

# Raytown C-2 School District

Basic Financial Statements  
Year Ended June 30, 2021

**KPM**  
CPAS & ADVISORS

## Table of Contents

<b>Independent Auditors' Report</b> .....	4
<b>Management's Discussion and Analysis</b> .....	8
<b>Basic Financial Statements</b>	
Statement of Net Position – Modified Cash Basis .....	19
Statement of Activities – Modified Cash Basis.....	20
Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis.....	22
Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis.....	23
Notes to the Financial Statements.....	24
<b>Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund .....	38
Budgetary Comparison Schedule – Special Revenue Fund.....	39
Budgetary Comparison Schedule – Debt Service Fund.....	40
Budgetary Comparison Schedule – Capital Projects Fund.....	41
Notes to the Budgetary Comparison Schedules .....	42
<b>Other Financial Information</b>	
Schedule of Receipts by Source .....	44
Schedule of Disbursements by Object .....	46
Schedule of Transportation Costs Eligible for State Aid .....	48
<b>Other Reporting Requirements</b>	
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 <i>Government Auditing Standards</i> .....	50
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	52
Schedule of Expenditures of Federal Awards .....	54
Notes to the Schedule of Expenditures of Federal Awards .....	56
Schedule of Findings and Questioned Costs .....	57
Summary Schedule of Prior Audit Findings.....	58

**Supplementary State Information**

Independent Accountants’ Report on Management’s Assertions about Compliance  
with Specified Requirements of Missouri Laws and Regulations ..... 60

Schedule of Selected Statistics..... 61



Board of Education  
Raytown C-2 School District  
Raytown, Missouri

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

We have audited the basic financial statements of the governmental activities and each major fund of the Raytown C-2 School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Raytown C-2 School District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Management's Discussion and Analysis and budgetary comparison information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Raytown C-2 School District's basic financial statements. The data contained under Other Financial Information is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Other Financial Information 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021

## **Management's Discussion & Analysis**

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

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Our discussion and analysis of Raytown C-2 School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 18.

### Financial Highlights

- Total assets were \$46,754,789 on June 30, 2021. This was a decrease of \$5,220,351 from the prior year.
- Overall receipts were \$123,528,649, and disbursements were \$128,749,000.
- One longevity step was given to all staff, resulting in an average increase of 2.57%.
- Health insurance premiums were unchanged.
- \$750 contribution to employees' Health Savings Accounts.
- Enrollment decreased for the fourth year.
- Staff levels were reduced by an estimated 20 full time equivalency (FTE).
- Center for Advanced Professional Studies (CAPS) was expanded by two programs.

The General and Special Revenue funds are used for the day to day operations of the District and referenced throughout as operating funds support the salary increase. The combined balance carried in operating funds is the primary indicator of a District's financial viability. Fiscal year 2021 was marked with a 1.5% revenue growth and 7% decrease in expenditures.

### Using this Annual Report

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

### Report Components

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

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

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

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

*Other Financial Information:* This part of the annual report includes optional financial information, which includes the Schedule of Receipts by Source and the Schedule of Disbursements by Object as well as schedules and reports required



# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

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by the State and Federal Governments. This other financial information is provided to address certain needs of various users of the District's annual report.

### **Basis of Accounting**

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

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

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

Our financial analysis of the District as a whole begins on page 10. The government-wide financial statements are presented on pages 19-20. One of the most important questions asked about the District's finances is, *Is the District as a whole better off or worse off as a result of the year's activities?* The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets resulting from the use of the modified cash basis of accounting.

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

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

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

### Fund Financial Statements

Our analysis of the District's funds begins on page 12. The fund financial statements begin on page 22 and provide detailed information about the District's funds. These funds are required to be established by state law and by bond covenants. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for District programs.

*General Fund:* Accounts for all resources except those required to be accounted for in the Special Revenue, Debt Service, or Capital Project Funds.

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

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

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

### Financial Analysis of the Entity as a Whole

The District's Net Position, resulting from cash transactions, decreased by \$5,220,351 between fiscal years 2020 and 2021.

#### Net Position – Modified Cash Basis

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and investments, net of cost plus insurance due	\$ 46,754,789	\$ 51,975,140
<b>Total Assets</b>	<u>\$ 46,754,789</u>	<u>\$ 51,975,140</u>
<b>Net Position</b>		
Restricted for debt service	\$ 4,860,424	\$ 5,545,371
Restricted for student activities	1,103,968	1,090,570
Restricted from bond proceeds	4,653,963	15,637,518
Restricted for terminal liability	600,000	600,000
Unrestricted	35,536,434	29,101,681
<b>Total Net Position</b>	<u>\$ 46,754,789</u>	<u>\$ 51,975,140</u>

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

The District's net position showed a decrease for the year. The \$5.2M decrease is due to two factors. Factor one is the bond service restricted funds decreased by \$10.9M. The second factor is a \$6M increase in our unrestricted balances. The increase in the district's unrestricted balances is due to lower expenditures related to COVID school closure and \$1.5M received in CARES Act funds.

Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints, increased \$6,434,753.

### Changes in Net Position – Modified Cash Basis

For the year ended June 30, 2021, net position of the District, resulting from cash transactions, changed as follows:

	<u>2021</u>	<u>2020</u>
<b>Receipts</b>		
Program Receipts		
Charges for services	\$ 2,980,654	\$ 4,348,526
Operating grants and contributions	23,798,633	17,915,921
Capital grants and contributions	1,263,856	617,171
General Receipts		
Ad valorem tax receipts	46,056,247	46,228,920
Prop C sales tax receipts	9,527,592	9,152,057
Other tax receipts	1,106,237	1,281,517
County receipts	1,818,900	1,717,047
State receipts	35,648,452	36,815,288
Interest receipts	209,759	1,089,249
Other receipts	983,621	2,416,023
Special Items		
Net insurance recovery	-	82,343
Sale of other property	63,348	238
Sale of buses	71,350	1,550
<b>Total Receipts</b>	<u>123,528,649</u>	<u>121,665,850</u>

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Disbursements</b>		
Instruction	56,681,749	55,384,328
Student services	6,625,347	6,102,803
Instructional staff support	3,932,381	3,787,844
Building administration	7,225,467	7,204,796
General administration	11,746,254	11,324,531
Operation of plant	10,514,494	10,839,140
Transportation	3,935,453	5,153,548
Food service	3,471,661	5,682,608
Adult continuing education	296,694	297,401
Community services	3,560,124	4,005,993
Facilities acquisition and construction	11,146,800	16,930,401
Debt service	9,612,576	11,655,273
<b>Total Disbursements</b>	<u>128,749,000</u>	<u>138,368,666</u>
<b>(Decrease) in Net Position</b>	<u>\$ (5,220,351)</u>	<u>\$ (16,702,816)</u>

The total cost of all programs and services was \$128,749,000. The District's disbursements are predominantly related to educating and caring for students (52%) and for the construction, maintenance and operation of plant facilities (17%). The remaining disbursements were payment of bond principal and interest (7%), administration and business activities (15%), transportation (3%), food service (3%), community services, and adult continuing education (3%).

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

### Financial Analysis of the District's Funds

The District began fiscal year 2021 with a modest decrease in its financial balances. District revenues show a modest decrease from FY20 to FY21. This is a result of the District having \$16.9M in facilities acquisition in FY20. Please note, the \$375K increase in Proposition C sales tax receipts but the \$1M reduction in state revenues. The district's expenses reduced by \$9.6M. This decrease is related almost entirely to debt service payments and bond projects. These factors resulted in the fiscal year ending with a \$5.2M total deficit but a \$6.4M increase in operating fund balances.

Over the course of the year, the District revises its annual budget to reflect unexpected changes in receipts and disbursements. A schedule of the District's budget amounts compared with actual receipts and disbursements is provided in the supplemental section of the audited financial report.

The General Fund balance increased by \$6,393,189 for the year ended June 30, 2021.

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

The Debt Service Fund retired \$5,470,000 in bond principal, and made interest and bond fee payments of 4,086,855 on outstanding bonds for total debt service disbursements of \$9,559,405.

The Debt Service Fund balance decreased by \$684,947 for the year ended June 30, 2021.

The Capital Projects Fund balance decreased \$10,928,593 for the year ended June 30, 2021; the large decrease is due to the completion of multiple bond projects for the purpose of constructing, improving, repairing, renovating, furnishing and equipping school facilities of the District.

### Financial Analysis of General Fund Budget Versus Actual Results

	Budget		Actual
	Original	Final	
<b>Receipts</b>			
Local	\$ 42,313,325	\$ 42,323,325	\$ 39,639,423
County	1,300,000	1,300,000	1,371,424
State	2,514,520	2,514,520	3,264,891
Federal	9,429,506	9,419,506	9,979,910
Other	25,000	25,000	7,301
<b>Total Receipts</b>	<u>\$ 55,582,351</u>	<u>\$ 55,582,351</u>	<u>\$ 54,262,949</u>
<b>Disbursements</b>			
Instruction	\$ 8,970,654	\$ 8,871,408	\$ 8,904,832
Student services	2,777,407	2,793,461	2,975,439
Instructional staff support	1,992,384	2,013,268	1,825,003
Building administration	2,072,046	2,064,317	2,118,019
General administration	10,698,151	10,976,641	7,859,923
Operation of plant	10,442,988	12,153,081	9,818,706
Transportation	5,370,141	4,966,816	3,715,164
Food services	6,385,185	4,591,491	3,187,766
Adult continuing education	318,866	296,694	296,694
Community services	2,950,395	3,251,040	2,882,068
<b>Total Disbursements</b>	<u>\$ 51,978,217</u>	<u>\$ 51,978,217</u>	<u>\$ 43,583,614</u>

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

### Receipts

The District originally budgeted total receipts of \$55,582,351. The actual total receipts were \$54,262,949. This represents less receipts than originally budgeted by \$1,319,402.

The District's budget reflects a conservative philosophy of management in order to protect the District from unanticipated changes in local, state and federal revenues. While we are affected by reductions in state and federal funding, nearly half of our receipts come from local sources. Local TIF districts continue to impact new commercial revenues. Additionally, the assessed valuation of the District is inaccurate which impacts our local revenues. In addition to the concern for local receipts, state revenues are being impacted by declining enrollment. To this point, we have experienced no major changes in the total state monies received or the proportion of state to local receipts generated.

### Disbursements

The District's original General Fund budget had total disbursements at \$51,978,217. The actual disbursements were \$43,583,614, which is \$8,394,603 less than originally budgeted.

The District continues to prepare a budget according to Missouri law and adhere to the modified cash basis of accounting. The expenditures of the District are approved by the Board of Education through a budget allocation and with a monthly approval. As mentioned above, funding concerns at all levels of government, budgeted expenditures were carefully monitored, and in some cases reduced in an effort to protect the fund balances. Because of these efforts the District experienced a surplus of General Fund surplus of \$6.4M. During the year, policies and procedures are in place to ensure that the budget is carefully managed and fiscal integrity is maintained. To this end, that efficiency allows for anticipated expenditure amounts to be mitigated, and in some cases not required. This focus and diligence by the entire organization helps to realize lower actual disbursements than originally anticipated and to maintain a healthy fund balance.

### Debt Administration

#### Long-Term Debt – Modified Cash Basis

The District uses the modified cash basis of accounting. Therefore, long-term debt of the District is not reflected in the financial statements. The following is a summary of the long-term debt of the District for the years ended June 30, 2021 and 2020.

	June 30,	
	2021	2020
<b>Long-Term Debt</b>		
General Obligation Bonds	\$ 81,515,000	\$ 86,985,000
Capital Leases	44,817	88,203
<b>Total Long-Term Debt</b>	<b>\$ 81,559,817</b>	<b>\$ 87,073,203</b>

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

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### Economic Factors and Next Year's Budget

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health:

#### Revenues

The material budgeted revenues are:

- Local - \$80.8M – 54.8% of all revenues
- County - \$1.8M – 1% of all revenues
- State - \$42.2M – 28.6% of all revenues
- Federal - \$22.4M – 15.2% of all revenues

#### Expenditures

The material budgeted expenditures are:

- Payroll and Benefits - \$95M – 69.7% of all expenditures
- Purchase Services - \$12.1M – 8.9% of all expenditures
- Supplies - \$12.3M – 9% of all expenditures
- Long and Short Term Debt - \$6.9M – 5% of all expenditures
- Unrestricted Capital Projects and Improvements - \$2.8M – 2% of all expenditures
- Bond Projects - \$7M – 5.2% of all expenditures

Comparing the FY22 Final Budget to the FY21 Estimated Actual, revenues are 21% lower. This is a result of antiquated ARP ESSER III reimbursements. Also making the same comparison, budgeted expenditures are 6% higher than FY21 Estimated Actual.

### Revenue

The largest overall revenue source for the district is local revenue. The largest portion of local revenue comes from property taxes, Prop C Sales Tax and activity fees. Additionally, the District will sell \$15M in general obligation bonds during FY22. That sale accounts for the large increase in local revenue from FY21.

# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

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The largest portion of local revenue come from property taxes. This tax is calculated using assessed values and the tax levy. Our preliminary assessed valuation (AV) is \$764,757,775. This amount is up \$33M from the September 2020 report from Jackson County and will likely change again before it is finalized in September 2021. The District will receive an updated assessed value amount in July and a final assessed value amount in September. Since our assessed valuation rose above \$749M (Septembers 2019 AV), the voter approved operating levy of 5.1600 will be lowered as outlined in the Hancock Amendment. The estimated operating levy for FY22 is 5.0008. The maximum additional revenue from property taxes is limited to the CPI (1.4%). Based on this information, the maximum additional revenue the district can collect is \$549,052 above the legal limit set in September 2020. The debt service levy is estimated to rise to 1.3192 although it is calculated to be much higher (1.7242). The Board holds the authority to set the operating levy below the amount outlined by the Hancock Amendment but may not set it higher than that amount. The Board also holds the authority to set the debt service levy at any amount not to exceed the amount set by the state auditor. Pending Board approval at the tax rate hearing in September, the overall tax levy is anticipated to be 6.3200. The estimated amount of collected property taxes is \$47.7M.

The second largest portion of local revenue will be the sale of the remaining 2019 General Obligation Bonds which will total an estimated \$15M.

Within local revenue, the third largest revenue comes from Prop C sales tax collections. The amount of Prop C revenue is calculated by multiplying the prior year weighted average daily attendance (WADA) by the allocated amount. The FY22 allocated amount is \$1,047. The FY21 WADA has not been finalized. This budget uses the FY20 WADA. The budgeted amount of Prop C revenue is \$9.5M.

The second largest overall revenue source for the District is state aid. State aid is a complex calculation driven by many factors. One of those factors, student enrollment, has declined over the past 6 years. That decline has resulted in a drop in state aid. State aid makes up 28.7% of the overall revenue budget. The estimated amount of state aid is \$37.8M.

The third largest revenue source for the District is federal. As a result of the three federal stimulus packages, we have experienced a dramatic increase in this funding source. In FY22, federal revenue will make up 15% of our overall revenue. This is a 27% increase from FY21 Estimated Actual.

In FY21, the District received \$9.3M in ESSER Fund monies. These funds reimbursed the District for a portion of the ongoing operations of the District during the COVID crisis, specifically the salaries of middle school and high school teachers as well as other operational expenses related to maintaining the operations of the District during the COVID crisis. Additionally, the District received funds for reimbursement of extraordinary cost related to COVID. Those funds came from Jackson County, FEMA and GEER funds. The District expects to receive an additional \$8M in ESSER III monies in FY22. In total, the district will receive \$28M in ESSER funds over a five year period of time. As these funds are depleted the District will need to consider ways to continue the related expenditures or reduce those expenditures to balance the budget.



# Raytown C-2 School District

## Management's Discussion and Analysis

June 30, 2021

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### Expenditures

As stated earlier, our largest budgeted expenditure is payroll and benefits. The budgeted amount for payroll and benefits reflects a 10% increase from FY21 Estimated Actual. This increase is a result of a 5.3691% increase in salaries, 5% increase in health insurance costs and additional staff to support students impacted by school closure. The purchased services expenditure budget is 23% more than FY21 Estimated Actual. This large increase is due to low expenditures during the closure in FY21. The supply budget is 33% more than the FY21 Estimated Actual. This large increase is also due to low expenditures during the closures during FY21. Unrestricted capital expenditures are up 31% due to stadium turf replacement. Bond project expenditures are lower by 37%. This reduction reflects the number of planned projects which will impact the FY22 budget.

### Balances

Fund 1 balances are expected to begin the year at \$29M and end the year at \$27.9M. Fund 2 balances are expected to begin the year at \$420K and end the year at \$420K. These two funds make up our Operating Budget. The overall Unrestricted Operating Balance is estimated to be \$27.8M, which is a percentage of 23.25% of our budgeted Operating Expenditures. Our Fund 3 balances are expected to begin the year at \$4.8M and end the year at \$8.2M. Our Fund 4 balances are expected to begin the year at \$10.7M and end the year at \$18.9M. Some balances are restricted meaning they may only be spent for specific purposes. Some balances are unrestricted meaning they may be spent on any allowed purchase within that fund. The tables in the General Summary section provide more detail.

### Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Dr. Steve Shelton, Associate Superintendent of Operations, 6608 Raytown Road, Raytown, MO 64133; telephone: (816) 268-7000; email: [steve.shelton@raytownschools.org](mailto:steve.shelton@raytownschools.org).

## **Government-Wide Financial Statements**

# Raytown C-2 School District

## Statement of Net Position – Modified Cash Basis

June 30, 2021

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments, net of cost plus insurance due	\$ 46,754,789
<b>Total Assets</b>	<u>\$ 46,754,789</u>
<b>Net Position</b>	
Restricted for debt service	\$ 4,860,424
Restricted for student activities	1,103,968
Restricted from bond proceeds	4,653,963
Restricted for terminal liability	600,000
Unrestricted	35,536,434
<b>Total Net Position</b>	<u>\$ 46,754,789</u>

See accompanying notes to the financial statements.

## Raytown C-2 School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2021

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ (56,681,749)	\$ 2,588,969	\$ 19,419,542	\$ 1,263,856	\$ (33,409,382)
Student services	(6,625,347)	-	99,478	-	(6,525,869)
Instructional staff support	(3,932,381)	-	816,279	-	(3,116,102)
Building administration	(7,225,467)	-	-	-	(7,225,467)
General administration	(11,746,254)	-	-	-	(11,746,254)
Operation of plant	(10,514,494)	-	-	-	(10,514,494)
Transportation	(3,935,453)	7,301	906,704	-	(3,021,448)
Food service	(3,471,661)	54,125	1,685,790	-	(1,731,746)
Adult continuing education	(296,694)	3,319	-	-	(293,375)
Community services	(3,560,124)	326,940	870,840	-	(2,362,344)
Facilities acquisition and construction	(11,146,800)	-	-	-	(11,146,800)
Debt service	(9,612,576)	-	-	-	(9,612,576)
<b>Net Program (Disbursements) Receipts</b>	<u>\$ (128,749,000)</u>	<u>\$ 2,980,654</u>	<u>\$ 23,798,633</u>	<u>\$ 1,263,856</u>	(100,705,857)
<b>General Receipts</b>					
Ad valorem tax receipts					46,056,247
Prop C sales tax receipts					9,527,592
Other tax receipts					1,106,237
County receipts					1,818,900
State receipts					35,648,452
Interest receipts					209,759
Other receipts					983,621
<b>Total General Receipts</b>					<u>95,350,808</u>
<b>Special Items</b>					
Sale of school buses					71,350
Sale of other property					63,348
<b>Total Special Items</b>					<u>134,698</u>
<i>(Decrease) in Net Position</i>					(5,220,351)
Net Position - Beginning of year					<u>51,975,140</u>
<b>Net Position - End of year</b>					<u><u>\$ 46,754,789</u></u>

See accompanying notes to the financial statements.

## **Fund Financial Statements**

## Raytown C-2 School District

### Statement of Assets and Fund Balances – Governmental Funds - Modified Cash Basis

June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets</b>					
Cash and investments, net of cost plus insurance due	\$ 30,581,842	\$ 420,000	\$ 4,860,424	\$ 10,892,523	\$ 46,754,789
<b>Total Assets</b>	<b>\$ 30,581,842</b>	<b>\$ 420,000</b>	<b>\$ 4,860,424</b>	<b>\$ 10,892,523</b>	<b>\$ 46,754,789</b>
<b>Fund Balances</b>					
Restricted for					
Debt service	\$ -	\$ -	\$ 4,860,424	\$ -	\$ 4,860,424
Student activities	1,103,968	-	-	-	1,103,968
Bond proceeds	-	-	-	4,653,963	4,653,963
Terminal liability	180,000	420,000	-	-	600,000
Assigned to capital outlay	-	-	-	6,238,560	6,238,560
Unassigned	29,297,874	-	-	-	29,297,874
<b>Total Fund Balances</b>	<b>\$ 30,581,842</b>	<b>\$ 420,000</b>	<b>\$ 4,860,424</b>	<b>\$ 10,892,523</b>	<b>\$ 46,754,789</b>

See accompanying notes to the financial statements.

## Raytown C-2 School District

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Receipts</b>					
Local	\$ 39,639,423	\$ 9,581,037	\$ 8,455,126	\$ 965,795	\$ 58,641,381
County	1,371,424	28,144	419,332	-	1,818,900
State	3,264,891	37,810,056	-	502,858	41,577,805
Federal	9,979,910	8,392,228	-	760,998	19,133,136
Other	7,301	2,215,428	-	-	2,222,729
<b>Total Receipts</b>	54,262,949	58,026,893	8,874,458	2,229,651	123,393,951
<b>Disbursements</b>					
Instruction	8,904,832	46,850,231	-	926,686	56,681,749
Student services	2,975,439	3,625,277	-	24,631	6,625,347
Instructional staff support	1,825,003	2,107,378	-	-	3,932,381
Building administration	2,118,019	5,107,448	-	-	7,225,467
General administration	7,859,923	3,230,331	-	656,000	11,746,254
Operation of plant	9,818,706	250,073	-	445,715	10,514,494
Transportation	3,715,164	218,214	-	2,075	3,935,453
Food service	3,187,766	247,895	-	36,000	3,471,661
Adult continuing education	296,694	-	-	-	296,694
Community services	2,882,068	676,192	-	1,864	3,560,124
Facilities acquisition and construction	-	-	-	11,146,800	11,146,800
Debt service	-	-	9,559,405	53,171	9,612,576
<b>Total Disbursements</b>	43,583,614	62,313,039	9,559,405	13,292,942	128,749,000
<i>Excess (Deficit) of Receipts over Disbursements</i>	10,679,335	(4,286,146)	(684,947)	(11,063,291)	(5,355,049)
<b>Other Financing Sources (Uses)</b>					
Sale of school buses	-	-	-	71,350	71,350
Sale of other property	-	-	-	63,348	63,348
Operating transfers in	-	4,286,146	-	-	4,286,146
Operating transfers (out)	(4,286,146)	-	-	-	(4,286,146)
<b>Total Other Financing Sources (Uses)</b>	(4,286,146)	4,286,146	-	134,698	134,698
<i>Excess (Deficit) of Receipts and other Sources over Disbursements and other (Uses)</i>	6,393,189	-	(684,947)	(10,928,593)	(5,220,351)
Fund Balance, July 1, 2020	24,188,653	420,000	5,545,371	21,821,116	51,975,140
<b>Fund Balance, June 30, 2021</b>	\$ 30,581,842	\$ 420,000	\$ 4,860,424	\$ 10,892,523	\$ 46,754,789

See accompanying notes to the financial statements.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### 1. Summary of Significant Accounting Policies

The District's financial statements are presented on the modified cash basis of accounting, which is characteristic of local governmental units of this type.

#### Financial Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government governed by an elected seven-member board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

#### Basis of Presentation

##### *Government-Wide Financial Statements*

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

##### *Fund Financial Statements*

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

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

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

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

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

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



# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### **Basis of Accounting**

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

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

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

### **Capital Outlay**

Capital outlay is recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

### **Compensated Absences**

Vacation time and paid leave time are considered as disbursements in the year paid. Accrued vacation time is paid upon termination but paid leave time is only paid upon retirement at 25% of the daily rate. Accumulated paid leave days over 100 days are paid at 20% of the daily rate annually.

### **Long-Term Debt**

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

### **Teachers' Salaries**

The salary payment schedule of the District for the 2020-2021 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2021 payroll checks are included in the financial statements as a disbursement in the month of June. This practice has been consistently followed in previous years.

### **Pooled Cash and Investments**

Cash resources of the individual funds are combined to form a pool of cash and investments with the exception of the Debt Service Fund, which is kept in separate bank accounts. Investments of the pooled accounts consist primarily of certificates of deposit, carried at cost, which approximates market and various mutual fund type accounts in which the District owns a pro-rata share. Cash is presented net of amounts due for the District's cost plus insurance contract. Certificates of deposit with original maturities of less than three months are considered cash equivalents.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### **Inventories**

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

### **Equity Classification**

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

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

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

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

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

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

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

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

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

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

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

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

### Program Receipts

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the District's taxpayers are reported as program receipts. These include various grants from the State and Federal governments. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

## 2. Cash & Equivalents

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2021, all bank balances on deposit are entirely insured or collateralized with securities.

## 3. Investments

The District's investments at June 30, 2021, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District Direct Deposit Program	N/A	\$ 2,759,112
Missouri Securities Investment Program (MOSIP) - Money Market Fund	N/A	42,691,344
Missouri Securities Investment Program (MOSIP) - Certificates of Deposit	7/9/21-10/29/22	1,176,000
		<u>\$ 46,626,456</u>

### Investment Contracts with BOK Financial

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

### Missouri Securities Investment Program

The District has a pro-rata share of funds that are invested in the Missouri Securities Investment Program. Funds invested in Money Market Fund are invested in accordance with Section 165.051 of the Missouri Revised Statutes and has a current rating of AAAM by Standard and Poor's. Funds invested in Certificates of Deposit are fully insured by the FDIC or certificates deposited by banking and savings institutions which are collateralized in accordance with Chapter 30, Section 30.270 of the Missouri Revised Statutes.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

### Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the District's investment portfolio to maturities of approximately one year. All investments are held to maturity.

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

The assessed valuation of the tangible taxable property for the calendar year 2020 for purposes of local taxation was:

Real estate	\$ 587,718,857
Personal property	141,136,071
	<u>\$ 728,854,928</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 5.1600	\$ 5.1600
Debt Service Fund	1.1600	1.1600
	<u>\$ 6.3200</u>	<u>\$ 6.3200</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### 5. General Obligation Bonds Payable

Bonds payable at June 30, 2021, consists of:

\$22,000,000 general obligation bond issue dated May 29, 2014, due in varying annual installments through March 1, 2034; interest at 5.00%.	\$ 22,000,000
\$25,120,000 general obligation refunding bond issue dated July 29, 2014, due in varying annual installments through March 1, 2027; interest at 3.0% to 5.0%.	21,620,000
\$27,010,000 general obligation school bond issue dated June 4, 2019, due in varying annual installments through March 1, 2039; interest at 5.0%.	27,010,000
\$10,885,000 general obligation bond issue dated June 4, 2019, due in varying annual installments through March 1, 2031; interest at 3.05% to 4.0%.	10,885,000
	<u>\$ 81,515,000</u>

The following is a summary of bond transactions for the year ended June 30, 2021:

Bonds Payable, July 1, 2020	\$ 86,985,000
Bonds issued	-
Bonds retired	(5,470,000)
<b>Bonds Payable, June 30, 2021</b>	<u><u>\$ 81,515,000</u></u>

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 3,020,000	\$ 3,877,770	\$ 6,897,770
2023	4,355,000	3,742,770	8,097,770
2024	4,850,000	3,531,020	8,381,020
2025	5,195,000	3,296,520	8,491,520
2026	5,525,000	3,042,970	8,567,970
2027	5,895,000	2,766,720	8,661,720
2028	4,485,000	2,476,970	6,961,970
2029	4,855,000	2,280,120	7,135,120
2030	5,225,000	2,067,370	7,292,370
2031	3,995,000	1,869,495	5,864,495
2032	2,230,000	1,705,750	3,935,750
2033	2,365,000	1,594,250	3,959,250
2034	2,510,000	1,476,000	3,986,000
2035	2,410,000	1,350,500	3,760,500
2036	5,500,000	1,230,000	6,730,000
2037	5,800,000	955,000	6,755,000
2038	6,300,000	665,000	6,965,000
2039	7,000,000	350,000	7,350,000
	\$ 81,515,000	\$ 38,278,225	\$ 119,793,225

The escrow account created with the funding dated June 4, 2019, will pay principal of \$2,980,000 for the Series 2018B Certificates of Participation and interest of \$122,628 for the year ending June 30, 2022.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2021, was:

Constitutional debt limit	\$ 109,328,239
General obligation bonds payable	(81,515,000)
Amount available in Debt Service Fund	4,860,424
<b>Legal Debt Margin</b>	<b>\$ 32,673,663</b>

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### 6. Retirement Plans

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

##### *Summary of Significant Accounting Policies*

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

*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 the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Sections 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

*Plan Description.* PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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 PSRS must contribute to PEERS. Employees of the Systems 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 PSRS.

*Benefits Provided.* PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. 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.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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*Benefits Provided.* PEERS is a defined benefit plan providing retirement, disability, and death 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 benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 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.

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

*Contributions.* PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020, and 2021. 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.* PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020, and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$7,595,221 and \$1,516,025, respectively, for the year ended June 30, 2021.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at [www.psr-peers.org](http://www.psr-peers.org).



# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

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### 7. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2021, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

### 8. Risk Management

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

### 9. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2021, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 4,286,146
Special Revenue Fund	4,286,146	-
	<u>\$ 4,286,146</u>	<u>\$ 4,286,146</u>

The District is required to make a transfer from the General Fund to the Special Revenue Fund to cover the excess of disbursements over receipts each year.

### 10. Capital Leases Payable

On August 25, 2017, the District entered into a capital lease with Arvest Equipment Finance for \$217,159 with interest at 3.25%. The purpose of the lease was to finance the acquisition of radio equipment for the District.

The capital lease noted above is a direct borrowing debt issuance. The Arvest Equipment Finance lease notes that if the District defaults in the payment of principal or interest after 10 days from the due date for a period of 10 days after written notice by the District, then at any time thereafter and while such default continues, the lessee may declare all or any portion of the indebtedness to be immediately due and payable and take possession of the equipment leased.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

The following is a schedule of the future minimum lease payments under the lease (assuming non-cancellation):

<u>Year Ending June 30,</u> 2022	<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>\$ 44,817</u>	<u>\$ 1,478</u>	<u>\$ 46,295</u>

The following represents the changes in the net lease payments for the year ended June 30, 2021:

Leases Payable, July 1, 2020	\$ 88,203
Additional Lease Obligations	-
Lease Retirements	(43,386)
<b>Leases Payable, June 30, 2021</b>	<u><u>\$ 44,817</u></u>

### 11. Post-Employment Benefits

In addition to the pension benefits described in Note 6, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subject to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

### 12. Cost Plus Insurance Contract

The District has a cost plus contract for employee health insurance. As part of the contract there is a terminal liability maximum maintained by the District in cash reserves. The amount of \$600,000 is approximately two months' average expenses multiplied by certain factors. The amount is reflected in the financial statements as cash and restricted net position/fund balance.

Due to the modified cash basis presentation of the financial statements, and the timing of amounts paid for health insurance, billing for claims and fees and settlement for the prior year, cash and investments are presented net of amounts due based on the cost plus insurance contract. At June 30, 2021, cash and investments was reduced by \$2,592,987 for amounts due.

### 13. Operating Leases

The District has operating lease agreements for two building leases, multiple leases for vehicles, an equipment lease and thirty one buses, as well as various month-to-month leases. The lease agreements are for various monthly or annual payments to Enterprise, Diocese' of KC – SJ Real Estate Trust, KC Bobcat, and Santander Leasing, Inc.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Payment</u>
2022	\$ 399,270
2023	388,086
2024	586,327
2025	312,352
2026	241,411
2027	170,032
	<u>\$ 2,097,478</u>

### 14. Commitments

The District had the following commitments as of June 30, 2021:

<u>Committed To</u>	<u>Purpose</u>	<u>Amount</u>
CB Construction Services. LLC	Raytown South High School Interior Renovations	\$ 1,594,201
		<u>\$ 1,594,201</u>

### 15. Tax Abatements

As of June 30, 2021, the District did not provide tax abatements to any businesses. However, the District's taxes were reduced by agreements entered into by other governments through the following programs: the Urban Redevelopment Corporation Law (Chapter 353), the Chapter 100 Industrial Development Act, and, the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property.

# Raytown C-2 School District

## Notes to the Financial Statements

June 30, 2021

For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

The Chapter 100 Industrial Development Act allow cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. Cities and counties are allowed to require the company to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay.

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased asattensessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to the cities that authorized the TIF, these funds are then distributed to a TIF special allocation fund or other political subdivisions.

Information relevant to disclosure of these programs for the year ended June 30, 2021, is as follows:

<u>Government Entering into Agreement</u>	<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>	<u>Payment in Lieu of Tax Received</u>
City of Kansas City	Tax Increment Financing		
	Ad-valorem taxes	\$ 602,279	\$ -
	Chapter 353		
	Ad-valorem taxes	1,158	-
	Chapter 100		
	Ad-valorem taxes	647,563	367,291
City of Independence	Tax Increment Financing		
	Ad-valorem taxes	90,738	-
City of Raytown	Tax Increment Financing		
	Ad-valorem taxes	377,299	-
	Chapter 353		
	Ad-valorem taxes	182,622	-
		<u>\$ 1,901,659</u>	<u>\$ 367,291</u>

## Supplementary Information

## Raytown C-2 School District

### Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Receipts</b>				
Local	\$ 42,313,325	\$ 42,323,325	\$ 39,639,423	\$ (2,683,902)
County	1,300,000	1,300,000	1,371,424	71,424
State	2,514,520	2,514,520	3,264,891	750,371
Federal	9,429,506	9,419,506	9,979,910	560,404
Other	25,000	25,000	7,301	(17,699)
<b>Total Receipts</b>	<u>55,582,351</u>	<u>55,582,351</u>	<u>54,262,949</u>	<u>(1,319,402)</u>
<b>Disbursements</b>				
Instruction	8,970,654	8,871,408	8,904,832	(33,424)
Student services	2,777,407	2,793,461	2,975,439	(181,978)
Instructional staff support	1,992,384	2,013,268	1,825,003	188,265
Building administration	2,072,046	2,064,317	2,118,019	(53,702)
General administration	10,698,151	10,976,641	7,859,923	3,116,718
Operation of plant	10,442,988	12,153,081	9,818,706	2,334,375
Transportation	5,370,141	4,966,816	3,715,164	1,251,652
Food service	6,385,185	4,591,491	3,187,766	1,403,725
Adult continuing education	318,866	296,694	296,694	-
Community services	2,950,395	3,251,040	2,882,068	368,972
<b>Total Disbursements</b>	<u>51,978,217</u>	<u>51,978,217</u>	<u>43,583,614</u>	<u>8,394,603</u>
<i>Excess of Receipts over Disbursements</i>	3,604,134	3,604,134	10,679,335	7,075,201
<b>Other Financing (Uses)</b>				
Operating transfers (out)	<u>(6,977,388)</u>	<u>(7,525,483)</u>	<u>(4,286,146)</u>	<u>3,239,337</u>
<i>Excess (Deficit) of Receipts over Disbursements and Other (Uses)</i>	(3,373,254)	(3,921,349)	6,393,189	10,314,538
Fund Balance, July 1, 2020	20,029,465	24,188,653	24,188,653	-
<b>Fund Balance, June 30, 2021</b>	<u><u>\$ 16,656,211</u></u>	<u><u>\$ 20,267,304</u></u>	<u><u>\$ 30,581,842</u></u>	<u><u>\$ 10,314,538</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

## Raytown C-2 School District

### Budgetary Comparison Schedule – Special Revenue Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Receipts</b>				
Local	\$ 9,558,233	\$ 9,558,223	\$ 9,581,037	\$ 22,814
County	50,000	50,000	28,144	(21,856)
State	38,614,659	38,614,659	37,810,056	(804,603)
Federal	4,565,635	4,565,635	8,392,228	3,826,593
Other	2,306,000	2,306,000	2,215,428	(90,572)
<b>Total Receipts</b>	<u>55,094,527</u>	<u>55,094,517</u>	<u>58,026,893</u>	<u>2,932,376</u>
<b>Disbursements</b>				
Instruction	46,236,440	46,717,435	46,850,231	(132,796)
Student services	3,587,104	3,592,379	3,625,277	(32,898)
Instructional staff support	2,437,679	2,421,391	2,107,378	314,013
Building administration	4,968,184	5,046,287	5,107,448	(61,161)
General administration	3,388,440	3,388,440	3,230,331	158,109
Operation of plant	236,811	236,811	250,073	(13,262)
Transportation	212,348	212,348	218,214	(5,866)
Food service	241,146	241,146	247,895	(6,749)
Community services	763,763	763,763	676,192	87,571
<b>Total Disbursements</b>	<u>62,071,915</u>	<u>62,620,000</u>	<u>62,313,039</u>	<u>306,961</u>
<i>(Deficit) of Receipts over Disbursements</i>	(6,977,388)	(7,525,483)	(4,286,146)	3,239,337
<b>Other Financing Sources</b>				
Operating transfers in	<u>6,977,388</u>	<u>7,525,483</u>	<u>4,286,146</u>	<u>(3,239,337)</u>
<i>Excess of Receipts and Other Sources over Disbursements</i>	-	-	-	-
Fund Balance, July 1, 2020	420,000	420,000	420,000	-
<b>Fund Balance, June 30, 2021</b>	<u><u>\$ 420,000</u></u>	<u><u>\$ 420,000</u></u>	<u><u>\$ 420,000</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

## Raytown C-2 School District

### Budgetary Comparison Schedule – Debt Service Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Local	\$ 8,611,933	\$ 8,611,933	\$ 8,455,126	\$ (156,807)
County	400,000	400,000	419,332	19,332
<b>Total Receipts</b>	<u>9,011,933</u>	<u>9,011,933</u>	<u>8,874,458</u>	<u>(137,475)</u>
<b>Disbursements</b>				
Debt service	<u>9,511,133</u>	<u>9,560,834</u>	<u>9,559,405</u>	<u>1,429</u>
<b>Total Disbursements</b>	<u>9,511,133</u>	<u>9,560,834</u>	<u>9,559,405</u>	<u>1,429</u>
<i>(Deficit) of Receipts over Disbursements</i>	(499,200)	(548,901)	(684,947)	(136,046)
Fund Balance, July 1, 2020	<u>5,545,371</u>	<u>5,545,371</u>	<u>5,545,371</u>	-
<b>Fund Balance, June 30, 2021</b>	<u><u>\$ 5,046,171</u></u>	<u><u>\$ 4,996,470</u></u>	<u><u>\$ 4,860,424</u></u>	<u><u>\$ (136,046)</u></u>

See accompanying Notes to the Budgetary Comparison Schedules



## Raytown C-2 School District

### Budgetary Comparison Schedule – Capital Projects Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Receipts</b>				
Local	\$ 962,000	\$ 962,000	\$ 965,795	\$ 3,795
State	835,500	835,500	502,858	(332,642)
Federal	-	-	760,998	760,998
Other	10,000	10,000	-	(10,000)
<b>Total Receipts</b>	<u>1,807,500</u>	<u>1,807,500</u>	<u>2,229,651</u>	<u>422,151</u>
<b>Disbursements</b>				
Instruction	1,207,382	935,391	926,686	8,705
Student services	25,000	24,631	24,631	-
General administration	646,620	544,620	656,000	(111,380)
Operation of plant	547,141	531,070	445,715	85,355
Transportation	20,891	20,891	2,075	18,816
Food service	49,740	43,185	36,000	7,185
Community services	-	5,000	1,864	3,136
Facilities acquisition and construction	13,250,000	13,641,986	11,146,800	2,495,186
Debt service	53,531	53,531	53,171	360
<b>Total Disbursements</b>	<u>15,800,305</u>	<u>15,800,305</u>	<u>13,292,942</u>	<u>2,507,363</u>
<i>(Deficit) of Receipts over Disbursements</i>	(13,992,805)	(13,992,805)	(11,063,291)	2,929,514
<b>Other Financing Sources</b>				
Sale of school buses	-	-	71,350	71,350
Sale of other property	10,000	-	63,348	63,348
<b>Total Other Financing Sources</b>	<u>10,000</u>	<u>-</u>	<u>134,698</u>	<u>134,698</u>
<i>(Deficit) of Receipts and Other Sources over Disbursements</i>	(13,982,805)	(13,992,805)	(10,928,593)	3,064,212
Fund Balance, July 1, 2020	21,821,116	21,821,116	21,821,116	-
<b>Fund Balance, June 30, 2021</b>	<u><u>\$ 7,838,311</u></u>	<u><u>\$ 7,828,311</u></u>	<u><u>\$ 10,892,523</u></u>	<u><u>\$ 3,064,212</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

# Raytown C-2 School District

## Notes to the Budgetary Comparison Schedules

June 30, 2021

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### **Budgets and Budgetary Accounting**

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

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

## Other Financial Information

# Raytown C-2 School District

## Schedule of Receipts by Source

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>Local</b>					
Current taxes	\$ 35,110,727	\$ -	\$ 7,890,776	\$ -	\$ 43,001,503
Delinquent taxes	2,494,199	-	560,545	-	3,054,744
School district trust fund (Prop C)	-	9,527,592	-	-	9,527,592
Financial institution tax	-	-	-	27,813	27,813
M&M surtax	-	-	-	709,575	709,575
In lieu of tax	367,291	-	1,558	-	368,849
Adult/continuing education tuition - post secondary	-	3,319	-	-	3,319
Earnings from temporary deposits	39,601	114	2,247	167,797	209,759
Food service - sales to pupils	13,143	-	-	-	13,143
Food service - sales to adults	1,382	-	-	-	1,382
Food service non-program	39,600	-	-	-	39,600
Admissions - student activities	3,215	-	-	-	3,215
Other pupil activity income	370,326	-	-	-	370,326
Community services	323,850	-	-	-	323,850
PK tuition from parents	3,090	-	-	-	3,090
Rentals	3,423	-	-	-	3,423
Gifts	260,981	50,000	-	3,661	314,642
Prior period adjustment	103,280	12	-	56,949	160,241
Miscellaneous local revenue	505,315	-	-	-	505,315
<b>Total Local</b>	39,639,423	9,581,037	8,455,126	965,795	58,641,381
<b>County</b>					
Fines, escheats, etc.	-	28,144	-	-	28,144
State assessed utilities	1,371,424	-	419,332	-	1,790,756
<b>Total County</b>	1,371,424	28,144	419,332	-	1,818,900
<b>State</b>					
Basic formula - state monies	-	32,634,070	-	-	32,634,070
Transportation	797,548	-	-	-	797,548
Early childhood special education	1,866,684	-	-	-	1,866,684
Basic formula - classroom trust fund	-	3,340,723	-	-	3,340,723
Educational screening program/PAT	154,579	-	-	-	154,579
Career education	409,295	447,055	-	502,858	1,359,208
Food service - state	34,454	-	-	-	34,454
Residential placement/excess cost	-	201,723	-	-	201,723
High need fund - special education	-	1,186,485	-	-	1,186,485
Other - state	2,331	-	-	-	2,331
<b>Total State</b>	3,264,891	37,810,056	-	502,858	41,577,805

# Raytown C-2 School District

## Schedule of Receipts by Source

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>Federal</b>					
Medicaid	529,381	-	-	-	529,381
CARES - ESSER II	4,269,693	4,036,722	-	-	8,306,415
CARES - ESSER fund	-	514,284	-	-	514,284
CARES - governor's emergency education relief fund	127,661	-	-	-	127,661
Perkins basic grant, career education	242,764	-	-	-	242,764
Coronavirus relief fund (OA CRF)	771,941	-	-	-	771,941
IDEA Grants	-	49,728	-	-	49,728
IDEA entitlement funds, part B IDEA	-	1,832,309	-	-	1,832,309
Early childhood special education - federal	184,344	-	-	-	184,344
School lunch program	897,469	-	-	-	897,469
School breakfast program	538,770	-	-	-	538,770
Title I - ESEA	813,707	1,959,185	-	-	2,772,892
Title IV.A student support and academic enrichment	238,149	-	-	-	238,149
Title III, ESEA - English language acquisition	48,622	-	-	-	48,622
Educ for homeless children & youth	77,448	-	-	-	77,448
Title II, part A&B, ESEA - teacher and principal training	419,414	-	-	-	419,414
CARES - school lunch program	131,862	-	-	-	131,862
CARES - school breakfast program	83,235	-	-	-	83,235
Federal emergency mgt agency (FEMA) funds	58,249	-	-	72,846	131,095
Department of health food service program	42,647	-	-	-	42,647
Headstart	413,088	-	-	-	413,088
Other - federal	91,466	-	-	688,152	779,618
<b>Total Federal</b>	<b>9,979,910</b>	<b>8,392,228</b>	<b>-</b>	<b>760,998</b>	<b>19,133,136</b>
<b>Other Sources</b>					
Sale of school buses	-	-	-	71,350	71,350
Sale of other property	-	-	-	63,348	63,348
Tuition from other LEAs - regular term	-	235,484	-	-	235,484
Area voc fees from other LEAs	-	1,774,018	-	-	1,774,018
Contracted educational services	-	205,926	-	-	205,926
Transportation from other LEAs for non-disabled routes	7,301	-	-	-	7,301
<b>Total Other Sources</b>	<b>7,301</b>	<b>2,215,428</b>	<b>-</b>	<b>134,698</b>	<b>2,357,427</b>
<b>Total Receipts</b>	<b>\$54,262,949</b>	<b>58,026,893</b>	<b>\$ 8,874,458</b>	<b>\$ 2,364,349</b>	<b>\$ 123,528,649</b>

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR).

# Raytown C-2 School District

## Schedule of Disbursements by Object

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Certificated - regular salaries	\$ -	\$ 37,643,128	\$ -	\$ -	\$ 37,643,128
Certificated - administrators salaries	-	5,860,500	-	-	5,860,500
Certificated - part-time salaries	-	593,118	-	-	593,118
Certificated - other part-time salaries	-	77,408	-	-	77,408
Certificated supplemental pay	-	2,316,063	-	-	2,316,063
Certificated unused leave and/or severance pay	-	102,288	-	-	102,288
Classified salaries regular	14,666,235	-	-	-	14,666,235
Classified instructional aide salaries	2,330,640	-	-	-	2,330,640
Classified substitute salaries	112,366	-	-	-	112,366
Classified salaries - part-time	1,073,366	-	-	-	1,073,366
severance	57,954	-	-	-	57,954
Teacher's retirement	28,372	7,381,163	-	-	7,409,535
Non-teacher retirement	1,463,477	22,124	-	-	1,485,601
Old age survivor and disability (OASDI)	1,078,651	68,067	-	-	1,146,718
Medicare	253,327	649,591	-	-	902,918
Employee insurance	4,076,348	5,807,679	-	-	9,884,027
Workers' compensation insurance	796,067	-	-	-	796,067
Unemployment compensation	142,821	-	-	-	142,821
Purchased instructional services - tuition	-	1,791,910	-	-	1,791,910
Staff services	1,975	-	-	-	1,975
Audit services	32,000	-	-	-	32,000
Data processing and technology related services	21,664	-	-	-	21,664
Legal services	206,956	-	-	-	206,956
Election services	38,661	-	-	-	38,661
Other professional services	1,101,576	-	-	-	1,101,576
Repairs and maintenance	325,514	-	-	-	325,514
Rentals - land and buildings	43,840	-	-	-	43,840
Rentals - equipment	631,389	-	-	-	631,389
Water and sewer	252,424	-	-	-	252,424
Trash removal	93,843	-	-	-	93,843
Technology-related repairs and maintenance	352,940	-	-	-	352,940
Rentals of computers and related equipment	137,971	-	-	-	137,971
Other property services	2,114	-	-	-	2,114
Contracted transportation to and from school	554,930	-	-	-	554,930
Travel	35,666	-	-	-	35,666
Property insurance	364,589	-	-	-	364,589
Liability insurance	609,042	-	-	-	609,042
Communication	322,509	-	-	-	322,509

# Raytown C-2 School District

## Schedule of Disbursements by Object

June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Advertising	10,731	-	-	-	10,731
Printing and binding	81,263	-	-	-	81,263
Dues and membership	82,265	-	-	-	82,265
Other purchased services	2,919,802	-	-	-	2,919,802
General supplies	3,270,767	-	-	-	3,270,767
Supplies - technology - related	2,691,735	-	-	-	2,691,735
Textbook	432,577	-	-	-	432,577
Library books	47,834	-	-	-	47,834
Food supplies - exclude non-food supplies	914,182	-	-	-	914,182
Electric	1,697,063	-	-	-	1,697,063
Gas - natural	62,055	-	-	-	62,055
Gasoline/diesel	130,506	-	-	-	130,506
Other supplies and materials	33,607	-	-	-	33,607
Buildings	-	-	-	11,146,800	11,146,800
Regular equipment	-	-	-	847,708	847,708
Equipment - classroom instructional apparatus	-	-	-	482,271	482,271
Technology - related hardware	-	-	-	464,088	464,088
Other capital outlay	-	-	-	298,904	298,904
Principal - bonded indebtedness	-	-	5,470,000	-	5,470,000
Principal - lease purchase agreements	-	-	-	43,386	43,386
Interest - bonded indebtedness	-	-	4,086,855	-	4,086,855
Interest - lease purchase agreements	-	-	-	2,910	2,910
Fees - bonded indebtedness	-	-	2,550	-	2,550
Fees - lease purchase agreements	-	-	-	6,875	6,875
<b>Total Disbursements</b>	<b>\$ 43,583,614</b>	<b>\$ 62,313,039</b>	<b>\$ 9,559,405</b>	<b>\$ 13,292,942</b>	<b>\$ 128,749,000</b>

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR).

## Raytown C-2 School District

### Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2021

	<u>Contracted</u>	<u>District Owned</u>	<u>Contracted Disabled</u>	<u>Disabled District Owned</u>	<u>Payments to Other Districts</u>	<u>Total</u>
Certificated salaries	\$ -	\$ 171,019	\$ -	\$ -	\$ -	\$ 171,019
Non-certificated salaries	-	1,162,599	-	455,978	-	1,618,577
Employee benefits	-	506,262	-	219,480	-	725,742
Purchased services	218,250	79,819	167,418	21,151	14,135	500,773
Supplies	-	193,573	-	66,842	-	260,415
Capital outlay	-	2,075	-	-	-	2,075
Depreciation, net of adjustment	-	91,042	-	-	-	91,042
	<u>\$ 218,250</u>	<u>\$ 2,206,389</u>	<u>\$ 167,418</u>	<u>\$ 763,451</u>	<u>\$ 14,135</u>	<u>\$ 3,369,643</u>



## **Other Reporting Requirements**



**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  
Raytown C-2 School District  
Raytown, 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 Raytown C-2 School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Raytown C-2 School District's basic financial statements and have issued our report thereon dated December 2, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Raytown C-2 School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Raytown C-2 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of Report**

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

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021



## Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Education  
Raytown C-2 School District  
Raytown, Missouri

### Report on Compliance for Each Major Federal Program

We have audited Raytown C-2 School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Raytown C-2 School District's major federal programs for the year ended June 30, 2021. The Raytown C-2 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Raytown C-2 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Raytown C-2 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 Raytown C-2 School District's compliance.

### Opinion on Each Major Federal Program

In our opinion, Raytown C-2 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, 2021.

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## Report on Internal Control over Compliance

Management of Raytown C-2 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 Raytown C-2 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Raytown C-2 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021

# Raytown C-2 School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed-through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Missouri Department of Elementary and Secondary Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	20210N109943	\$ -	\$ 538,770
National School Lunch Program				
Cash	10.555	20210N109943	-	897,469
COVID-19 School Lunch Program		2020N850343	-	215,097
Commodities		048-073	-	269,035
			-	1,381,601
Missouri Department of Health and Senior Services				
Child Nutrition Cluster				
COVID 19 Summer Food Service Program for Children	10.559	ERS042887S	-	42,647
<b>Total Child Nutrition Cluster</b>			-	1,963,018
<b>Total U.S. Department of Agriculture</b>			-	1,963,018
<b>U.S. Department of Education</b>				
Missouri Department of Elementary and Secondary Education				
Title I Grants to LEAs	84.010	S010A200025	-	3,229,315
Supporting Effective Instruction State Grant	84.367	S367A200024	-	248,094
English Language Acquisition Grants	84.365	S365A200025	-	72,826
Perkins Vocational	84.048	V048A190025	-	331,115
Student Support and Academic Enrichment	84.424	S424A200026	-	165,125
COVID-19 Education Stabilization Fund	84.425D	S425D210021	-	8,311,770
	84.425C	S425C200016	-	127,661
			-	8,439,431
Education for Homeless Youth	84.196A	S196A200026	-	77,448
Special Education Grants Cluster				
Special Education Grants to States	84.027	H027A190040	-	1,128,943
		H027A200040	-	836,061
			-	1,965,004
Special Education Preschool Grants	84.173	H173A190103	-	34,759
		H173A200103	-	13,240
			-	47,999
<b>Total Special Education Grants Cluster</b>			-	2,013,003
<b>Total U.S. Department Education</b>			-	14,576,357

See accompanying notes to the Schedule of Expenditures of Federal Awards

# Raytown C-2 School District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed-through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Homeland Security</b>				
Missouri Department of Public Safety				
Disaster Grants - Public Assistance	97.036	DR-4490-FMD	-	131,095
<b>Total U.S. Department of Homeland Security</b>			-	131,095
<b>U.S. Department of Health and Human Services</b>				
Mid-America Regional Council				
Head Start	93.600	N/A	-	413,089
<b>Total U.S. Department of Health and Human Services</b>			-	413,089
<b>U.S. Department of Treasury</b>				
Missouri Department of Elementary and Secondary Education				
COVID 19 Coronavirus Relief Fund	21.019	048-073	-	771,941
Jackson County, Missouri				
COVID 19 Coronavirus Relief Fund	21.019	-	-	779,618
<b>Total U.S. Department of Treasury</b>			-	1,551,559
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 18,635,118

N/A - Not applicable

See accompanying notes to the Schedule of Expenditures of Federal Awards

## Raytown C-2 School District

### Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

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1. The Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's financial statements. Included in expenditures reported under Disaster Grants-Public Assistance (97.036) is \$10,829 in expenditures that occurred during the fiscal year ended June 30, 2020 but were not approved until the year ended June 30, 2021. Also, included in expenditures reported under COVID-19 Education Stabilization Fund (84.425D) is \$5,355 in expenditures that occurred during the fiscal year ended June 30, 2020, but were not identified until the year ended June 30, 2021.
2. Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.
3. The District did not provide funds to subrecipients in the current year.
4. The District elected not to use the 10% de minimis indirect cost rate.



# Raytown C-2 School District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

### Section I: Summary Schedule of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis of accounting:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal programs:		
<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
84.010	Title I Grants to LEAs	
84.425C & 84.425D	COVID-19 Education Stabilization Fund	
21.019	COVID-19 Coronavirus Relief Fund	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

### Section II: Financial Statement Findings

None

### Section III: Federal Award Findings and Questioned Costs

None

# Raytown C-2 School District

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

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There were no prior year audit findings.

## Supplementary State Information



## Independent Accountants' Report on Management's Assertions about Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education  
Raytown C-2 School District  
Raytown, Missouri

We have examined management's assertions that Raytown C-2 School District complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the schedule of selected statistics during the year ended June 30, 2021. Raytown C-2 School District's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertions referred to above are fairly stated, in all material respects.

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

*KPM CPAs, PC*

KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021

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# Raytown C-2 School District

## Schedule of Selected Statistics

Year Ended June 30, 2021

### 1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1050	9	12	-	6.75	160.00	1,069.75
1075	9	12	-	6.75	160.00	1,069.75
3000	6	8	-	6.75	160.00	1,073.16
3010	6	8	-	6.75	160.00	1,073.16
3020	6	8	-	6.75	160.00	1,073.16
4020	K	5	-	6.75	160.00	1,072.50
4060	K	5	-	6.75	160.00	1,072.50
4070	K	5	-	6.75	160.00	1,072.50
4080	K	5	-	6.75	160.00	1,072.50
4090	K	5	-	6.75	160.00	1,072.50
5000	K	5	-	6.75	160.00	1,072.50
5040	K	5	-	6.75	160.00	1,072.50
5060	K	5	-	6.75	160.00	1,072.50
5080	K	5	-	6.75	160.00	1,072.50
6000	K	5	-	6.75	160.00	1,072.50
7510	PK	PK	-	7.08	159.00	1,074.58

# Raytown C-2 School District

## Schedule of Selected Statistics

Year Ended June 30, 2021

### 2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	1,290,626.18	55,857.59	-	-	2,316.51	1,348,800.28
1075	9-12	1,038,672.79	21,927.96	-	-	49,633.06	1,110,233.81
3000	6-8	708,292.09	-	22.00	-	15,844.34	724,158.43
3010	6-8	572,867.64	-	-	-	-	572,867.64
3020	6-8	552,054.58	-	-	-	-	552,054.58
4020	K-5	307,551.83	-	-	-	83.00	307,634.83
4060	K-5	325,663.17	-	-	135.00	8,569.67	334,367.84
4070	K-5	335,361.51	-	-	-	8,188.12	343,549.63
4080	K-5	377,436.98	-	-	-	-	377,436.98
4090	K-5	366,007.67	-	-	-	-	366,007.67
5000	K-5	323,586.37	-	-	83.00	9,602.57	333,271.94
5040	K-5	310,085.02	-	-	172.50	7,793.25	318,050.77
5060	K-5	325,540.50	497.73	-	47.00	-	326,085.23
5080	K-5	367,507.05	-	-	-	577.00	368,084.05
6000	K-5	333,298.35	-	-	191.00	6,072.35	339,561.70
7010	PK-12	-	-	-	-	-	-
7510	PK	50,430.69	-	-	-	-	50,430.69
<b>Grand Total</b>	<b>PK-12</b>	<b>7,584,982.42</b>	<b>78,283.28</b>	<b>22.00</b>	<b>628.50</b>	<b>108,679.87</b>	<b>7,772,596.07</b>

# Raytown C-2 School District

## Schedule of Selected Statistics

Year Ended June 30, 2021

### 3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	K	536.00	-	-	536.00
	1	537.00	-	-	537.00
	2	527.00	-	-	527.00
	3	544.00	-	-	544.00
	4	585.00	-	-	585.00
	5	620.00	-	-	620.00
	6	605.00	-	-	605.00
	7	623.00	-	-	623.00
	8	627.00	-	-	627.00
	9	792.00	-	-	792.00
	10	652.00	0.59	-	652.59
	11	586.00	1.06	-	587.06
	12	589.00	5.47	-	594.47
<b>Grand Total</b>	<b>K-12</b>	<b>7,823.00</b>	<b>7.12</b>	-	<b>7,830.12</b>

## Raytown C-2 School District

### Schedule of Selected Statistics

Year Ended June 30, 2021

#### 4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
1050	761.50	120.43	-	-	881.93
1075	614.43	117.71	-	-	732.14
3000	434.00	60.00	-	-	494.00
3010	391.00	48.00	-	-	439.00
3020	284.00	53.00	-	-	337.00
4020	199.00	20.00	-	-	219.00
4060	249.00	16.00	-	-	265.00
4070	178.00	36.00	-	-	214.00
4080	231.00	33.00	-	-	264.00
4090	196.00	38.00	-	-	234.00
5000	199.00	21.00	-	-	220.00
5040	164.00	27.00	-	-	191.00
5060	185.00	23.00	-	-	208.00
5080	254.00	29.00	-	-	283.00
6000	237.00	19.00	-	-	256.00
N/A	13.00	-	-	-	13.00
<b>Grand Total</b>	<b>4,589.93</b>	<b>661.14</b>	-	-	<b>5,251.07</b>

#### 5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A



## Raytown C-2 School District

### Schedule of Selected Statistics

Year Ended June 30, 2021

	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$75,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	True
5.9	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. (Not applicable to charter schools)	N/A
5.10	The district/charter school 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

## Raytown C-2 School District

### Schedule of Selected Statistics

Year Ended June 30, 2021

5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$335,778
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Finding:	There were no findings noted above.
Management Letter Comment:	N/A

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

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	1,812.5
	Ineligible ADT	169
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	426,838

## Raytown C-2 School District

### Schedule of Selected Statistics

Year Ended June 30, 2021

6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	349,324
	Ineligible Miles (Non-Route/Disapproved)	77,514
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	126

Finding:	There were no findings noted above.
Management Letter Comment:	N/A



Board of Education  
Raytown C-2 School District  
Raytown, Missouri

In planning and performing our audit of the basic financial statements of Raytown C-2 School District, for the year ended June 30, 2021, we considered the District's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report 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*, we did not identify any deficiencies in internal control that we consider to be material weakness.

We became aware of additional matters to bring to your attention. The following paragraphs summarize our comments regarding these matters.

#### **1. Cybersecurity**

The District has positioned itself as a leader in data security and has policies and procedures that address current and emerging risks in the information technology arena. Cybersecurity threats continue to increase and government entities of all sizes are at risk for a breach of their information systems. With this ever-increasing risk, entities should be continually evaluating risk and taking steps necessary to ensure the security of information systems.

*We Commend:*

The District for the efforts taken to prioritize data security and recommend the District remain vigilant and continue to evaluate its cybersecurity risks and take the necessary steps to reduce the risk of cybersecurity threats to their information systems.

#### **2. Review and Update Policies and Procedures**

As noted in the previous audit, changes in operating procedures due to the COVID epidemic were experienced by many entities since March 2020. As of June 30, 2020, many existing policies and procedures did not incorporate or address remote work environments.

*We Commend:*

The District for monitoring circumstances and conducting reviews of financial policies and procedures in order to determine if any changes were necessary and for updating policies and procedures to address these matters.

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### 3. **Booster Clubs and Other School Related Organization Policies**

During the audit of the year ended June 30, 2020, it was noted the District did not have procedures in place for collecting financial information from booster clubs and other school-related organizations. These organizations were not required to provide information to the District in regards to receipts, disbursements, or balances in order to be a part of the audit. However, the District needed to collect information from them in order to determine if they become large enough to be considered as component units of the District.

*We Commend:*

The District for implementing procedures for collecting financial information from booster clubs and other school-related organizations, including balance information, receipts, and disbursements.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the District's administrative personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

This information is intended solely for the information and use of the Board of Education and management of the Raytown C-2 School District and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to serve as Raytown C-2 School District's independent auditor and the courtesies and assistance extended to us by the District's employees.

Sincerely,

Handwritten signature in black ink that reads "KPM CPAs, PC".

KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021



Board of Education  
Raytown C-2 School District  
Raytown, Missouri

We have audited the financial statements of the governmental activities and each major fund of Raytown C-2 School District for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We communicated such information in our letter to you dated February 17, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Raytown C-2 School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020-2021. We noted no transactions entered into by the District for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no misstatements regarding assets or net position.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

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### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 2, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We were not engaged to report on the supplementary information which accompanies the financial statements but is not RSI. Such information 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.

With respect to the other financial information and the Schedule of Expenditures of Federal Awards accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other financial information and the Schedule of Expenditures of Federal Awards to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Restriction on Use**

This information is intended solely for the information and use of the Board of Education and management of the Raytown C-2 School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Handwritten signature in black ink that reads "KPM CPAs, PC". The signature is written in a cursive, slightly slanted style.

KPM CPAs, PC  
Springfield, Missouri  
December 2, 2021