GAINESVILLE R-V SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the district's financial performance provides an overview of the district's financial activity for the fiscal year ending June 30, 2014. Please read it in conjunction with the district's financial statements, notes to the financial statements, and other supplemental information, which follows this section.

The District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The District has elected to omit from its government-wide financial statements capital assets, the related depreciation, and long-term debt. This presentation is permissible under GASB 34 reporting model for modified cash basis school districts.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2014, as compared to fiscal year 2013, respectively, are as follows:

The cash balances of the Gainesville R-V School District decreased by $305,911 during fiscal year 2014 and decreased by $134,117 during fiscal year 2013.

Total Revenues of the governmental funds were $5,582,261 or a decrease of 1% from prior year total revenue of $5,599,806.

Expenses for the operating funds (general and teachers' funds) increased $154,249 or more than 2.6%.

Outlays for capital assets were $221,681 during the year, including the annual principal and interest on the Biomass lease (116,189) and other expenditures including a new elementary gym roof (46,750), new fencing at the ball parks (18,060), new school mini-van (10,779), new lawn mower (9,000), land clearing at elementary (6,628), green house furnaces (4,990), new milk cooler (2,445), and other small upgrades (6,840).

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the annual report consists of four parts:

Management's discussion and analysis,

Basic financial statements (district-wide and fund financial statements), including Notes to the Financial Statements, and

Supplemental information.

The basic financial statements consist of two different kinds of statements that present the district's financial activities based on current sources of, uses of, and available financial resources.

District-wide financial statements - provide only current financial measurements of the district's financial status. The district-wide statements include the Statement of Net Position-Modified Cash Basis and Statement of Activities-Modified Cash Basis.

The fund financial statements focus on individual funds of the District and report the district's operations in more detail than the district-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The notes to the financial statements are followed by sections of supplemental information that further explains and supports the financial statements.

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using the modified cash basis of accounting. The two district-wide statements report the district's net position and how they have changed. Net position is one way to measure the current financial resources of the District.

Increases or decreases in the district's net position are an indicator of whether its current financial position is improving or deteriorating, respectively.

To assess the district's overall health, additional non-financial factors should be considered such as changes in the district's property tax base, long-term debt, the condition of school buildings and other facilities, and changes in student attendance.

District activities are categorized as Governmental Activities in the district-wide financial statements.

Governmental Activities: The district's basic services are included here, such as regular and special education, transportation, food service, administration with property taxes, sales taxes, state formula aid, and grants financing most of these activities.

FUND FINANCIAL STATEMENT

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or major funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

All funds are required by state law and by bond covenants.

Governmental Funds: The district's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are current financial resources. Consequently, the government funds statements provide a detailed view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's total net position are $3,060,308 as of June 30, 2014, a decrease of $305,911 or 9% below the prior year. Of this amount, $3,044,919 is available for current operating costs other than debt service, capital outlays, or student scholarships.

Schedule 1
NET POSITION

	Governmental Activities	
ASSETS	2014	2013
Cash and Investments	$3,060,308	$3,366,219
TOTAL ASSETS	$3,060,308	$3,366,219
NET POSITION		
Restricted	$ 15,389	$ 23,899
Unrestricted	$3,044,919	$3,342,320
TOTAL NET POSITION	$3,060,308	$3,366,219

GOVERNMENTAL ACTIVITIES

Gainesville R-V School District primarily relies on local property taxes, sales taxes, and state basic formula aid for funding its governmental activities with 47% of general revenues coming from local revenue, 48% from state revenue, 3% from county revenue and 2% from other sources such as investments.

The district's current changes in net position can be directly attributed to several factors which include:

Assessed valuation within the District decreased .03%.

Expenses in the Capital Projects Funds increased $7,206.

Total state funding decreased .4% or $10,769.

Total federal funding decreased 9% or $75,769.

The district's major governmental activities included: instruction, pupil support services, administration, food service, transportation, and debt service.

The cost of all governmental activities this year was $5,888,172.

Instruction represents 56.7% of the total cost of all governmental activities of the District.

Pupil Support Services (this area includes Guidance, Media Services-Library, Health/ Psychology/ Speech Services and Attendance Services) represents 9% of the total costs of all governmental activities of the District.

Administration (includes Board of Education, District-wide, and Building Level Administrative Services) represents 8% of the total costs of all governmental activities.

Pupil Transportation and Food Services represents 13% of the total costs of all governmental activities.

Debt services represent less than 2% of the total costs of all governmental activities.

Schedule 2
CHANGES IN NET POSITION

	Governmental Activities		Change
Program Revenues:	2014	2013	2013-2014
Charges for Services	$ 400,620	$ 339,058	$ 61,562
Operating Grants & Contributions	1,171,269	1,205,678	(34,409)
Capital Grants & Contributions	-0-	-0-	-0-
General Revenues			
Basic Formula	1,946,482	1,998,611	(52,129)
Property Taxes	1,285,765	1,296,673	(10,908)
School District Trust Fund	550,169	533,376	16,793
Local	41,131	49,625	(8,494)
County	145,076	133,642	11,434
Investment Income	33,870	39,385	(5,515)
Sale of Property	-0-	3,758	(3,758)
Other	7,879	-0-	7,879
TOTAL REVENUES	5,582,261	5,599,806	(17,545)
Program Expense			
Instruction	3,339,612	3,224,442	115,170
Student Activities	216,297	220,900	(4,603)
Student Services	284,458	309,010	(24,552)
Instructional Staff Support	118,719	95,155	23,564
Building Administration	255,234	231,295	23,939
General Administration	249,711	231,054	18,657
Operation of Plant	379,610	362,775	16,835
Transportation	416,662	499,131	(82,469)
Food Services	336,052	341,408	(5,356)
Adult Education	1,700	2,210	(510)
Community Services	94,919	94,347	572
Facility Acquisition & Construction	79,009	75,363	3,646
Debt Services			
Principal Payments	107,001	42,804	64,197
Interest & Fees	9,188	4,029	5,159
TOTAL EXPENSES	5,888,172	5,733,923	154,249
CHANGE IN NET POSITION	$ (305,911)	$ (134,117)	$ (171,794)

Schedule 3
NET COST OF GOVERNMENTAL ACTIVITIES

	Total Costs of Services		Net Costs of Services	
	2014	2013	2014	2013
Instruction	$3,339,612	$3,224,442	$2,596,600	$2,549,646
Student Services	216,297	220,900	20,038	29,818
Student Activities	284,458	309,010	236,735	247,813
Instructional Staff Support	118,719	95,155	54,910	46,810
Building Administration	255,234	231,295	255,234	231,295
General Administration	249,711	231,054	249,711	231,054
Operation of Plant	379,610	362,775	379,610	362,775
Transportation	416,662	499,131	313,246	394,267
Food Service	336,052	341,408	912	(41,951)
Adult Education	1,700	2,210	1,700	2,210
Community Services	94,919	94,347	12,389	13,254
Facility Acquisition & Construction	79,009	75,363	79,009	75,363
Debt Services:				
Principal Payments	107,001	42,804	107,001	42,804
Interest & Fees	9,188	4,029	9,188	4,029
TOTAL	$5,888,172	$5,733,923	$4,316,283	$4,189,187

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of $3,060,308 which is below last year's ending fund balances of $3,366,219.

The District originally budgeted a breakeven of revenues to expenses and ended the year with a shortfall of $305,912.

The fund balance of the Capital Projects Fund decreased by $159,635 to a balance of $1,230,673.

BUDGETARY HIGHLIGHTS
During the course of the year, the district did amend the annual budget one time for additional expenditures.

INFRASTRUCTURE ASSETS
All buildings are in relatively fair condition.

DEBT
At year-end, the District had $860,630 of lease/purchase obligations outstanding. This lease/purchase was for the construction, installation and equipment of a biomass heating and cooling facility.

Schedule 4
DEBT

	Governmental Activities		Change
	2014	2013	2014-2013
Lease/Purchase Obligations	$ 860,630	$ 967,631	$ (107,001)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the district's citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Superintendent.

INDEPENDENT AUDITOR'S REPORT

Board of Education
Gainesville R-V School District
Gainesville, Missouri

We have audited the accompanying modified cash basis financial statements of Gainesville R-V School District, as of and for the year ended June 30, 2014, 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 error or fraud.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities and each major fund of the Gainesville R-V School District, as of June 30, 2014, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as 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 matters.

Other Matters

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gainesville R-V School District's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages 1–6 and 22–24, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basis 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gainesville R-V School District's basic financial statements. The accompanying supplementary state information is presented for purposes of additional analysis as required by the Missouri Department of Elementary and Secondary Education and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary state 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary state information and the schedule of expenditures of federal awards are 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 October 15, 2014, on our consideration of the Gainesville R-V School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gainesville R-V School District's internal control over financial reporting and compliance.

Paul Wade & Associates, P.C.

Paul Wade & Associates, P.C.
Gainesville, Missouri
November 7, 2014

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

Board of Education
Gainesville R-V School District
Gainesville, 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 basic financial statements of the Gainesville R-V School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2014.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Gainesville R-V School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gainesville R-V School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Gainesville R-V School District's internal control.

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Gainesville R-V School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Paul Wade & Associates, P.C.

Paul Wade & Associates, P.C.
Gainesville, Missouri
November 7, 2014

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2014

ASSETS	
Cash and Investments	$ 3,060,308
TOTAL ASSETS	$ 3,060,308
NET POSITION	
Restricted for:	
Student Scholarships	$ 13,966
Professional Development	1,423
Unrestricted	3,044,919
TOTAL NET POSITION	$ 3,060,308

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

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Cash Disbursements	Program Cash Receipts: Charges for Services	Program Cash Receipts: Operating Grants and Contrib.	Capital Grants	Net (Disbursements) Receipts and Changes in Net Position
Governmental Activities:					
Instructional Services	$(3,339,612)	$135,228	$ 607,784	-0-	$(2,596,600)
Student Activities	(216,297)	196,259	-0-	-0-	(20,038)
Student Services	(284,458)	-0-	47,723	-0-	(236,735)
Instructional Staff Support	(118,719)	-0-	63,809	-0-	(54,910)
Building Administration	(255,234)	-0-	-0-	-0-	(255,234)
Gen'l Admin & Central Serv	(249,711)	-0-	-0-	-0-	(249,711)
Operation of Plant	(379,610)	-0-	-0-	-0-	(379,610)
Transportation	(416,662)	-0-	103,416	-0-	(313,246)
Food Service	(336,052)	69,133	266,007	-0-	(912)
Adult Education	(1,700)	-0-	-0-	-0-	(1,700)
Community Services	(94,919)	-0-	82,530	-0-	(12,389)
Facilities Act & Constr	(79,009)	-0-	-0-	-0-	(79,009)
Debt Services:	-0-	-0-	-0-	-0-	-0-
Principal Payments	(107,001)	-0-	-0-	-0-	(107,001)
Interest & Fees	(9,188)	-0-	-0-	-0-	(9,188)
Net Program (Disb) Receipts	$(5,888,172)	$400,620	$1,171,269	-0-	$(4,316,283)
General Receipts					
Basic Formula					$ 1,946,482
Property Taxes					1,285,765
School District Trust Fund					550,169
Federal Receipts					-0-
Local Receipts					41,131
County Receipts					145,076
Investment Income					33,870
Insurance Recovery					7,879
Total General Receipts					4,010,372
Decrease in Net Position					(305,911)
Net Position-Beginning of Year					3,366,219
Net Position-End of Year					$ 3,060,308

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

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GOVERNMENTAL FUND TYPES			
	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Memorandum Only 06/30/14
ASSETS:				
Cash and Investments	$ 1,829,635	$ -0-	$1,230,673	$ 3,060,308
TOTAL ASSETS	$ 1,829,635	$ -0-	$1,230,673	$ 3,060,308
FUND BALANCES:				
Restricted for:				
Scholarships	$ 13,966	$ -0-	$ -0-	$ 13,966
Professional Development	1,423	-0-	-0-	1,423
Assigned: Capital Projects	-0-	-0-	1,230,673	1,230,673
Unassigned	1,814,246	-0-	-0-	1,814,246
TOTAL FUND BALANCES	$ 1,829,635	$ -0-	$1,230,673	$ 3,060,308

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

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals (Memorandum Only) 6/30/14
REVENUES:				
Local	$ 1,554,335	$ 554,588	$ 37,953	$ 2,146,876
County	98,641	46,435	-0-	145,076
State	116,229	2,227,027	-0-	2,343,256
Federal	390,863	383,632	-0-	774,495
Investment Income	17,654	-0-	16,216	33,870
Rec'd Other Districts	55,885	74,924	-0-	130,809
Insurance Recovery	-0-	-0-	7,879	7,879
Total Revenues	2,233,607	3,286,606	62,048	5,582,261
EXPENDITURES:				
Instruction	641,554	2,698,058	-0-	3,339,612
Student Activities	216,297	-0-	-0-	216,297
Student Services	147,378	137,080	-0-	284,458
Instructional Staff Support	67,186	51,533	-0-	118,719
Building Administration	2,599	252,635	-0-	255,234
Genl Admin & Central Serv	165,201	84,510	-0-	249,711
Operation of Plant	366,350	-0-	13,260	379,610
Transportation	383,021	22,862	10,779	416,662
Food Service	333,607	-0-	2,445	336,052
Adult Education	-0-	1,700	-0-	1,700
Community Services	47,168	47,751	-0-	94,919
Facilities Act. & Constr	-0-	-0-	79,009	79,009
Debt Services:	-0-	-0-	-0-	-0-
Principal Payments	-0-	-0-	107,001	107,001
Interest & Fees	-0-	-0-	9,188	9,188
Total Expenditures	2,370,361	3,296,129	221,682	5,888,172
REVENUES OVER (UNDER) EXPENDITURES	(136,754)	(9,523)	(159,634)	(305,911)
FUND BALANCES, BEGINNING OF YEAR	1,966,389	9,523	1,390,307	3,366,219
TRANSFERS IN (OUT)	-0-	-0-	-0-	-0-
FUND BALANCES, END OF YEAR	$ 1,829,635	$ -0-	$ 1,230,673	$ 3,060,308

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed in Note 1C, the financial statements are presented on a modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The financial statements apply generally accepted accounting principles and all relevant Governmental Accounting Standards Board (GASB) pronouncements as they relate to a modified cash basis.

A. PRINCIPALS USED TO DETERMINE SCOPE OF ENTITY

The District's reporting entity includes the District's governing board and all related organizations for which it exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the district's financial statements. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of any other entity.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position-Modified Cash Basis and Statement of Activities-Modified Cash Basis display information about the reporting government as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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 with a separate set of self-balancing accounts that consist of assets, fund equity, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are the major funds (as required by Missouri Department of Elementary and Secondary Education) used by the District:

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbook fund which are not designated in a separate fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted for the payment of teacher salaries.

Capital Projects (Building) Fund: Accounts for the receipt and disbursement of funds for acquisition and construction of capital assets and lease/purchase obligations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

Governmental activities and the fund financial statements are presented using the "current financial resources" measurement focus.

The "current financial resources" measurement focus includes only current financial assets in the statements of net position. The operating statements present sources and uses of the current financial resources during a given period. The fund financial statements use fund balances as a measure of current financial resources at the end of the period.

BASIS OF ACCOUNTING

Governmental activities and resources are presented using a modified cash basis of accounting in the financial statements. This basis recognizes assets, net position/fund equity, revenues, and expenditures when they result from cash and investment transactions. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

D. TOTAL COLUMNS ON COMBINED STATEMENTS

The "Totals (Memorandum Only)" columns are presented to facilitate financial analysis and do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

E. BUDGETS AND BUDGETARY ACCOUNTING

The District's procedures for establishing the budgetary data reflected in the financial statements are:

1) As required by Chapter 67, RSMo, the District adopts a budget for each fund.

2) Prior to July 1, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on July 1. The proposed budget includes estimated revenues and proposed expenditures for all district funds. Budgeted expenditures and transfers from each fund cannot exceed beginning available monies plus estimated revenues and transfers to each fund for the year.

3) Prior to approval, the budget document is available for public inspection.

4) Prior to July 1, the budget is legally enacted by vote of the Board of Education.

5) Subsequent to approval, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. The original and final budgets are reflected in the budget information included in the statements of cash receipts, disbursements and changes in modified cash basis fund balances - budget and actual statements. The variance column of these statements reflects the difference between revised budget and actual revenues and expenditures.

6) Budgets for district funds are prepared on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid. The actual results of operations are presented in the statements of cash receipts, disbursements, and changes in modified cash basis fund balances -budget and actual to provide a meaningful comparison of actual results with the budget.

F. CASH AND INVESTMENTS

Cash and Investments: For the purpose of financial reporting, "cash" includes all demand and savings accounts and certificates of deposits with maturity dates of three months or less. Investments with the Missouri Direct Deposit Program are regulated investment contracts that only authorize investments in obligations of the United States government or any agency or instrumentality thereof. For a detail of investments and their maturity dates see Note 2.

G. POOLED CASH AND TEMPORARY INVESTMENTS

Cash resources of the individual funds, except for the Debt Service Fund, are combined to form a pool of cash and temporary investments. Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. government securities, carried at cost, which approximates market. Interest income earned is allocated to contributing funds based on cash and temporary investment balances of each contributing fund.

H. COMPENSATED ABSENCES

Compensation for vacation time, personal days, and sick leave are considered expenditures in the year paid. Such amounts unused and which are vested in the employee are payable upon termination. The District paid $10,591.09 for unused time off upon termination during the year ended June 30, 2014.

I. TEACHERS' SALARIES

Payroll checks written and dated in June, 2014 for July and August, 2014, payrolls from 2013-14 contracts are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

J. CAPITAL ASSETS

Capital assets are recorded as expenditures in the Capital Project Fund when the expenditures are paid. No depreciation is provided on capital assets.

K. FUND BALANCE REPORTING

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications are as follows:

Nonspendable–includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted–includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed–includes amounts that the District intends to use for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only by the Board.

Assigned–includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Typically, assigned fund balances are the residual balance of governmental funds, other than the General Fund.

Unassigned–includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the district considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

L. NET POSITION

Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

2. CASH AND INVESTMENTS

Deposits - Missouri statutes require that all deposits with financial institutions be collaterized in an amount at least equal to uninsured deposits. At June 30, 2014, the carrying amount of the District's deposits was $3,060,308 and the bank balances were $3,657,773. Of the bank balances $250,000 was secured by federal depository insurance, $2,607,773 was secured by collateral pledged by the District's financial institution held by a third party agent, and $800,000 was covered by a Federal Home Loan letter of credit.

Investments - The District may purchase any investments allowed by State Statute. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law, or (3) certificates of deposits or savings accounts that are either insured or secured with acceptable collateral.

The district did not have any investments as of June 30, 2014.

Interest Rate Risk - The District's investment policy does not specifically address interest rate risk. However, the District manages its exposure to declines in fair values by investing in bank certificates with maturity dates of one year or less.

3. TAXES

Property taxes attach as an enforceable lien on property at 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 received sales tax collected by the state and remitted based on eligible pupil data.

The assessed valuation of the tangible taxable property for the calendar year 2013 for purpose of local taxation was:

	2013
Residential	$24,266,020
Agricultural	2,639,920
Commercial	8,924,200
Personal	11,198,840
Total	$47,028,980

The assessed valuation does not include the assessed value of state assessed railroad and utility properties in the District.

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

	. . . . 2013	
	Unadjusted	Adjusted
Incidental Fund	$ 2.7500	$ 2.7500
Teachers Fund		
Debt Service Fund		
Capital Projects Fund		
	$ 2.7500	$ 2.7500

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2014, aggregated approximately 99.69 percent of the current assessment computed on the basis of the levy for fiscal year ended June 30, 2014.

4. DEBT

The following is a summary of bond transactions and activities for the year ended June 30, 2014:

Bonds payable, July 1, 2013	$ -0-
Bond issues	-0-
Bond payments	-0-
Bonds payable, June 30, 2014	$ -0-

The District's bond indebtedness and related fixed assets have not been reported in the basic financial statements in accordance with the modified cash basis presentation. This presentation is allowable in accordance with the GASB 34 reporting model.

The Missouri Constitution limits the outstanding amount of authorized general obligation bonds to 15 percent of the assessed valuation of the District. The legal debt margin of the District at June 30, 2014, was $7,054,347.

Constitution debt limit	$7,054,347
General obligation bonds payable	-0-
Amount available in Debt Service Fund	-0-
Total Debt Margin at 6/30/13	$7,054,347

5. CAPITAL LEASES

The District has entered into a lease purchase agreement dated May 17, 2011 to finance the construction, installation and equipment of a biomass heating and cooling facility. The lease qualifies as a capital lease for accounting purposes. The total amount financed was $1,100,000 at a rate of 1.2% per year. The original agreement called for a prepayment of $100,459.18 due July 1, 2011 and then monthly payments of $9,681.58, beginning July 1, 2012 with the final payment due June 1, 2021. The District made a prepayment of $122,459.18 in June 2011. This agreement was modified on April 6, 2012. The new agreement applies the prepayment towards the monthly payments with the first payment now due February 1, 2014 in the amount of $8,103.37. Subsequent monthly payments will be in the amount of $9,682.40 with a final payment of $3,887.05 due March 1, 2022. The balance at June 30, 2014 is $860,630.

The following is a summary of capital lease transactions and activities for the year ended June 30, 2014:

Lease payable, July 1, 2013	$ 967,631
Increases	-0-
Lease payments	(107,001)
Lease payable, June 30, 2014	$ 860,630

The following is a schedule of minimum lease payments under the leases (assuming noncancellation).

Year Ending June 30,	Principal	Interest	Total
2015	$ 108,076	$ 8,113	$ 116,189
2016	109,162	7,027	116,189
2017	110,258	5,931	116,189
2018	111,366	4,823	116,189
2019	112,485	3,704	116,189
2020-2022	309,283	4,440	313,723
Total Minimum Lease Payments	$ 860,630	$ 34,038	$ 894,668

The capital projects fund has been used to make the payments for capital leases.

6. RETIREMENT PLAN

The Gainesville R-V School District contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by The Public School Retirement System of Missouri are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and benefits. The Gainesville R-V School District is required to contribute a matching amount. The contribution requirements of members and the Gainesville R-V School District are established and may be amended by the PSRS Board of Trustees. The School District's contributions to PSRS for the year ending June 30, 2014 were $403,466 equal to the required contributions. The required amount was withheld from qualifying employees earnings and contributed to PSRS also.

The Gainesville R-V School District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to The Public School Retirement System of Missouri. Positions covered by The Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of The Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.86% of their annual covered salary and benefits. The Gainesville R-V School District is required to contribute a matching amount. The contribution requirements of members and the Gainesville R-V School District are established and may be amended by the Board of Trustees. The School District's contributions to PEERS for the year ending June 30, 2014 were $62,248 equal to the required contributions. The required amount was withheld from qualifying non-certificated employees earnings and contributed to PEERS also.

7. CLAIMS AND LITIGATION

In the course of business, the District can be exposed to potential litigation. The District is not aware of pending or threatened claims and litigation.

8. RESTRICTED FUND BALANCES

General Fund

The District has $13,966 in a restricted fund balance for the Toby Pierce memorial scholarship fund. These funds are restricted for future scholarships to selected students from the District. The District also has $1,423 in restricted fund balance to be used for professional development activities.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC), a non-profit protected self-insurance program. Members pay an annual assessment which is retained to pay for losses, administrative expenses, risk management services, and excess insurance. MUSIC is allowed to make additional assessments to its members for any shortfalls. MUSIC provides comprehensive property, casualty, liability, and workers' compensation insurance to limit the risk of loss from such events.

10. TRANSFERS

Transfers within the District are substantially for the purposes of subsidizing operating functions and funding capital projects and asset acquisitions. Resources are accumulated in a fund to support and simplify the administration of various projects and programs.

The government-wide Statement of Activities-Modified Cash Basis eliminates transfers as reported in the Statement of Cash Receipts, Disbursements, and Changes in Modified Cash Basis Fund Balances-Governmental Funds.

During the fiscal year, the District made no fund transfers.

11. OTHER POST-EMPLOYMENT BENEFITS

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

12. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 7, 2014, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
GENERAL (INCIDENTAL) FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revised Budget	Actual	Revised Budget to Actual Variance
REVENUES:				
Local	$ 1,552,000	$ 1,554,335	$ 1,554,335	$ -0-
County	108,856	98,641	98,641	-0-
State	455,423	116,229	116,229	-0-
Federal	405,771	390,863	390,863	-0-
Investment Income	17,000	17,654	17,654	-0-
Received Other Districts	46,000	55,885	55,855	-0-
Other	-0-	-0-	-0-	-0-
Total Revenues	2,585,050	2,233,607	2,233,607	-0-
EXPENDITURES:				
Instruction	635,445	641,554	641,554	-0-
Student Activities	175,000	216,297	216,297	-0-
Student Services	139,360	147,378	147,378	-0-
Instructional Staff Support	54,156	67,186	67,186	-0-
Building Administration	4,006	2,599	2,599	-0-
Genl Admin & Central Serv	151,460	165,201	165,201	-0-
Operation of Plant	356,075	366,350	366,350	-0-
Transportation	382,690	383,021	383,021	-0-
Food Service	353,344	333,607	333,607	-0-
Adult Education	-0-	-0-	-0-	-0-
Community Services	48,625	47,168	47,168	-0-
Facilities Acquisition	-0-	-0-	-0-	-0-
Debt Services	-0-	-0-	-0-	-0-
Total Expenditures	2,300,161	2,370,361	2,370,361	-0-
REVENUES OVER (UNDER) EXPENDITURES	284,889	(136,754)	(136,754)	-0-
FUND BALANCE, BEGINNING OF YEAR	1,966,389	1,966,389	1,966,389	-0-
TRANSFERS OUT	(284,889)	-0-	-0-	-0-
FUND BALANCE, END OF YEAR	$ 1,966,389	$ 1,829,635	$ 1,829,635	$ -0-

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE (TEACHERS') FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revised Budget	Actual	Revised Budget to Actual Variance
REVENUES:				
Local	$ 538,082	$ 554,588	$ 554,588	$ -0-
County	23,000	46,435	46,435	-0-
State	2,194,714	2,227,027	2,227,027	-0-
Federal	363,894	383,632	383,632	-0-
Investment Income	-0-	-0-	-0-	-0-
Rec'd Other Districts	48,000	74,924	74,924	-0-
Other	-0-	-0-	-0-	-0-
Total Revenues	3,167,690	3,286,606	3,286,606	-0-
EXPENDITURES:				
Instruction	2,712,418	2,698,058	2,698,058	-0-
Student Services	139,373	137,080	137,080	-0-
Instructional Staff Support	51,548	51,533	51,533	-0-
Building Administration	246,306	252,635	252,635	-0-
Genl Admin & Central Serv	81,708	84,510	84,510	-0-
Operation of Plant	-0-	-0-	-0-	-0-
Transportation	25,108	22,862	22,862	-0-
Food Service	-0-	-0-	-0-	-0-
Adult Education	-0-	1,700	1,700	-0-
Community Services	47,830	47,751	47,751	-0-
Facilities Acquisition	-0-	-0-	-0-	-0-
Debt Services	-0-	-0-	-0-	-0-
Total Expenditures	3,304,291	3,269,129	3,269,129	-0-
REVENUES OVER (UNDER) EXPENDITURES	(136,601)	(17,477)	(17,477)	-0-
FUND BALANCE, BEGINNING OF YEAR	9,523	17,477	17,477	-0-
TRANSFER IN	136,601	-0-	-0-	-0-
FUND BALANCE, END OF YEAR	$ 9,523	$ -0-	$ -0-	$ -0-

GAINESVILLE R-V SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Revised Budget	Actual	Revised Budget to Actual Variance
REVENUES:				
Local	$ 39,900	$ 37,953	$ 37,953	$ -0-
County	-0-	-0-	-0-	-0-
State	-0-	-0-	-0-	-0-
Federal	-0-	-0-	-0-	-0-
Investment Income	23,000	16,216	16,216	-0-
Rec'd Other Districts	-0-	-0-	-0-	-0-
Insurance Recovery	-0-	7,879	7,879	
Sale of Property	-0-	-0-	-0-	-0-
Total Revenues	62,900	62,048	62,048	-0-
EXPENDITURES:				
Instruction	3,000	-0-	-0-	-0-
Student Services	-0-	-0-	-0-	-0-
Instructional Staff Support	-0-	-0-	-0-	-0-
Building Administration	-0-	-0-	-0-	-0-
Genl Admin & Central Serv	-0-	-0-	-0-	-0-
Operation of Plant	9,000	13,260	13,260	-0-
Transportation	15,000	10,779	10,779	-0-
Food Service	-0-	2,445	2,445	-0-
Community Services	-0-	-0-	-0-	-0-
Facilities Acquisition	175,000	79,009	79,009	-0-
Debt Services:				
Principal Payments	-0-	107,001	107,001	-0-
Interest & Fees	9,188	9,188	9,188	-0-
Total Expenditures	211,188	221,682	221,682	-0-
REVENUES OVER (UNDER) EXPENDITURES	(148,288)	(159,634)	(159,634)	-0-
FUND BALANCE, BEGINNING OF YEAR	1,390,307	1,390,307	1,390,307	-0-
TRANSFER IN(OUT)	148,288	-0-	-0-	-0-
FUND BALANCE, END OF YEAR	$ 1,390,307	$ 1,230,673	$ 1,230,673	$ -0-

STATE COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on Compliance with State Requirements
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 basic financial statements of the Gainesville R-V School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2014.

Management's Responsibility
Compliance with laws, regulations, contracts, and grant agreements applicable to the District is the responsibility of the District's management.

Auditor's Responsibility
As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the requirements governing budgets (Chapter 67, RSMo) and the methods of maintaining pupil attendance and pupil transportation records (Chapter 165.121.3(7)RSMo). Our responsibility is to express an opinion on the district's compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the district's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Opinion on Compliance with State Requirements
In our opinion, the District's budgetary and disbursement procedures were in compliance with the budgetary statute (Chapter 67 RSMo). It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance, resident membership on the last Wednesday of September, students eligible to receive free and reduced lunches on the last Wednesday of January, average scheduled transportation of pupils on a regular basis, actual eligible and ineligible mileage data, and allowable cost for pupil transportation in compliance with Missouri law and administrative rules.

The purpose of this report on compliance with state requirements is solely to describe the scope of our testing of state compliance and the results of that testing based on the requirements of the Missouri Department of Elementary and Secondary Education. Accordingly, this report is not suitable for any other purpose.

Paul Wade & Associates, P.C.

Paul Wade & Associates, P.C.
Gainesville, Missouri
November 7, 2014

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2014

Type of audit performed: Yellow Book: ___Single Audit _X__

1. Calendar

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

K - 6	1,006.30
7 - 12	1,006.30

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

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2. Average Daily Attendance (ADA)

Regular term ADA:

K - 6	312.5334
7- 12	273.9070
Total regular term ADA	586.4404
Summer school attendance	11.0000
Total average daily attendance	597.4404

3. September Membership
(as of last Wednesday of September, 2013) 618.00

4. Free and Reduced Price Lunch FTE Count
(as of last Wednesday of January, 2014)

Free	352.00
Reduced	67.00
Total	419.00

5. Finance

A. As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of :

$ 50,000

B. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.

_X_ TRUE ___FALSE

C. The District maintained a separate bank account for the Debt Service Fund in accordance with section 165.011, RSMo.

___ TRUE ___FALSE __X__ N/A

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

X TRUE ____ FALSE

E. If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved 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.

____TRUE___FALSE__X__N/A

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

__X__ TRUE _____ FALSE

6. Transportation

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

__X__TRUE _____FALSE

B. The District's school transportation ridership records are so maintained as to accurately disclose, in all material respects, the average number of regular riders transported.

__X__TRUE _____FALSE

C. 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 # 423.5

Ineligible ADT # 15.5

D. The District's transportation odometer mileage records are so maintained as to accurately disclose, in all material respects, the eligible and ineligible mileage for the year.

__X__TRUE _____FALSE

E. Actual odometer records show the total district-operated and contracted mileage for the year was:

173,447

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 131,926

Ineligible miles 41,521

F. Number of days the District operated the school transportation system during the regular school year:

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GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION COSTS
ELIGIBLE FOR STATE AID
YEAR ENDED JUNE 30, 2014

	District Owned	District Total
Certificated Salaries	$ 22,189	$ 22,189
Noncertificated Salaries	186,295	186,295
Employee Benefits	73,010	73,010
Purchased Services	27,007	27,007
Supplies	96,330	96,330
Depreciation	60,079	60,079
Total Allowable Costs	$ 464,910	$ 464,910

School Buses Lease/Purchase	Principal	$ -0-
	Interest	$ -0-

Transportation Paid to Other Districts	$ 1,053

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF REVENUE BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2014

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total (Memorandum Only) June 30, 2014
LOCAL:				
Property Taxes	$1,285,765	$ -0-	$ -0-	$1,285,765
School Dist Trust Fund	-0-	550,169	-0-	550,169
F.I.T.	-0-	-0-	1,480	1,480
M & M Surtax	-0-	-0-	35,739	35,739
In Lieu of Tax	-0-	-0-	734	734
Tuition from Individuals	-0-	4,419	-0-	4,419
Earnings on Investment	17,654	-0-	16,216	33,870
Food Service	69,133	-0-	-0-	69,133
Student Activities	196,259	-0-	-0-	196,259
Other Local	3,178	-0-	-0-	3,178
Total Local	1,571,989	554,588	54,169	2,180,746
COUNTY:				
Fines, Escheats, etc.	-0-	46,435	-0-	46,435
State Assessed Utilities	86,973	-0-	-0-	86,973
Federal Property	11,668	-0-	-0-	11,668
Total County	98,641	46,435	-0-	145,076
STATE:				
Basic Formula	-0-	1,966,192	-0-	1,966,192
Transportation	103,416	-0-	-0-	103,416
Early Chldhd Spec Ed	2,690	4,227	-0-	6,917
Basic Formula-Clsrm Trust	-0-	241,154	-0-	241,154
Edctnal Screening/PAT	6,945	4,739	-0-	11,684
Career Education	-0-	10,715	-0-	10,715
Food Service	3,178	-0-	-0-	3,178
Total State	116,229	2,227,027	-0-	2,343,256
FEDERAL:				
Medicaid	26,379	-0-	-0-	26,379
Perkins Basic Grant	13,362	500	-0-	13,862
Ind with Disabilty (IDEA)	-0-	140,510	-0-	140,510
Early Chldhd Spec Ed	769	-0-	-0-	769
Food Service	253,410	-0-	-0-	253,410
Title I-ESEA	22,081	242,622	-0-	264,703
Title IIA,ESEA	52,543	-0-	-0-	52,543
Summer Food Service	9,419	-0-	-0-	9,419
Title VI, Part B Rural Education	12,900	-0-	-0-	12,900
Total Federal	390,863	383,632	-0-	774,495
Net Insurance Recovery	-0-	-0-	7,879	7,879
Rec'd Other Districts	55,885	74,924	-0-	130,809
TOTAL REVENUES	$2,233,607	$3,286,606	$62,048	$5,582,261

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
YEAR ENDED JUNE 30, 2014

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund
Salaries	$ 949,433	$ 2,543,097	$ -0-
Employee Benefits	341,810	751,332	-0-
Purchased Services	339,057	1,700	-0-
Supplies	740,061	-0-	-0-
Capital Outlay	-0-	-0-	105,493
Other Objects	-0-	-0-	116,189
TOTAL	$ 2,370,361	$ 3,296,129	$ 221,682

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2014

There were no state findings in the current year.

FEDERAL AWARDS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Education
Gainesville R-V School District
Gainesville, Missouri

Report on Compliance for Each Major Federal Program
We have audited the Gainesville R-V School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Gainesville R-V School District's major federal programs for the year ended June 30, 2014. Gainesville R-V School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of Gainesville R-V 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 of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gainesville R-V 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. However, our audit does not provide a legal determination on Gainesville R-V School District's compliance.

Opinion on Each Major Federal Program
In our opinion, Gainesville R-V School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance
Management of Gainesville R-V 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 Gainesville R-V 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 in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Paul Wade & Associates, P.C.

Paul Wade & Associates, P.C.
Gainesville, Missouri
November 7, 2014

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Program Title	Federal CFDA Number	Pass-through Entity ID Number	Expenditure
U.S. DEPARTMENT OF AGRICULTURE			
Passed-through Missouri Department of Elementary and Secondary Education			
National School Lunch Program	10.555	077-102	$ 182,026
School Breakfast Program	10.553	077-102	70,133
After School Snack Program	10.555	077-102	1,252
Fresh Fruits and Vegetables Program	10.582	077-102	-0-
Donated Food Distribution	10.555	077-102	16,826
Passed-through Missouri Department of Health & Senior Services			
Summer Food Service Program	10.559	2361	9,419
Total U.S. Department of Agriculture			279,656
U.S. DEPARTMENT OF EDUCATION			
Passed-through MO Department of Elementary and Secondary Education			
Title I,ESEA	84.010A	077-102	263,532
Title IIA,ESEA	84.367A	077-102	52,543
Part B,IDEA-Entitlement	84.027A	077-102	140,510
Early Childhood Special Education	84.027A	077-102	1,993
Vocational (Carl Perkins III)	84.048A	077-102	13,862
Direct Award			
Small, Rural School Achievement Program	84.358A	077-102	12,928
Total U.S. Department of Education			485,368
Total Federal Financial Assistance			$ 765,024

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this statement.

GAINESVILLE R-V SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards of the Gainesville R-V School District is presented on the modified cash basis. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133.

B. Noncash Expenditures

The accompanying Schedule of Expenditures of Federal Awards includes noncash expenditures of the Donated Food Distribution Program. The program expenditures have been presented at fair market value of commodities received during FYE June 30, 2014.

C. Federal Catalogue of Federal Domestic Assistance (CFDA) Numbers

The CFDA numbers included in the accompanying Schedule of Expenditures of Federal Awards were determined based on Missouri Department of Elementary and Secondary Education data and/or the Office of Management and Budget's Catalog of Federal Domestic Assistance.

D. Program Types

Each program, including clusters of programs, which had expenditures in excess of $300,000 are considered Type A programs. Those with expenditures of less than $300,000 are considered Type B programs.

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014

There were no findings in the prior year.

GAINESVILLE R-V SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF AUDITOR'S RESULTS

A. Unqualified opinion issued on the financial statements.

B. No reportable conditions disclosed during the audit of the financial statements were reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters*.

C. No noncompliance which is material to the financial statements.

D. No deficiencies in internal control over major federal award programs disclosed during the audit is reported in the *Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.

E. Unqualified opinion issued on compliance for major programs.

F. No audit findings required to be reported under OMB Circular A-133, subsection .510.

G. Major programs:

Title I, ESEA 84.010A

H. Dollar threshold used to distinguish between Type A and Type B programs is $300,000.

I. Auditee did qualify as a low-risk auditee.

II. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

GAINESVILLE R-V SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2014

Contact Person: Mr. Joe Donley, Superintendent
Gainesville R-V School District
422 Bulldog Drive
Gainesville, MO 65655

There were no current year findings requiring corrective action.