

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Valley R-VI School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of Valley R-VI School District as of June 30, 2016 and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

**Basis of Accounting**

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

**Report on Supplementary and Other Information**

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

The budgetary comparison information and the Schedule of Expenditures by Object – Cash Basis presented on pages 28 to 31 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Management's Discussion and Analysis on pages 3 to 9 has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Catlett & Associates, LLC*

November 15, 2016

**Valley R-VI School District**  
**Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis**  
**All Governmental Funds**  
**Year Ended June 30, 2016**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>CASH RECEIPTS</b>				
Local	\$ 974,653	\$ 252,994	\$ 157,731	\$ 1,385,378
County	317,262	8,078	91,224	416,564
State	706,577	1,790,352	-	2,496,929
Federal	195,303	175,596	-	370,899
Other	-	141,706	-	141,706
<b>TOTAL CASH RECEIPTS</b>	<b>2,193,795</b>	<b>2,368,726</b>	<b>248,955</b>	<b>4,811,476</b>
<b>CASH DISBURSEMENTS</b>				
Current				
Instruction	326,636	1,928,016	-	2,254,652
Attendance and social work services	32,173	54,337	-	86,510
Guidance	1,852	81,919	-	83,771
Health services	35,795	-	-	35,795
Improvement of instruction	104	-	-	104
Professional development	38,432	5,069	-	43,501
Media services	59,808	86,480	-	146,288
Board of Education services	47,122	-	-	47,122
Executive administration	123,797	101,508	1,098	226,403
Building level administration	50,401	98,536	3,294	152,231
Operation of plant	523,718	-	33,579	557,297
Security services	4,236	-	-	4,236
Pupil transportation	264,084	11,887	-	275,971
Food service	255,722	-	-	255,722
Community services	14,689	974	-	15,663
Capital outlay	-	-	36,345	36,345
Debt service				
Principal	-	-	180,170	180,170
Interest and other charges	-	-	20,278	20,278
<b>TOTAL CASH DISBURSEMENTS</b>	<b>1,778,569</b>	<b>2,368,726</b>	<b>274,764</b>	<b>4,422,059</b>
Cash receipts in excess of (less than) cash disbursements	415,226	-	(25,809)	389,417
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of property	-	-	3,500	3,500
Fund balance, beginning of year	2,127,364	-	685,232	2,812,596
Fund balance, end of year	<b>\$ 2,542,590</b>	<b>\$ -</b>	<b>\$ 662,923</b>	<b>\$ 3,205,513</b>

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