ -	\$ 127,494	\$ 17,399,707
Restricted Assets:					
Cash	-	-	(495,856)	944,894	449,038
Cash in Escrow	-	-	874,550	-	874,550
Investments in Escrow	-	-	20,903,012	-	20,903,012
Total Assets	<u>\$ 17,272,213</u>	<u>\$ -</u>	<u>\$ 21,281,706</u>	<u>\$ 1,072,388</u>	<u>\$ 39,626,307</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Payroll Deductions and Withholdings	115,869	\$ -	\$ -	\$ -	\$ 115,869
Total Liabilities	<u>115,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,869</u>
<b>FUND BALANCE</b>					
Restricted:					
Debt Service	-	-	21,281,706	-	21,281,706
Capital Projects	-	-	-	944,894	944,894
Assigned, For:					
Capital Projects	-	-	-	127,494	127,494
Unassigned	17,156,344	-	-	-	17,156,344
Total Fund Balance	<u>17,156,344</u>	<u>-</u>	<u>21,281,706</u>	<u>1,072,388</u>	<u>39,510,438</u>
Total Liabilities and Fund Balance	<u>\$ 17,272,213</u>	<u>\$ -</u>	<u>\$ 21,281,706</u>	<u>\$ 1,072,388</u>	<u>\$ 39,626,307</u>

See accompanying Notes to Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE (CASH BASIS)  
TO NET POSITION (CASH BASIS) OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2015**

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

Total Fund Balance - Cash Basis - Governmental Funds	\$ 39,510,438
There are no reconciling items	<u>-</u>
Total Net Position - Governmental Activities	<u><u>\$ 39,510,438</u></u>

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN**  
**FUND BALANCE – CASH BASIS – GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
<b>RECEIPTS</b>					
Local	\$ 33,178,249	\$ 15,026,466	\$ 4,116,869	\$ 445,022	\$ 52,766,606
County	387,963	248,700	100,883	9,108	746,654
State	998,018	5,858,412	-	-	6,856,430
Federal	941,629	-	-	-	941,629
Other	-	391,213	-	-	391,213
Total Receipts	<u>35,505,859</u>	<u>21,524,791</u>	<u>4,217,752</u>	<u>454,130</u>	<u>61,702,532</u>
<b>DISBURSEMENTS</b>					
Instruction	5,152,520	28,441,719	-	254,913	33,849,152
Student Services	1,042,863	1,511,840	-	-	2,554,703
Instructional Staff Support	371,611	1,050,692	-	138,776	1,561,079
Building Administration	1,486,884	2,529,647	-	-	4,016,531
General Administration and Central Services	2,876,521	415,102	-	41,791	3,333,414
Operation of Plant	6,693,867	335	-	276,817	6,971,019
Transportation	264,816	-	-	-	264,816
Food Service	1,123,235	-	-	34,461	1,157,696
Community Services	1,814,709	490,869	-	968	2,306,546
Facility Acquisition and Construction	-	-	-	1,052,257	1,052,257
Debt Service and Fiscal Charges	5,826	4,199	6,103,879	643,818	6,757,722
Total Disbursements	<u>20,832,852</u>	<u>34,444,403</u>	<u>6,103,879</u>	<u>2,443,801</u>	<u>63,824,935</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	14,673,007	(12,919,612)	(1,886,127)	(1,989,671)	(2,122,403)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer From	(13,622,739)	-	-	-	(13,622,739)
Transfer To	-	12,919,612	-	703,127	13,622,739
Total Other Financing Sources (Uses)	<u>(13,622,739)</u>	<u>12,919,612</u>	<u>-</u>	<u>703,127</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,050,268	-	(1,886,127)	(1,286,544)	(2,122,403)
<b>FUND BALANCE - JULY 1, 2014</b>	<u>16,106,076</u>	<u>-</u>	<u>23,167,833</u>	<u>2,358,932</u>	<u>41,632,841</u>
<b>FUND BALANCE - JUNE 30, 2015</b>	<u>\$ 17,156,344</u>	<u>\$ -</u>	<u>\$ 21,281,706</u>	<u>\$ 1,072,388</u>	<u>\$ 39,510,438</u>

See accompanying Notes to Financial Statements.

**WEBSTER GROVES SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CASH BASIS)  
TO THE STATEMENT OF ACTIVITIES (CASH BASIS)  
YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balance - Cash Basis - Governmental Funds	\$ (2,122,403)
There are no reconciling items	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ (2,122,403)</u></u>

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – GENERAL FUND AND SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2015**

	<b>General (Incidental) Fund</b>			<b>Variance with Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>RECEIPTS</b>				
Local	\$ 32,649,480	\$ 33,178,249	\$ 33,178,249	\$ -
County	320,000	387,963	387,963	-
State	1,701,000	998,018	998,018	-
Federal	868,000	941,629	941,629	-
Other	-	-	-	-
<b>Total Receipts</b>	<b>35,538,480</b>	<b>35,505,859</b>	<b>35,505,859</b>	<b>-</b>
<b>DISBURSEMENTS</b>				
Instruction	6,240,613	5,152,520	5,152,520	-
Student Services	1,016,028	1,042,863	1,042,863	-
Instructional Staff Support	341,668	371,611	371,611	-
Building Administration	1,588,084	1,486,884	1,486,884	-
General Administration and Central Services	2,783,129	2,876,521	2,876,521	-
Operation of Plant	6,401,625	6,693,867	6,693,867	-
Transportation	255,758	264,816	264,816	-
Food Service	868,502	1,123,235	1,123,235	-
Community Services	1,792,100	1,814,709	1,814,709	-
Debt Service and Fiscal Charges	-	5,826	5,826	-
<b>Total Disbursements</b>	<b>21,287,507</b>	<b>20,832,852</b>	<b>20,832,852</b>	<b>-</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>14,250,973</b>	<b>14,673,007</b>	<b>14,673,007</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer From	(14,682,806)	(13,622,739)	(13,622,739)	-
Transfer To	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(14,682,806)</b>	<b>(13,622,739)</b>	<b>(13,622,739)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(431,833)</b>	<b>1,050,268</b>	<b>1,050,268</b>	<b>-</b>
<b>FUND BALANCE - JULY 1, 2014</b>	<b>16,106,076</b>	<b>16,106,076</b>	<b>16,106,076</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2015</b>	<b>\$ 15,674,243</b>	<b>\$ 17,156,344</b>	<b>\$ 17,156,344</b>	<b>\$ -</b>

See accompanying Notes to Financial Statements.

**Special Revenue (Teachers) Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
\$ 14,301,900	\$ 15,026,466	\$ 15,026,466	\$ -
222,000	248,700	248,700	-
4,918,932	5,858,412	5,858,412	-
-	-	-	-
225,000	391,213	391,213	-
<u>19,667,832</u>	<u>21,524,791</u>	<u>21,524,791</u>	-
28,564,961	28,441,719	28,441,719	-
1,497,084	1,511,840	1,511,840	-
911,864	1,050,692	1,050,692	-
2,510,243	2,529,647	2,529,647	-
416,640	415,102	415,102	-
383	335	335	-
-	-	-	-
-	-	-	-
429,242	490,869	490,869	-
15,000	4,199	4,199	-
<u>34,345,417</u>	<u>34,444,403</u>	<u>34,444,403</u>	-
(14,677,585)	(12,919,612)	(12,919,612)	-
-	-	-	-
<u>12,549,780</u>	<u>12,919,612</u>	<u>12,919,612</u>	-
<u>12,549,780</u>	<u>12,919,612</u>	<u>12,919,612</u>	-
(2,127,805)	-	-	-
-	-	-	-
<u>\$ (2,127,805)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Webster Groves School District (the District) was established in 1846 under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162.

The School District, located in St. Louis County serves an area of approximately ten square miles. It is staffed by 302 non-certificated employees, 352 certificated full-time teaching personnel, 126 certificated substitutes, and 27 administrative employees who provide services to over 4,376 students and other community members. The School District currently operates seven elementary/middle schools (K-8), one high school (9-12), and one other education center.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Webster Groves School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. As of June 30, 2015, the School District has no component units.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. For the year ended June 30, 2015, all of the District's activities are classified as governmental type.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide Financial Statements**

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the School District. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

**Fund Financial Statements**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses only the governmental category of funds. All the funds of the District are considered major due in part to an administrative directive from the Missouri Department of Elementary and Secondary Education.

**General (Incidental) Fund:** Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

**Special Revenue (Teachers) Fund:** Accounts for expenditures for certified employees involved in administration and instruction. It includes receipts restricted by the state and local tax levy for the payment of teacher salaries and certain employee benefits.

**Debt Service Fund:** Accounts for the accumulation of resources for, and in payment of, principal, interest, and finance charges on long-term debt.

**Capital Projects Fund:** Accounts for the proceeds of long-term debt, taxes, and other receipts restricted for acquisition or construction of major capital assets, payment of capital leases, and certain equipment and expenditures designated by Missouri Statute.

**Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements**

The School District's policy is to prepare its government-wide financial statements on the cash basis of accounting, consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the government-wide financial statements do not present the net position and activities of the School District in accordance with U.S. generally accepted accounting principles.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

***Fund Financial Statements***

The School District's policy is to prepare its fund financial statements on the cash basis of accounting; consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the fund financial statements do not present the financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

**Budgetary Accounting**

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

Prior to July the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.

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.

The budget was legally enacted by the vote of the Board of Education on June 23, 2014.

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. Fund increases (decreases) in total equal \$(32,621) receipts and \$(454,655) disbursements (General Fund), \$1,846,959 receipts and \$98,986 disbursements (Special Revenue Fund), \$(207,926) receipts and \$178,000 disbursements (Debt Service Fund) and \$812,705 receipts and \$1,011,301 disbursements (Capital Projects Fund). Budgets for District funds for the current year were originally prepared and adopted on the modified accrual basis of accounting and then amended on the cash basis of accounting, recognizing receipts when collected and disbursements when paid.

**Cash**

Cash consists of interest bearing accounts and deposits in the Missouri Securities Investment Program (MOSIP). Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Missouri Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash in Escrow Held by Trustee**

Cash in escrow held by trustee consists of United States treasury securities held by the Missouri Securities Investment Program (MOSIP).

**Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The nature of the restriction is:

*Restricted for Debt Service:* The District has \$21,281,706 of segregated resources for purposes of servicing general obligation bonds.

*Restricted for Capital Projects:* The District has assets of \$944,894 restricted for construction.

**Teachers' Salaries**

Payroll checks written and dated in June 2015, for July and August 2015 payrolls from 2014–2015 contracts are included in the financial statements as a disbursement paid in the month of June.

**Postemployment Benefits**

In addition to the pension benefits described in Note 8, the District provides post-retirement healthcare benefits to all employees who retire from the District. The premium is paid fully by the retiree either monthly or quarterly at the retiree's discretion for the next period's coverage. There is no associated cost to the District under this program.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program.

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

The District reports fund balances as restricted and unassigned in its governmental fund types. In the fund financial statements, restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Unassigned fund balances are those in the General Fund which are available for any purpose. Since the District has not established a policy regarding when committed, assigned and unassigned balances are used, the standard requires governments to report as if it is their policy to use committed resources first, then assigned resources, then unassigned resources. The District had only restricted and unassigned fund balances at June 30, 2015.

The nature and purpose of the restricted balances are:

*Restricted for Debt Service:* The District has \$21,281,706 restricted for purposes of servicing general obligation bonds.

*Restricted for Capital Projects:* The District has \$944,894 restricted for construction projects.

**Interfund Activity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

**NOTE 3 CASH AND INVESTMENTS**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows Missouri Statutes for deposits.

The District maintains a cash and investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District.) Each fund type's portion of this pool is displayed on the combined statement of assets, and fund balances arising from cash transactions under each fund's caption.

In accordance with applicable Missouri Statute, the District maintains deposits at depository banks authorized by the School District's Board.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

The District's deposits in banks at June 30, 2015, were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Missouri Statutes.

**Investments**

The District may purchase any investments allowed by the Missouri State Treasurer and Repurchase Agreements. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The District records all interest revenue related to investment activities in the fund which owns the security.

**Custodial Credit Risk – Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has a custodial credit risk policy to minimize credit risk by (1) pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business and (2) diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investments were not exposed to custodial credit risk at year end.

**Investment Credit Risk**

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- pre-qualifying the institution with which the District will do business.
- diversifying the portfolio so that potential losses on individual securities will be minimized.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investment Credit Risk (Continued)**

A summary of the District's investments, credit risk, and maturities as of June 30, 2015 is as follows:

<u>Type of Investments</u>	<u>Moody's Credit Risk</u>	<u>Average Maturity</u>	<u>Carrying Amount</u>
Treasury Securities - SLGS	Aaa	26 Months	\$ 20,903,012
			<u>\$ 20,903,012</u>

**Investment Interest Rate Risk**

The District has policies in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Investments in banker's acceptances and commercial paper shall mature in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five (5) years from the purchase date. Maturities of investments held at June 30, 2015 are provided in the schedule above.

**NOTE 4 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 assessed valuation of the tangible taxable property for the calendar year 2014 for purposes of local taxation was \$700,894,180.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2013 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General (Incidental) Fund	\$ 3.5503	\$ 3.5503
Special Revenue (Teachers) Fund	1.7900	1.7900
Debt Service Fund	0.5699	0.5699
Capital Projects Fund	0.0625	0.0625
Total	<u>\$ 5.9727</u>	<u>\$ 5.9727</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2015 aggregated approximately 98.53 percent of the current assessment computed on the basis of the levy as shown above.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 LONG-TERM DEBT**

Long-term liability balances and activity of the District's Governmental Activities for the year ended June 30, 2015 were as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
General Obligation Bonds	\$ 81,254,000	\$ -	\$ (2,635,720)	\$ 78,618,280	\$ 23,185,000
Capital Lease Liabilities	273,012	308,261	(581,273)	-	-
Total Long-Term Liabilities	<u>\$ 81,527,012</u>	<u>\$ 308,261</u>	<u>\$ (3,216,993)</u>	<u>\$ 78,618,280</u>	<u>\$ 23,185,000</u>

**General Obligation Bonds**

Bonds payable at June 30, 2015, consist of:

General obligation bonds, Series 2006, due in one final installment on March 1, 2016, interest at 4.25% to 4.75%.	\$ 22,035,000
General obligation bonds, Series 2007, due in varying annual installments through March 1, 2026, interest at 3.82%.	4,209,280
General obligation bonds, Series 2010A, due in varying annual installments through March 1, 2018, interest at 2.50% to 4.00%.	2,300,000
General obligation bonds, Series 2010B, due in varying annual installments through March 1, 2030, interest at 4.10% to 5.70%.	18,900,000
General obligation bonds, Series 2010C, maturing on March 1, 2027, interest at 5.70%.	4,254,000
General obligation bonds, Series 2012A, maturing on March 1, 2026, interest at 2.00%.	9,595,000
General obligation bonds, Series 2013A, maturing on March 1, 2033, interest at 3.50%.	9,885,000
General obligation bonds, Series 2014A, maturing on March 1, 2021, interest at 3.00% to 4.00%.	7,440,000
Total General Obligation Bonds Payable	<u>\$ 78,618,280</u>

General obligation bond debt service requirements to maturity are:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 23,185,000	\$ 3,251,899	\$ 26,436,899
2017	2,660,000	2,193,281	4,853,281
2018	2,520,000	2,096,669	4,616,669
2019	2,590,000	1,998,175	4,588,175
2020	2,975,000	1,906,814	4,881,814
2021-2025	16,990,000	8,122,121	25,112,121
2026-2030	21,198,280	4,615,435	25,813,715
2031-2035	6,500,000	394,500	6,894,500
Total	<u>\$ 78,618,280</u>	<u>\$ 24,578,894</u>	<u>\$ 103,197,174</u>



**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds (Continued)**

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to fifteen percent of the assessed valuation of a District (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2015.

**Capital Leases**

The District paid off all capital lease during the fiscal year ended June 30, 2015.

**NOTE 6 ADVANCE FUNDING**

The District was authorized for borrowing \$2,500,000 through the PNC Bank, National Association and Trust Tax Anticipation Note Program. During fiscal year 2015, no amounts were disbursed to the District.

**NOTE 7 OPERATING LEASES**

The District has entered into several operating leases for various pieces of office equipment with various vendors. Payment terms vary by vendor and lease. Rent payments were \$67,611 in 2015.

Future annual lease payments for all equipment consist of the following:

Year Ended June 30,	Payment
2016	\$ 14,461
2017	2,844
Total Minimum Lease Payments	\$ 17,305

**NOTE 8 RETIREMENT PLAN**

**PEERS**

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

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 RETIREMENT PLAN (CONTINUED)**

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

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

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

The School District's contributions to PEERS for the years ending June 30, 2015, 2014 and 2013 were \$584,053, \$552,884 and \$551,911, respectively, equal to the required contributions for each year.

**PSRS**

*Plan Description.* PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be **NOTE 8**

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**RETIREMENT PLAN (CONTINUED)**

**PSRS (Continued)**

determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social

Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at [www.psr-peers.org](http://www.psr-peers.org).

*Benefits Provided.* PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at [www.psr-peers.org](http://www.psr-peers.org). Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

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

*Contributions.* PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The School District's contributions to PSRS for the years ending June 30, 2015, 2014 and 2013 were \$4,288,112, \$4,104,568, and \$3,985,441, respectively, equal to the required contributions for each year.

**WEBSTER GROVES SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 9 PARTICIPATION IN PUBLIC ENTITY RISK POOL - (MUSIC)**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable and therefore joined together with approximately 467 other Missouri Public School Districts to form the Missouri School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

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

The District has not seen any decreases in insurance coverage over the prior year and settled claims have not exceeded coverage in any of the proceeding 3 years.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Litigation**

The District is subject to asserted and unasserted claims encountered in the normal course of business. The District's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the District or unasserted claims that may result in such proceedings, the District's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the District's financial condition or results of operations.

**Federal and State Receivables**

Amounts received or receivable from federal or state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-through Grantor/ Cluster or Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:			
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	096-114	\$ 430,944
Total Title I, Part A Cluster			<u>430,944</u>
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
Improving Teacher Quality State Grants	84.367	096-114	116,222
Total			<u>116,222</u>
Total U.S. Department of Education			<u>547,166</u>
U.S. DEPARTMENT OF AGRICULTURE:			
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
Child Nutrition Cluster:			
<i>Non-Cash Assistance (Commodities):</i>			
National School Lunch Program	10.555	096-114	82,993
<i>Non-Cash Assistance Subtotal</i>			<u>82,993</u>
<i>Cash Assistance:</i>			
National School Lunch Program	10.555	096-114	349,072
School Breakfast Program	10.553	096-114	73,507
<i>Cash Assistance Subtotal</i>			<u>422,579</u>
Total Child Nutrition Cluster			<u>505,572</u>
Total U.S. Department of Agriculture			505,572
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
Youth Risk Behavior Survey			
Child Care and Development Fund	93.079	096-114	1,000
Child Care and Development Block Grant	93.575	096-114	20,000
Total U.S. Department of Health and Human Services			<u>21,000</u>
Total Federal Financial Assistance			<u>\$ 1,073,738</u>

WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2015

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Webster Groves School District and is presented on the cash basis of accounting with the exception of the commodities, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – DEBT SERVICE FUND AND CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Debt Service Fund</b>			<b>Variance with Final Budget</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	
<b>RECEIPTS</b>				
Local	\$ 4,046,000	\$ 4,116,869	\$ 4,116,869	\$ -
County	85,000	100,883	100,883	-
Federal	294,678	-	-	-
Total Receipts	<u>4,425,678</u>	<u>4,217,752</u>	<u>4,217,752</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
Instruction	-	-	-	-
Instructional Staff Support	-	-	-	-
General Administration and Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Food Service	-	-	-	-
Community Services	-	-	-	-
Facility Acquisition and Construction	-	-	-	-
Debt Service and Fiscal Charges	5,291,174	6,103,879	6,103,879	-
Total Disbursements	<u>5,291,174</u>	<u>6,103,879</u>	<u>6,103,879</u>	<u>-</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>	(865,496)	(1,886,127)	(1,886,127)	-
<b>OTHER FINANCING SOURCES</b>				
Transfer From	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(865,496)	(1,886,127)	(1,886,127)	-
<b>FUND BALANCE - JULY 1, 2014</b>	<u>23,167,833</u>	<u>23,167,833</u>	<u>23,167,833</u>	<u>-</u>
<b>FUND BALANCE - JUNE 30, 2015</b>	<u>\$ 22,302,337</u>	<u>\$ 21,281,706</u>	<u>\$ 21,281,706</u>	<u>\$ -</u>

**Capital Projects Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
\$ 266,130	\$ 445,022	\$ 445,022	\$ -
10,000	9,108	9,108	-
-	-	-	-
276,130	454,130	454,130	-
452,500	254,913	254,913	-
235,000	138,776	138,776	-
35,000	41,791	41,791	-
370,000	276,817	276,817	-
30,000	34,461	34,461	-
35,000	968	968	-
-	1,052,257	1,052,257	-
275,000	643,818	643,818	-
1,432,500	2,443,801	2,443,801	-
(1,156,370)	(1,989,671)	(1,989,671)	-
-	703,127	703,127	-
-	703,127	703,127	-
(1,156,370)	(1,286,544)	(1,286,544)	-
2,358,932	2,358,932	2,358,932	-
<u>\$ 1,202,562</u>	<u>\$ 1,072,388</u>	<u>\$ 1,072,388</u>	<u>\$ -</u>



**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS BY SOURCE – ALL GOVERNMENTAL FUNDS – CASH BASIS  
YEAR ENDED JUNE 30, 2015**

	Government Funds				Total
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	
<b>LOCAL</b>					
Current Taxes	\$ 24,116,700	\$ 12,159,225	\$ 3,871,252	\$ 424,554	\$ 40,571,731
Delinquent Taxes	395,225	200,517	63,841	7,001	666,584
School District Trust Fund	1,603,698	1,968,713	-	-	3,572,411
Financial Institution Taxes	8,000	4,135	-	-	12,135
M & M Surcharge Tax	764,983	385,691	122,796	13,467	1,286,937
Tuition from Individuals PK - 12	-	307,583	-	-	307,583
Transportation from Individuals	69,933	-	-	-	69,933
Earnings on Investment	10,733	603	58,980	-	70,316
Food Service Program	435,343	-	-	-	435,343
Food Service Non-Program	374,422	-	-	-	374,422
Student Activities	1,756,699	-	-	-	1,756,699
Community Services	2,250,162	-	-	-	2,250,162
Other Local	1,392,351	-	-	-	1,392,351
Total Local	33,178,249	15,026,467	4,116,869	445,022	52,766,607
<b>COUNTY</b>					
Fines, etc.	-	48,171	-	-	48,171
State Assessed Utilities	387,963	200,529	100,883	9,108	698,483
Total County	387,963	248,700	100,883	9,108	746,654
<b>STATE</b>					
Basic Formula	-	4,355,211	-	-	4,355,211
Transportation	4,545	-	-	-	4,545
Basic Formula - Classroom Trust Fund	-	1,502,301	-	-	1,502,301
Educational Screening Program	54,470	-	-	-	54,470
Vocational/Technical Aid	2,345	900	-	-	3,245
Food Service	8,674	-	-	-	8,674
Other State	927,984	-	-	-	927,984
Total State	998,018	5,858,412	-	-	6,856,430

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS BY SOURCE – ALL GOVERNMENTAL FUNDS – CASH BASIS  
YEAR ENDED JUNE 30, 2015**

	<u>Government Funds</u>				<u>Total</u>
	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<b>FEDERAL</b>					
Food Service	\$ 422,579	\$ -	\$ -	\$ -	\$ 422,579
Title I - ESEA	375,478	-	-	-	375,478
Title II, Part A, ESEA	122,572	-	-	-	122,572
Childcare Development Fund Grant	20,000	-	-	-	20,000
Other Federal	1,000.00	-	-	-	1,000
Total Federal	<u>941,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,629</u>
<b>OTHER</b>					
Tuition from Other Districts	-	391,213	-	-	391,213
Total Other	<u>-</u>	<u>391,213</u>	<u>-</u>	<u>-</u>	<u>391,213</u>
 Total - All Sources	 <u>\$ 35,505,859</u>	 <u>\$ 21,524,792</u>	 <u>\$ 4,217,752</u>	 <u>\$ 454,130</u>	 <u>\$ 61,702,533</u>

DRAFT

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF DISBURSEMENTS BY OBJECT  
YEAR ENDED JUNE 30, 2015**

	<b>General (Incidental) Fund</b>	<b>Special Revenue (Teachers) Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
Salaries	\$ 8,691,667	\$ 27,359,898	\$ -	\$ -
Employee Benefits	2,470,497	7,080,306	-	-
Purchased Services	4,738,546		-	-
Supplies	4,926,316	-	-	-
Capital Outlay	-	-	-	1,799,983
Debt Service and Fiscal Charges	-	-	6,103,879	-
Other Uses	5,826	4,199	-	643,818
Total	<u>\$ 20,832,852</u>	<u>\$ 34,444,403</u>	<u>\$ 6,103,879</u>	<u>\$ 2,443,801</u>

DRAFT

**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  
Webster Groves School District  
Webster Groves, 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 and each major fund of Webster Groves School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Webster Groves School District's basic financial statements, and have issued our report thereon dated September 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Webster Groves 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 Webster Groves School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Webster Groves School 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.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Webster Groves 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 this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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.

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 18, 2015

DRAFT

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Webster Groves School District  
Webster Groves, Missouri

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

We have audited Webster Groves School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Webster Groves School District's major federal programs for the year ended June 30, 2015. Webster Groves School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Webster Groves School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Webster Groves 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 of Webster Groves School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Webster Groves 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, 2015.

**Report on Internal Control Over Compliance**

Management of Webster Groves 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 Webster Groves 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Webster Groves School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 18, 2015

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? \_\_\_\_\_ Yes  No
  - Significant deficiency identified that is not considered to be material weakness? \_\_\_\_\_ Yes  None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ Yes  No
- Significant deficiency identified that is not considered to be material weakness? \_\_\_\_\_ Yes  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ Yes  No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.010	Title I	<u>\$ 430,944</u>

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

Auditee qualified as low-risk auditee?  Yes  No



**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**Section II – Financial Statement Findings**

The audit did not disclose any noncompliance which is material to the financial statements of the District.

**Section III – Federal Awards Findings and Questioned Costs**

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2015.

DRAFT



**INDEPENDENT AUDITORS' REPORT ON  
TRANSPORTATION COSTS ELIGIBLE FOR STATE AID**

Board of Education  
Webster Groves School District  
Webster Groves, Missouri

**Report on Transportation Costs**

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents. We have issued our report thereon dated September 18, 2015, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District's basic financial statements. The accompanying Schedule of Transportation Disbursements is presented for purposes of additional analysis as required by the Missouri Department of Elementary and Secondary Education (DESE) and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Transportation Disbursements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and the use of the administration, management, Board of Education, 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 specific parties.

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 18, 2015

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF TRANSPORTATION DISBURSEMENTS  
YEAR ENDED JUNE 30, 2015**

	Pupil District Contracted	Pupil District Owned	Total
Purchased Services	\$ 262,316	\$ 2,500	\$ 264,816
Total	\$ 262,316	\$ 2,500	\$ 264,816

DRAFT



## REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education  
Webster Groves School District  
Webster Groves, Missouri

We have examined management's assertions that Webster Groves School District did comply with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, attendance and pupil transportation records and other statutory requirements as listed in the Schedule of Selected Statistics. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

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

In our opinion, management's assertions that Webster Groves School District complied with the aforementioned requirements for the year ended June 30, 2015, are fairly stated, in all material respects.

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
September 18, 2015

**WEBSTER GROVES SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2015**

**Single Audit** - Year ended June 30, 2015

**Calendar** (Sections 160.041 and 171.031, RSMo)

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

	<u>Hours</u>	<u>Grades</u>	<u>Hours</u>
Kindergarten - A.M. and P.M.	522	K-5	1,080
		K-5	1,080
		K-5	1,074
		6	1,081
		7-8	1,089
		9-12	1,069

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

	<u>Days</u>	<u>Grades</u>	<u>Days</u>
Kindergarten - A.M. and P.M.	176	1-6	176
		7-12	176

**Average Daily Attendance (ADA)**

	<u>Full &amp; Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
Regular Term	3,850.20	144.23	3,994.43
	<u>Resident</u>	<u>Deseg In</u>	
Summer School	35.55	3.52	<u>39.07</u>
	Regular Term Plus Summer School ADA		<u>4,033.50</u>

**September Membership**

	<u>Full &amp; Part- Time</u>	<u>Deseg In</u>	<u>Total</u>
September Membership FTE Count	4,078.52	155.40	4,233.92

**Free and Reduced Priced Lunch FTE Count** (Section 163.011(6), RSMo)

	<u>Full &amp; Part- Time</u>	<u>Deseg In</u>	<u>Total</u>
Free FTE	514.31	109.07	623.38
Reduced FTE	124.00	10.00	134.00
Total	<u>638.31</u>	<u>119.07</u>	<u>757.38</u>

**Finance**

As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of: **\$50,000**

The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. **True**

The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. **True**

Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. **True**

If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. **N/A**

The district published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. **True**

The district has a professional development committee plan adopted by the board with the professional committee plan identifying expenditure of 75% of 1% of the current year basic formula apportionment. **True**

The amount spent for approved professional development committee plan activities was: **\$129,657**

All above "false" answers must be supported by a finding or management letter comment.

Finding #: **N/A**

Management Letter Comment #: **N/A**

**Transportation** (Section 163.161, RSMo)

The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. **True**

**Transportation (Continued)**

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. **True**

Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

<b>Eligible ADT</b>	<b>76</b>
<b>Ineligible ADT</b>	<b>217</b>

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. **True**

Actual odometer records show the total district-operated and contracted mileage for the year was: **62,881**

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

<b>Eligible Miles</b>	<b>30,361</b>
<b>Ineligible Miles (Non-Route/Disapproved)</b>	<b>32,520</b>

Number of days the district operated the school transportation system during the regular school year: **177**

All above "False" answers must be supported by a finding or management letter comment.

Finding #: **N/A**

Management Letter Comment #: **N/A**

DRAFT