

FOX C-6 SCHOOL DISTRICT
JEFFERSON COUNTY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2011

FOX C-6 SCHOOL DISTRICT

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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Board of Education
Fox C-6 School District

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of the Fox C-6 School District, Missouri, (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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; and OMB Circular A-133, *Audits of States and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note I, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, each major fund and the remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position-modified cash basis, for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011, 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 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note XVII the District has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," as applicable to the modified cash basis of accounting, as of and for the year ended June 30, 2011.

The budgetary comparison information on pages 42 through 43 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying additional supplementary information and state compliance sections on pages 46 through 48 and pages 49 through 54, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional supplementary information and state compliance sections have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying 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 and Local Governments*, and is not a required part of the basic financial statements of the District. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 7, 2011

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Fox C-6 School District
745 JEFFCO BLVD.
ARNOLD, MO 63010
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The Management's Discussion and Analysis (MD&A) of the Fox C-6 School District ("District") provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2011. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the Financial Section starting on page 11 and the notes thereto to enhance their understanding of the District's modified cash basis financial performance.

The financial statements of the District have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when received, rather than when earned, and the presentation of expenditures/expenses when paid versus when incurred. Additional information of the District's modified cash basis of accounting can be found in Note I on Page 21.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in 1999. Certain comparative information between the current year, 2010-11 (FY11), and the prior year, FY10, is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2011, include the following:

The governmental activities net assets (modified cash basis) were \$54,116,453.65 as compared to \$43,525,166.81 the previous year. The governmental funds ending fund balances (modified cash basis) were \$46,066,188.27 as compared to \$35,416,808.43 the previous year.

Program revenues collected made up 52.7% of the total revenues collected for the year ended June 30, 2011 as compared to 57.2% the previous year. These program revenues collected covered 57.5% of the program expenditures paid leaving 42.5%, to be covered by general revenues collected and fund balances, as compared to 56.6% of the program expenditures paid leaving 43.4%, to be covered by general revenues collected and fund balances the previous year.

Using the Basic Financial Statements

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the modified cash basis operations of the District as a whole (i.e., an entire operating entity). The "Basic Financial Statements" section includes government-wide financial statements, fund financial statements and notes to financial statements.

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Using the Basic Financial Statements (concluded)

The government-wide financial statements, consisting of the Statement of Net Assets (modified cash basis) and the Statement of Activities (modified cash basis) (see pages 11 and 12), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District's modified cash basis financial condition. They present an aggregate view of the District's modified cash basis finances. These statements seek to answer the question, "How did the District do financially during the 2010-11 fiscal year?" In short, is the District better financially this year, or is it worse than the prior year? These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net assets (modified cash basis) for the year, the reader may ascertain whether the District's modified cash basis financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District's financial condition include increases in or erosion of the property tax base within the District, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in depth reporting of the District's modified cash basis financial position and changes in cash basis financial position, fund financial information is presented in the 'Fund Financial Statements' section beginning on page 13. These fund financial statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on a current cash basis, indicating modified cash basis sources and uses of funding.

Fund financial statements also provide more in-depth data on the District's most significant funds, its General Fund, Special Revenue Fund, Debt Service Fund and Capital Fund. These funds are considered "major funds" under GASB Statement No. 34. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements is reconciled in the financial statements on pages 15 and 16.

The remaining financial statements of the proprietary fund present modified cash basis financial information relative to the internal services fund, which accounts for the self-insured health care plan.

Government – Wide Financial Analysis

Net Assets of the District at June 30, 2011, of \$54,116,453.65 reflect the District's total assets of cash and investments net of payroll liabilities at June 30, 2010, of \$43,525,166.81. Net assets of the District consist of the following:

<u>Net Assets</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Restricted	\$ 30,265,463.07	\$ 21,397,149.72
Unrestricted	23,850,990.58	22,128,017.09
<u>Total Net Assets</u>	<u>\$ 54,116,453.65</u>	<u>\$ 43,525,166.81</u>

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Government – Wide Financial Analysis (concluded)

The restricted net assets are restricted for payment of principal and interest on general obligation bonds, scholarships, professional development and self-funded health benefits.

Governmental Activities

\$54,116,453.65 in net assets at June 30, 2011, reflect an increase of \$10,591,286.84 from the net asset balance of \$43,525,166.81 at June 30, 2010. Key elements of this increase consist of the following:

<u>Revenues Collected</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Program Revenues Collected		
Charges for Services	\$ 8,383,282.39	\$ 8,830,673.06
Operating Grants and Contributions	56,530,806.97	57,521,341.10
Capital Grants and Contributions	2,325,359.00	2,039,286.50
General Revenues Collected		
Taxes	47,624,955.90	47,240,648.52
Federal State and County Aid Not Restricted to Specific Purposes	2,475,725.14	2,630,448.46
Interest and Investment Earnings	928,945.36	1,249,868.79
Miscellaneous	631,380.79	45,925.09
Refunding of Bonds	8,650,000.00	-
<u>Total Revenues Collected</u>	<u>127,550,455.55</u>	<u>119,558,191.52</u>
<u>Expenses Paid</u>		
Instruction	71,398,287.77	71,807,916.52
Other	37,672,572.38	38,890,864.86
Capital Outlay	290,782.63	3,938,790.33
Debt Service		
Principal Retirement	4,385,068.00	3,092,950.00
Interest and Fiscal Charges	3,212,457.93	3,146,192.29
<u>Total Expenses Paid</u>	<u>116,959,168.71</u>	<u>120,876,714.00</u>
Change in Net Assets	10,591,286.84	(1,318,522.48)
Net Assets July 1, 2010 and 2009	43,525,166.81	44,843,689.29
<u>Net Assets July 1, 2011 and 2010</u>	<u>\$ 54,116,453.65</u>	<u>\$ 43,525,166.81</u>

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Governmental Activities (concluded)

As reflected above the expenses paid of the District's governmental activities for the years ended June 30, 2011 and 2010, of \$116,959,168.71 and \$120,876,714.00 respectively are not all borne by the taxpayers of the District. Of these amounts \$8,383,282.39 and \$8,830,673.06 were paid by those who benefited from the services rendered (e.g., charges for school lunches) and \$56,530,806.97 and \$57,521,341.10 were paid through federal and state operating grants and contributions. For the year ended June 30, 2011, capital grants and contributions represent \$2,325,359.00 of total program revenue.

Consequently, the net costs of \$49,719,720.35 and \$52,485,413.34, after taking into consideration these fees and grants, were paid from other general revenues, which include property taxes paid by the taxpayers of the District as well as other taxes, additional state funding and fund balances.

The next table shows the total cost of programs and the net cost of these programs (after deducting charges for services and grants and contributions revenue collected of the various categories of expenses paid for the years ended June 30, 2011 and 2010. The net cost presentation allows the taxpayers of the District to determine the remaining cost of the various categories which were borne by them or paid from other general revenues and fund balances, and allows them the opportunity to assess the cost of these functions in comparison to the benefits received.

	<u>June 30, 2011</u>		<u>June 30, 2010</u>	
	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Programs</u>	<u>Programs</u>	<u>Programs</u>	<u>Programs</u>
Instruction	\$ 71,398,287.77	\$ 17,829,637.41	\$ 71,807,916.52	\$ 18,205,739.59
Guidance	1,775,914.71	1,775,914.71	2,072,480.00	2,072,480.00
Health, Psych, Speech and Audio	1,126,627.72	1,126,627.72	1,109,323.81	1,109,323.81
Improvement of Instruction	176,562.85	(81,104.15)	256,906.05	182,380.05
Professional Development	208,867.86	208,867.86	402,605.59	402,605.59
Media Services (Library)	1,066,987.75	1,066,987.75	1,155,114.28	1,155,114.28
Board of Education Services	20,412.04	20,412.04	1,013,223.17	1,013,223.17
Executive Administration	2,605,472.04	2,605,472.58	2,000,409.70	2,000,409.70
Building Administration	6,516,750.13	6,516,750.13	6,556,349.89	6,556,349.89
Business Central Service	191,514.09	191,514.09	-	-
Operation of Plant	9,048,852.76	9,048,852.76	8,613,943.81	8,613,943.81
Security Services	14,193.44	14,193.44	8,522.60	8,522.60
Pupil Transportation	5,179,214.23	4,130,469.23	4,949,448.20	3,3175,888.20
Food Services	4,057,883.08	127,509.12	4,210,459.46	(426,800.20)
Central Office Support	-	-	114,133.29	114,133.29
Student Activities	4,326,671.41	(72,248.75)	4,342,573.32	169,801.26
Community Services	1,356,647.73	(353,085.15)	2,085,371.69	(6,347.79)
Capital Outlay	290,782.63	(2,034,576.37)	3,938,790.33	1,899,503.83
Debt Service				
Principal Retirement	4,385,068.00	4,385,068.00	3,092,950.00	3,092,950.00
Interest and Fiscal Charges	3,212,457.93	3,212,457.93	3,146,192.29	3,146,192.29
Total	\$ 116,959,168.71	\$ 49,719,720.35	\$ 120,876,714.00	\$ 52,485,413.34

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (e.g., dedicated taxes and bond proceeds). The fund basis financial statements allow the District to demonstrate its stewardship over and accountability for modified cash basis resources provided by the taxpayers and other entities.

These statements also allow the reader to obtain more insight into the modified cash basis financial workings of the District and assess further the District's modified cash basis financial health. The District completed the fiscal year ended June 30, 2011 with a combined modified cash basis fund balance for Governmental funds (as presented in the Statement of Assets and Fund Balances (Modified cash basis) on page 13) of \$46,066,188.27 as compared to a combined fund balance of \$35,416,808.43, an increase of \$10,242,020.52.

The fund balance of the operating funds (General and Special Revenue) was increased by \$1,468,518.84 as compared to an increase of \$363,319.178 the previous year. No transfers were made to the Capital Projects Fund during 2010-2011.

The fund balance of the Debt Service Fund increased by \$8,311,250.14 as a result of issuance of \$8,650,000.00 in refunding bonds partially offset by increased debt principal and issuance cost of the refunding bonds, as compared to an increase of \$1,051,917.40 the previous year as a result of increased local taxes.

The fund balance of the Capital Fund increased \$869,610.86 as compared to a decrease of \$3,140,300.54 the previous year due to the capital expenditures related to the completion of Antonia Middle School.

The \$17,982,055.13 balance of the Debt Service Fund is legally restricted for payment of bond principal, interest and related fees.

The major source of revenue for operations and debt service is local property taxes amounting to \$38,541,425.64. This is derived from the District's operating levy of \$4.2571 and the debt service levy of \$.33 for a total levy of \$4.5871. Other significant local revenues are \$9,083,530.26 from sales tax, \$928,945.36 from interest and earnings on investments, \$2,274,629.35 from food service, \$1,582,917.88 from community services and \$4,398,920.16 from student activities.

County revenues of \$1,964,400.39 are derived from state assessed utility property and county fines of \$362,299.26.

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Governmental Funds Financial Analysis (continued)

State funding which makes up 39.0% of total revenues collected which increased from the previous year by \$976,951.81 to \$46,298,877.57. The State Foundation Formula for Basic State Aid was \$41,019,858, an increase of \$652,267.00 from the prior year. Other significant state revenues collected are:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Basic Formula	\$ 41,019,857	\$ 40,367,591.00
Transportation	1,048,745.00	1,591,392.00
Early Childhood Special Education	3,876,805.18	3,022,857.01
Other	<u>353,470.39</u>	<u>340,085.75</u>
<u>Total State Revenue</u>	<u>\$ 46,298,877.57</u>	<u>\$ 45,321,925.76</u>

Federal funding which makes up 11.1% of total revenues collected was decreased to \$13,195,428.15 from \$14,704,636.31 the previous year. Significant federal revenues collected are:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Medicaid	\$ 411,320.75	\$ 239,855.23
Individuals with Disabilities	2,185,121.62	2,209,191.75
Individuals with Disabilities - ARRA	1,075,593.58	1,063,875.84
Stabilization Funding - ARRA	2,961,416.00	7,057,240.00
Early Childhood Special Education	424,470.86	370,535.05
School Lunch and Breakfast	1,626,594.17	2,047,309.56
Title I	966,900.06	713,323.00
Title I – ARRA	120,176.00	500,713.00
Title II A & D	238,291.00	74,526.00
Other	<u>3,185,544.11</u>	<u>428,066.88</u>
<u>Total Federal Revenue</u>	<u>\$ 13,195,428.15</u>	<u>\$ 14,704,636.31</u>

Total governmental fund expenditures paid were \$116,842,033.71 for the year compared to \$121,198,375.65 the previous year. The General Fund accounts for \$36,451,367.46 or 31.2% of the total expenditures. The Special Revenue (Teachers) Fund accounts for \$71,782,614.25 or 61.4% of total expenditures and consists of certificated teachers salaries and insurance benefits. Debt Service Fund expenditures of \$3,587,516.67 or 3.1% of total expenditures are for principal and interest on general obligation bonds. Capital Fund expenditures of \$5,020,535.33 or 4.3% of total expenditures are for construction projects, facility repairs and equipment.

The following tables summarize the governmental fund revenues collected and expenditures paid for the years ended June 30, 2011 and 2010.

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Governmental Funds Financial Analysis (concluded)

	<u>June 30, 2011</u>	<u>%</u>	<u>June 30, 2010</u>	<u>%</u>
Local	\$ 57,374,991.44	48.3	\$ 57,010,452.73	47.7
County	1,964,400.39	1.6	2,390,593.23	2.0
State	46,298,877.57	39.0	45,321,925.76	38.0
Federal	13,195,428.15	11.1	14,704,636.31	12.3
<u>Total Revenues</u>				
<u>Collected</u>	<u>\$ 118,833,697.55</u>	<u>100.0</u>	<u>\$ 119,427,608.03</u>	<u>100.0</u>
	<u>June 30, 2011</u>	<u>%</u>	<u>June 30, 2010</u>	<u>%</u>
Instruction	\$ 75,643,635.51	64.7	\$ 76,376,011.65	63.0
Support Services	31,954,898.86	27.3	32,559,059.69	26.9
Debt Service	7,597,525.93	6.5	6,239,142.29	5.2
Capital Outlay	290,782.63	0.3	3,938,790.33	3.2
Community Service & Other	1,355,190.78	1.2	2,085,371.69	1.7
<u>Total Expenditures</u>	<u>\$ 116,842,033.71</u>	<u>100.0</u>	<u>\$ 121,198,375.65</u>	<u>100.0</u>

Budgetary Highlights

Over the course of the year, the Board of Education revised the District's budget to take into consideration expected changes in revenues collected or expenditures paid. Missouri statutes for public School finance, Section 67.010, RSMo. require a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 29, 2010, and the final budget amendment was adopted on June 28, 2011.

Statements comparing fund modified cash basis revenues and expenditures to the original and final budgets are provided in the auditor's report on pages 42 – 43 and 46 - 48. General revenues exceeded the original budgets reflecting the increases in local and state revenues and the reduction in county and federal revenues. Expenditures were less than the original budgets primarily due to expenditures being reduced as a result of the uncertainties in state funding and the warnings of further reductions projected for the next few years.

Capital Assets and Debt Administration

Capital Assets

The District operates under the modified cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

FOX C-6 SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Long Term Debt

At June 30, 2011, the District had outstanding general obligation bonds of \$40,520,000 reflecting the issuance of \$8,650,000.00 in refunding bonds and principal payments of \$1,950,000 made during the year.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The debt limitation is \$125,624,880.90 at June 30, 2011, based on the December 31, 2010 assessed values.

The District has capital leases with outstanding future lease payments of \$36,950,000.00 at June 30, 2011 after principal payments of \$2,510,000.00 were made during the year.

The District also entered into an energy loan with the Missouri Department of Natural Resources for \$101,004.04, during the 2011 fiscal year. This is a zero interest rate loan and will start being repaid during the 2011-2012 fiscal year.

The District operates on the modified cash basis of accounting, therefore, payments on long-term debt are recorded as expenditures. Long-term debt is not reflected in the financial statements. Commitments for long-term debt and other obligations are disclosed in the notes to the financial statements in Notes IV-VI.

Economic Factors

During the year ended June 30, 2011 the District was impacted by national and state wide economic factors that resulted in revenues being reduced below previously expected levels. Sales taxes and State Funded Revenues, particularly transportation funding and the Basic Foundation Formula for State Aid for public education, were impacted this year.

The District responded to the funding uncertainties that it was faced with by reducing planned expenditures where it could be done without adversely impacting students in the classrooms. This timely response to the funding uncertainties allowed the District to increase its operating fund balances by \$1,468,518.84.

This has enhanced the District's position in dealing with the funding problems that it continues to face.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of Fox C-6 School District finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report, please contact Mr. James Berblinger, Assistant Superintendent - Finance or Mark McCutchen, Assistant Superintendent - Data Management at 636-296-8000.

FINANCIAL STATEMENTS

Fox C-6 School District
Statement of Net Assets - Modified Cash Basis
As of June 30, 2011

	<u>Govermental Activities</u>
Assets	
Current Assets:	
Cash and cash equivalents (Note II)	\$ 12,410,932.36
Investments	23,519,740.98
Restricted Assets:	
Cash and cash equivalents (Note II)	1,922,764.22
Held in Escrow - Cash	15,044,826.33
Debt Service Investments	1,014,464.58
Capital Projects Investments	4,233,142.56
Future Claims - Cash	2,810,455.93
Future Claims - Investments	5,239,809.45
	<hr/>
Total Assets	<hr/> 66,196,136.41 <hr/>
 Liabilities	
Payroll Liabilities	12,079,682.76
	<hr/>
Total Current Liabilities	12,079,682.76
 Net Assets	
Restricted:	
Debt Service	17,982,055.13
Capital Projects Fund	4,233,142.56
For Future Claims	8,050,265.38
	<hr/>
Total Restricted	30,265,463.07
Unrestricted:	
General Fund	23,850,990.58
	<hr/>
Total Unrestricted	23,850,990.58
	<hr/>
Total Net Assets	<hr/> \$ 54,116,453.65 <hr/>

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

Fox C-6 School District
Statement of Activities - Modified Cash Basis
For the Year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 71,398,287.77	\$ -	\$ 53,568,650.36	\$ -	\$ (17,829,637.41)
Attendance	-	-	-	-	-
Guidance	1,775,914.71	-	-	-	(1,775,914.71)
Health, Psych Speech and Audio	1,126,627.72	-	-	-	(1,126,627.72)
Improvement of Instruction	176,562.85	-	257,667.00	-	81,104.15
Professional Development	208,867.86	-	-	-	(208,867.86)
Media Services (Library)	1,066,987.75	-	-	-	(1,066,987.75)
Board of Education Services	20,412.04	-	-	-	(20,412.04)
Executive Administration	2,605,472.58	-	-	-	(2,605,472.58)
Building Level Administration	6,516,750.13	-	-	-	(6,516,750.13)
Business Central Service	191,514.09	-	-	-	(191,514.09)
Operation of Plant	9,048,852.76	-	-	-	(9,048,852.76)
Security Services	14,193.44	-	-	-	(14,193.44)
Pupil Transportation	5,179,214.23	-	1,048,745.00	-	(4,130,469.23)
Food Services	4,057,883.08	2,274,629.35	1,655,744.61	-	(127,509.12)
Central Office Support Services	-	-	-	-	-
Student Activities	4,326,671.41	4,398,920.16	-	-	72,248.75
Community Services	1,356,647.73	1,709,732.88	-	-	353,085.15
Capital Outlay	290,782.63	-	-	2,325,359.00	2,034,576.37
Debt Service:					-
Principal Retirement	4,385,068.00	-	-	-	(4,385,068.00)
Interest and Fiscal Charges	3,212,457.93	-	-	-	(3,212,457.93)
Total Governmental Activities	<u>\$ 116,959,168.71</u>	<u>\$ 8,383,282.39</u>	<u>\$ 56,530,806.97</u>	<u>\$ 2,325,359.00</u>	<u>(49,719,720.35)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					33,037,056.04
Property taxes, levied for debt service					2,750,616.49
Property taxes, levied for capital projects					2,753,753.11
Prop C - Sales Tax					9,083,530.26
Federal, State and County aid not restricted to specific purposes					2,475,725.14
Refunding of Bonds					8,650,000.00
Interest and investment earnings					928,945.36
Miscellaneous					631,380.79
Subtotal, general revenues					<u>60,311,007.19</u>
Changes in net assets					10,591,286.84
Net assets July 1, 2010					<u>43,525,166.81</u>
Net assets June 30, 2011					<u>\$ 54,116,453.65</u>

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

Fox C-6 School District
Statement of Assets, Liabilities and Fund Balance-All Governmental Funds
Modified Cash Basis
As of June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents (Note II)	\$ 12,410,932.36	\$ -	\$ -	\$ -	\$ 12,410,932.36
Investments	13,333,303.28	10,186,437.70	-	-	23,519,740.98
Restricted Assets:					
Cash and Cash Equivalents (Note II)	-	-	1,922,764.22		1,922,764.22
Investments	-	-	1,014,464.58	4,233,142.56	5,247,607.14
Escrow Deposits	-	-	15,044,826.33	-	15,044,826.33
Total Assets	<u>\$ 25,744,235.64</u>	<u>\$ 10,186,437.70</u>	<u>\$ 17,982,055.13</u>	<u>\$ 4,233,142.56</u>	<u>\$ 58,145,871.03</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Payroll withholdings	1,893,245.06	10,186,437.70	-	-	12,079,682.76
Total Liabilities	<u>1,893,245.06</u>	<u>10,186,437.70</u>	<u>-</u>	<u>-</u>	<u>12,079,682.76</u>
Fund Balances					
Restricted:					
Debt Service	-	-	17,982,055.13	-	17,982,055.13
Assigned:					
Capital Projects Fund	-	-	-	4,233,142.56	4,233,142.56
Unassigned	23,850,990.58	-	-	-	23,850,990.58
Total Fund Balances	<u>23,850,990.58</u>	<u>-</u>	<u>17,982,055.13</u>	<u>4,233,142.56</u>	<u>46,066,188.27</u>
Total Liabilities and Fund Balances	<u>\$ 25,744,235.64</u>	<u>\$ 10,186,437.70</u>	<u>\$ 17,982,055.13</u>	<u>\$ 4,233,142.56</u>	<u>\$ 58,145,871.03</u>

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

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues Collected					
Local Sources	\$ 47,761,108.90	\$ 3,158,757.76	\$ 3,089,882.37	\$ 3,365,242.41	\$ 57,374,991.44
County Sources	1,399,171.61	362,299.26	158,884.44	44,045.08	1,964,400.39
State Sources	17,198,219.57	26,675,295.00	-	2,425,363.00	46,298,877.57
Federal Sources	6,376,629.80	6,771,018.65	-	47,779.70	13,195,428.15
TOTAL REVENUES	72,735,129.88	36,967,370.67	3,248,766.81	5,882,430.19	118,833,697.55
Expenditures Paid					
Current					
Regular Instruction	11,910,416.90	63,497,301.50	-	235,917.11	75,643,635.51
Attendance	-	-	-	-	-
Guidance	-	1,774,007.49	-	-	1,774,007.49
Health, Psych Speech & Audio	1,125,417.80	-	-	-	1,125,417.80
Improvement of Instruction	125,230.88	51,142.35	-	-	176,373.23
Professional Development	208,643.55	-	-	-	208,643.55
Media Services	157,475.69	908,366.18	-	-	1,065,841.87
Board of Education Services	20,390.12	-	-	-	20,390.12
Executive Administration	1,869,206.15	733,468.32	-	-	2,602,674.47
Building Level Administration	1,804,179.90	4,705,571.66	-	-	6,509,751.56
Business Central Services	8,497.16	-	-	182,811.26	191,308.42
Operation of Plant	9,003,641.38	-	-	35,493.50	9,039,134.88
Security Services	6,310.20	-	-	7,868.00	14,178.20
Pupil Transportation	4,961,157.09	-	-	212,495.00	5,173,652.09
Food Service	4,014,364.30	-	-	39,160.88	4,053,525.18
Community Services	1,236,436.34	112,756.75	-	5,997.69	1,355,190.78
Capital Outlay	-	-	-	290,782.63	290,782.63
Debt Service:					
Principal	-	-	1,950,000.00	2,435,068.00	4,385,068.00
Interest and Charges	-	-	1,637,516.67	1,574,941.26	3,212,457.93
Total Support Services	36,451,367.46	71,782,614.25	3,587,516.67	5,020,535.33	116,842,033.71
Excess (Deficiency) of Revenues Over Expenditures	36,283,762.42	(34,815,243.58)	(338,749.86)	861,894.86	1,991,663.84
Other Financing Sources (Uses):					
Transfers	(34,815,243.58)	34,815,243.58	-	-	-
Tuition from other Districts	-	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-	-
Sale of Other Property	-	-	-	-	-
Debt Service Reserve Fund	-	-	-	-	-
Refunding Bonds	-	-	8,650,000.00	-	8,650,000.00
Contracted Educational Services	-	-	-	-	-
Transportation From Other LEA's for Non	-	-	-	-	-
Net Insurance Recovery	-	-	-	7,716.00	7,716.00
Interest	-	-	-	-	-
Total Other Financing Sources (Uses)	(34,815,243.58)	34,815,243.58	8,650,000.00	7,716.00	8,657,716.00
NET CHANGE IN FUND BALANCE	1,468,518.84	-	8,311,250.14	869,610.86	10,649,379.84
Fund Balance July 1, 2010	22,382,471.74	-	9,670,804.99	3,363,531.70	35,416,808.43
Fund Balance June 30, 2011	<u><u>\$ 23,850,990.58</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,982,055.13</u></u>	<u><u>\$ 4,233,142.56</u></u>	<u><u>\$ 46,066,188.27</u></u>

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

Fox C-6 School District
Reconciliation of the Governmental Fund Balance Sheet
with the Statement of Net Assets - Modified Cash Basis
As of June 30, 2011

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

Total Fund Balance - Governmental Funds	\$ 46,066,188.27
Total Net Assets - Self-Insurance	8,050,265.38
	<hr/>
Total Net Assets - Governmental Activities	<u><u>\$ 54,116,453.65</u></u>

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

Fox C-6 School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds	\$ 10,649,379.84
Total net change in net assets - self-insurance	(58,093.00)
	<hr/>
Change in net assets of statement of activities	<u><u>\$ 10,591,286.84</u></u>

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

Fox C-6 School District
Statement of Net Assets
Proprietary Fund-Modified Cash Basis
As of June 30, 2011

	<u>Self Insurance Fund</u>
ASSETS	
Restricted:	
Cash and Cash Equivalents	\$ 2,810,455.93
Investments	<u>5,239,809.45</u>
Total Assets	<u><u>8,050,265.38</u></u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	<u>\$ -</u>
Total Liabilities	<u><u>\$ -</u></u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ -
Restricted for Future Claims	8,050,265.38
Unrestricted	<u>-</u>
Total Net Assets	<u><u>\$ 8,050,265.38</u></u>

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

**Fox C-6 School District
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Fund-Modified Cash Basis
For the Year ended June 30, 2011**

OPERATING REVENUES	
Self-Insurance Premiums	\$ 11,382,662.14
Total Operating Revenues	<u>11,382,662.14</u>
 OPERATING EXPENSES	
Medical Claims	10,379,449.43
Administration Fees	1,120,347.71
Total Operating Expenses	<u>11,499,797.14</u>
 Operating Income (Loss)	 (117,135.00)
 NON-OPERATING REVENUES (EXPENSES)	
Interest Income	59,042.00
Total Non-Operating Revenues (Expenses)	<u>59,042.00</u>
 Income (Loss) Before Capital Contributions	 (58,093.00)
 Capital Contributions	 <u>-</u>
 Change in Net Assets	 (58,093.00)
 Total Net Assets - July 1, 2010	 <u>8,108,358.38</u>
 Total Net Assets - June 30, 2011	 <u><u>\$ 8,050,265.38</u></u>

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

**Fox C-6 School District
Statement of Cash Flows
Proprietary Fund - Modified Cash Basis
For the Year Ended June 30, 2011**

	<u>Self Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	\$ 11,382,662.14
Cash Payments for Insurance Claims and Fees	<u>(11,499,797.14)</u>
Net Cash Available for Operating Activities	(117,135.00)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>608,356.01</u>
Net (Decrease) in Cash and Cash Equivalents	491,221.01
Cash and Cash Equivalents - June 30, 2010	<u>2,319,234.92</u>
Cash and Cash Equivalents - June 30, 2011	<u><u>2,810,455.93</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Operating Income (Loss)	<u>(117,135.00)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (117,135.00)</u></u>

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

Fox C-6 School District
Statement of Fiduciary Net Assets
Fiduciary (Agency) Funds - Modified Cash Basis
For the Year Ended June 30, 2011

	<u>Flex Spending Account</u>
Assets	
Cash and Cash Equivalents	<u>\$ 88,374.18</u>
Total Assets	<u><u>88,374.18</u></u>
Liabilities	
Due to Other	<u>88,374.18</u>
Total Liabilities	<u><u>\$ 88,374.18</u></u>

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fox C-6 School District (the District) was established under the Statutes of the State of Missouri. The District operates as a "six director" District (with seven members of the Board of Education) as described in RSMo Chapter 162.

The financial statements of Fox C-6 School District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting (OCBOA) other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements.

Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. A decision whether to include a potential component unit in the reporting entity would be made by applying criteria set forth in GAAP. The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, 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 that would result in the District being considered a component unit of the entity.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and modified cash basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues of the District and for each program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The District believes that all the funds presented are important to the users of its financial statements, therefore it considers the Incidental Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund all to be major.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a statement of assets, liabilities and fund balances which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, and fund balances arising from revenues and expenditures. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The District uses the following funds:

General Fund: This fund is the general operating fund of the District, and accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund: A special revenue fund is required to be established by state law which accounts for expenditures for certified employees involved in instruction and administration, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

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

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets.

Proprietary Funds

Proprietary funds include enterprise and internal service funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net assets. Internal service funds are established to account for services furnished by a department of the District to other departments on a cost reimbursement basis. The District's proprietary fund includes the activity of the District's self-insured medical benefits account.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses normally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are District and employee contributions. Operating services of this internal service fund include benefit payments, insurance premiums and administrative costs. Investment income is reported as nonoperating revenue.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Funds

The Statement of Fiduciary Net Assets (Agency Fund) accounts for assets held by the District in a trustee capacity to pay for flex spending claims and contributions deducted from employees' paychecks.

Cash and Cash Equivalents

The District considers all liquid investments with original maturities of three months or less to be cash equivalents.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, general obligation bonds and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements. If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Revenues-Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the modified cash basis when the District receives the revenue.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On a modified cash basis, revenue from property taxes is recognized in the fiscal year for which the taxes are collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which the funds are received and eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Post Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were three participants in the program as of June 30, 2011.

The District also has a policy that allows retirees to remain in the insurance program of the District. The premium is paid in full by the insured. There were 319 participants in the program as of June 30, 2011.

Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

Self Insured Medical Benefits

The District is under a self-insured plan to provide medical benefits to participating employees and their families. The participating employees contribute to the self-insurance fund through payroll deductions based on their coverage election. The District's maximum liability for each employee and in the aggregate for a one-year period is limited by insurance coverage. Transactions for the self-funded insurance are recorded in the Internal Service Fund.

Flex Spending Arrangement

The District has established a *flexible spending arrangement* that is a benefit that provides employees with coverage under which specified, incurred expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions). This arrangement allows participating employees to make pre-tax contributions to the flexible spending arrangement accounts for reimbursements of health and/or dependent care expenses.

The employee does run the risk of forfeiture of any unused contribution by the end of the maximum time period allowed under the plan. A third party administers the reimbursement for the District. The District merely acts as an agent, withholding the funds and reimbursing approved health and/or dependent care expenses.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Teachers' Salaries

The salary payment schedule of the District for the 2010-11 school year requires the payment of salaries over a twelve month period. Consequently, the July and August 2011 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unpaid and which are vested in the employee are paid at termination. Total vested and unpaid sick leave at June 30, 2011 amounted to approximately \$3,222,394.38. This estimate has not been subjected to auditing procedures.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact. The District did not have any nonspendable resources as of June 30, 2011.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District held bonds and are restricted through debt covenants.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds. The District did not have any committed resources as of June 30, 2011.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Fund Balance Classification (Concluded)

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

As of June 30, 2011, fund balance components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue/ (Teacher) Fund	-	-	-	-
Debt Service Fund	-	17,982,055.13	-	-
Capital Projects Fund	-	-	-	4,233,142.56
Total	<u>\$ -</u>	<u>\$ 17,982,055.13</u>	<u>\$ -</u>	<u>\$ 4,233,142.56</u>

II. DEPOSITS AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law.

Governmental & Proprietary Funds

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2011, the carrying amount of the District's governmental fund deposits was \$58,145,871.03 and the carrying amount of the District's proprietary fund deposits was \$8,050,265.38. The bank balance was \$66,591,149.59. Of the bank balance, \$500,000.00 was covered by federal depository insurance and \$66,091,149.59 was covered by collateral held at the Federal Reserve Bank and the District's safekeeping bank agent, in the District's name.

The deposits and investments held at June 30, 2011, for the governmental and proprietary funds are reported at historical cost value and are as follows:

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

II. DEPOSITS AND INVESTMENTS (continued)

TYPE	MATURITIES	FMV
Governmental Funds		
Deposits:		
Demand Deposits	N/A	\$ 12,410,932.36
Restricted Cash	N/A	1,922,764.22
Restricted Escrow Deposits	N/A	15,044,826.33
Subtotal Deposits		29,378,522.91
Proprietary Funds		
Restricted:		
Self Insurance Fund – Cash	N/A	2,810,455.93
Subtotal Deposits		2,810,455.93
Grand Total Deposits		\$ 32,188,978.84

As of June 30, 2011, the District had the following investments and maturities:

TYPE	GOVERNMENTAL	PROPRIETARY FUND	TOTAL
Certificates of Deposits	\$ 4,960,000.00	\$ -	\$ 4,960,000.00
Federal Home Loan Notes	16,808,752.07	1,282,912.82	18,091,664.89
Federal National Mortgage Associates Notes	2,006,233.27	3,790,331.76	5,796,565.03
Federal Home Loan Mortgage Corporation Notes	2,996,492.22	166,564.87	3,163,057.09
United States Treasury Bills	1,995,870.56	-	1,995,870.56
GRAND TOTAL INVESTMENTS	\$ 28,767,348.12	\$ 5,239,809.45	\$ 34,007,157.57

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

II. DEPOSITS AND INVESTMENTS (continued)

TYPE	FAIR VALUE	MATURITY LESS THAN 1 YEAR	MATURITY 1-5 YEARS
<u>Governmental Funds</u>			
Certificates of Deposits	\$ 4,960,000.00	\$ 4,960,000.00	\$ -
Federal Home Loan Notes	16,752,858.20	15,243,709.70	1,509,148.50
Federal National Mortgage Associates Notes	2,005,674.00	2,005,674.00	-
Federal Home Loan Mortgage Corporation Notes	2,999,952.37	2,999,952.37	-
United States Treasury Bills	1,999,680.00	1,999,680.00	-
SUBTOTAL INVESTMENTS	28,718,164.57	27,209,016.07	1,509,148.50
<u>Proprietary Funds</u>			
Federal National Mortgage Associates Notes	3,770,813.23	-	3,770,813.23
Federal Home Loan Mortgage Corporation Notes	165,423.39	-	165,423.39
Federal Home Loan Notes	1,276,029.80	-	1,276,029.80
SUBTOTAL INVESTMENTS	5,212,266.42	-	5,212,266.42
GRAND TOTAL INVESTMENTS	\$ 33,930,430.99	\$ 27,209,016.07	\$ 6,721,414.92

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk for the year ended June 30, 2011.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The District's deposits were not exposed to concentration of investment credit risk for the year ended June 30, 2011.

SUMMARY OF CARRYING VALUES

Included in the following fund financial statement captions:

Statement of Assets, Liabilities and Fund
Balance – Governmental Funds

Cash	\$ 12,410,932.36
Investments	23,519,740.98
Restricted:	
Restricted Cash	1,922,764.22
Investments	5,247,607.14
Escrow Deposits	15,044,826.33
	<u>\$ 58,145,871.03</u>

Statement of Net Assets – Proprietary
Funds

Restricted:	
Cash	\$ 2,810,455.93
Investments	5,239,809.45
	<u>\$ 8,050,265.38</u>

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINACIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1, of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on prior year weighted average daily attendance.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2010 for purposes of local taxation was:

Real Estate:

Residential	\$ 519,073,300
Agricultural	636,900
Commercial	136,318,057
Personal Property	<u>181,470,949</u>
TOTAL	<u>\$ 837,499,206</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2010-11 for purposes of local taxation was:

	<u>UNADJUSTED</u>	<u>ADJUSTED</u>
General Fund	\$ 3.9571	\$ 3.9571
Special Revenue Fund	0.0000	0.0000
Debt Service Fund	0.3300	0.3300
Capital Project Fund	<u>0.3000</u>	<u>0.3000</u>
TOTAL	<u>\$ 4.5871</u>	<u>\$ 4.5871</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2011, aggregated approximately 100.00 percent of the current assessment computed on the basis of the levy as shown above.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

IV. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	OBLIGATION BONDS	CAPITAL LEASES	DNR ENERGY LOAN	TOTAL
Long-Term Debt – July 1, 2010	\$ 33,820,000.00	\$ 39,460,000.00	\$ -	\$ 73,280,000.00
Add-issued	8,650,000.00	-	101,004.04	8,751,004.04
Less-Payments/Refunding	<u>(1,950,000.00)</u>	<u>(2,510,000.00)</u>	-	<u>(4,460,000.00)</u>
Long-Term Debt – June 30, 2011	<u>\$ 40,520,000.00</u>	<u>\$ 36,950,000.00</u>	<u>\$ 101,004.04</u>	<u>\$ 77,571,004.04</u>

Bonds payable at June 30, 2011, consist of:

\$15,000,000 Original Principal Fox C-6 School District General Obligation Bonds Series 2002-due in varying annual principal installments ranging from \$100,000 to \$3,500,000 beginning February 1, 2012 through February 1, 2022, interest rate is variable from 4.200% to 5.050%.....	\$ 15,000,000
\$5,700,000 Original Principal Fox C-6 School District General Obligation Bonds Series 2003-due in varying annual principal installments ranging from \$100,000 to \$3,250,000 beginning March 1, 2003 through March 1, 2022, interest rate is variable from 4.25% to 6.0%	5,250,000
\$6,250,000 Original Principal Fox C-6 School District General Obligation Bonds Series 2007-due in varying annual principal installments ranging from \$2,750,000 to \$3,500,000 beginning March 1, 2021 through March 1, 2022, interest rate is 3.90%.....	6,250,000
\$8,410,000 Original Principal Fox C-6 School District General Obligation Bonds Series 2008 due in varying annual principal installments ranging from \$595,000 to \$1,340,000 through March 1, 2017, interest rate is variable from 3.00% to 3.684%	6,430,000
\$8,650,000 Original Principal Fox C-6 School District General Obligation Bonds Series 2010 due in varying annual principal installments ranging from \$50,000 to \$2,275,000 through March 1, 2020, interest rate is variable from 2.00% to 2.500%.....	7,590,000
	<u>\$ 40,520,000.00</u>

The amount due within one year is \$1,075,000.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

IV. CHANGES IN LONG-TERM DEBT (concluded)

The annual requirements to amortize all debt outstanding as of June 30, 2011, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPLE	INTEREST	TOTAL
2012	\$ 1,075,000.00	\$ 1,419,852.50	\$ 2,494,852.50
2013	1,265,000.00	1,557,990.00	2,822,990.00
2014	1,550,000.00	1,517,290.00	3,067,290.00
2015	1,635,000.00	1,467,590.00	3,102,590.00
2016	2,080,000.00	1,415,040.00	3,495,040.00
2017-2021	22,665,000.00	5,359,787.50	28,024,787.50
2022	10,250,000.00	453,999.00	10,703,999.00
TOTAL	<u>\$ 40,520,000.00</u>	<u>\$ 13,191,549.00</u>	<u>\$ 53,711,549.00</u>

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 (including state-assessed railroad and utilities). The District did not exceed the available bonding capacity at June 30, 2011.

V. CAPITAL LEASES

During 2008 the District entered into a \$12,465,000, cancelable lease agreement used to finance the acquisition of the new school. During 2007, the District entered into a \$10,000,000 capital lease to finance energy improvements and classroom additions to Seckman High School, Seckman Middle School and Simpson Elementary. During 2006, the District entered into a \$3,500,000 capital lease to refurbish three District buildings. During 2005 the District entered into a \$6,945,000 capital lease for the construction of additions to the Fox High School. During 2004, the District agreed to the sale of lease participation certificates for \$17,100,000 for the purposes of refinancing the 1995 and 1996 leases. These leases qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is a summary of the future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2011:

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

V. CAPITAL LEASES (concluded)

FISCAL YEAR ENDING JUNE 30,	PRINCIPLE	INTEREST	TOTAL
2012	\$ 2,605,000.00	\$ 1,553,251.26	\$ 4,158,251.26
2013	2,680,000.00	1,454,893.16	4,134,893.16
2014	2,785,000.00	1,352,106.26	4,137,106.26
2015	2,485,000.00	1,242,065.00	3,727,065.00
2016	4,035,000.00	1,141,437.50	5,176,437.50
2017-2021	7,745,000.00	4,271,897.50	12,016,897.50
2022-2026	10,335,000.00	2,444,365.50	12,779,365.50
2027-2029	4,280,000.00	324,395.00	4,604,395.00
TOTAL	<u>\$ 36,950,000.00</u>	<u>\$ 13,784,411.18</u>	<u>\$ 50,734,411.18</u>

The amount due within one year is \$2,605,000.00.

These cancelable lease agreements were funded by Lease Participation Certificates. At the time of issuance a reserve was established from the proceeds and was placed in a Reserve Fund to be used to pay amounts representing principal, premium, if any, and interest with respect to the Certificates to the extent of any deficiency in the certificate fund and to pay and retire a portion of the last outstanding certificates unless such certificates and all amounts representing interest with respect thereto be otherwise paid. Interest earned on this reserve reduces the required semi-annual payment due September 1 and March 1 in an amount equal to earnings.

VI. ENERGY/OTHER FINANCING

The District entered into a \$101,004.04 loan, effective August 31, 2010, from the Missouri Department of Natural Resources (MDNR), Energy Efficiency Leveraged Loan Program appointed by the State Environmental Improvement and Energy Resources Authority. Interest on the loan during the term of the loan is at 0.00% and is to be paid back over a term of five years with the final payment due August 1, 2015. The District received \$100,000.04 with 1% of the total issuance being held by MDNR as a loan origination fee. Principal balance at June 30, 2011, is \$101,004.04.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

VI. ENERGY/OTHER FINANCING (concluded)

The annual requirements to amortize MDNR loan outstanding as of June 30, 2011, including interest payments are as follows:

FISCAL YEAR ENDING JUNE 30,	PRINCIPLE	INTEREST	TOTAL
2012	\$ 22,782.00	\$ -	\$ 22,782.00
2013	22,782.00	-	22,782.00
2014	22,782.00	-	22,782.00
2015	22,782.00	-	22,782.00
2016	9,876.04	-	9,876.04
TOTAL	<u>\$ 101,004.04</u>	<u>\$ -</u>	<u>\$ 101,004.04</u>

The amount due within one year is \$22,782.00.

VII. OPERATING LEASES

The District leases 50 copy machines under an operating lease agreement with IKON, that will expire in 2015. The terms of the agreements include a monthly lease payment of \$29,575.77 with no option to purchase. The total lease expense for the year ended June 30, 2011 was \$295,757.70.

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

<u>YEAR ENDED JUNE 30</u>	
2012	\$ 354,909.24
2013	354,909.24
2014	354,909.24
2015	<u>59,151.54</u>
TOTAL	<u>\$ 1,123,879.26</u>

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

VIII. PENSION PLANS

The Fox C-6 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 certificated employees and death benefits to members and beneficiaries. Positions covered by the Public School Retirement System 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 14.00% of their annual covered salary and the Fox C-6 School District is required to contribute a matching amount. The contribution requirements of members and the Fox C-6 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, 2011, were \$8,380,253.35 equal to the required contributions.

The Fox C-6 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. Certain part-time certificated employees may be covered by this plan. Positions covered by The Public Education Employee Retirement System 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. 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 6.63% of their annual covered salary and the Fox C-6 School District is required to contribute a matching amount. The contribution requirements of members and the Fox C-6 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, 2011, were \$1,190,718.46 equal to the required contributions.

IX. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all district employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINACIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

IX. DEFERRED COMPENSATION PLAN (concluded)

In accordance with Internal Revenue Code Section 457 the deferred compensation is put in accounts under the participating employee's name. The plans are administered by independent plan administrators through administrative service agreements. The District's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. The assets will not be diverted to any other purpose. Therefore, the financial activity of these plans is no longer reported in the District's Agency Fund.

X. EMPLOYEE BENEFIT PLAN

The District offers its employees tax sheltered investment programs created in accordance with Internal Revenue Service Code Section 403(b). The plan is available to all District employees and permits them to accumulate funds through salary deferral on a tax-free basis until such funds are withdrawn from the plan.

XI. SELF-INSURED AND POST-RETIREMENT MEDICAL BENEFITS

The District generally retains the risks related to its obligations to provide medical benefits to participating employees. These employees contribute to the self-insurance fund through payroll deductions based on their coverage election. However, the District's maximum liability for each employee or in the aggregate for a one-year period is limited by excess insurance coverage.

The District permits its retirees, both classified and certified, to participate in the medical insurance programs offered to current employees, including the District's self-insurance program. Retirees pay 100% of the insurance premiums or applicable contributory amounts in the case of the self-insurance program. The amount of medical benefits paid through the self-insurance program during 2010-2011 for retirees, in excess of their contributions, is not readily determinable.

XII. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 are to report all operating fund balance within the general fund and are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 34,815,243.58
Special Revenue Fund	34,815,243.58	-
	<u>\$ 34,815,243.58</u>	<u>\$ 34,815,243.58</u>

XIII. RESTRICTED FUND BALANCE

The District's restricted fund balance consists of \$17,982,055.13 for the debt service fund, \$8,050,265.38 for self-insurance future claims and \$4,233,142.56 for the capital projects fund.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINACIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

XIV. CONTINGENCIES

Grant Audit – The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under, or other noncompliance with terms of the grants and funding. The District is not aware of any noncompliance with terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

Litigation – At this time, there are no litigation matters.

XV. POST EMPLOYMENT BENEFITS

Since the District is reporting under the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, the District has not implemented GASB 45, Other Post-Employment Benefits (OPEB). The District has included this footnote and the required supplemental information on page 45 as required by GASB 45.

A. Plan Description

In addition to the pension benefits described in Note VIII, the District administers the Fox C-6 School District Other Post-Employment Benefits Program which is a single-employer defined benefit OPEB plan. The District provides health care benefits to employees who retire, or who have retired, and receive or are eligible to receive benefits under the retirement plans described in Note VIII, as mandated by Section 169.590 of the Missouri Revised Statutes. Retirees who submit a signed written request for coverage under the plan within 365 days of the retirement date are eligible for coverage under the plan upon submission and approval of a written request. Retirees are required to contribute the entire amount of premium necessary for their participation in the plan, which is funded on a pay-as-you-go basis. Currently, 1,667 people are eligible to participate in the plan. The OPEB plan financial statements are included in the fiduciary funds of the District.

B. Funding Policy and Cost Sharing

The contribution requirements of plan members and the District are established and may be amended by the state legislature. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2010, the District does not contribute for retirees to the plan and plan members receiving benefits contributed \$1,013,000 through their required contribution. Retiree contributions are as follows:

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

XV. POST EMPLOYMENT BENEFITS (continued)

B. Funding Policy and Cost Sharing (continued)

MEDICAL / DENTAL MONTHLY PREMIUMS *

<u>Coverage Tier</u>	<u>Enriched Plan</u>	<u>Base Plan</u>	<u>Value Plan</u>	<u>Delta Dental</u>	<u>Guardian</u>
Retiree	\$ 580.16	\$ 496.08	\$ 448.68	\$ 28.30	\$ 23.16
Retiree + Spouse	1,021.96	865.68	734.10	56.56	48.60
Retiree + Child	896.56	748.36	655.60	-	-
Retiree + Children	996.56	848.36	755.60	78.38	49.74
Retiree + Spouse + Child	1,216.50	1,022.10	888.84	-	-
Family	\$ 1,316.50	\$ 1,122.10	\$ 988.84	\$ 87.02	\$ 71.46

* Same premium applies for both Medicare and non-Medicare retirees.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed by members to the plan, and changes in the District’s net OPEB obligation to the Fox C-6 School District Other Post-Employment Benefits Program:

Annual required contribution	\$ 1,276,000
Interest on Net OPEB Obligation	42,000
Adjustment to Annual Requested Contribution	<u>(29,000)</u>
Annual OPEB Cost (Expense)	1,289,000
Contributions Made	<u>(1,013,000)</u>
Increase in Net OPEB Obligation	276,000
Net OPEB Obligation – Beginning of Year	<u>924,000</u>
Net OPEB Obligation – End of Year	<u>\$ 1,200,000</u>

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

XV. POST EMPLOYMENT BENEFITS (concluded)

B. Funding Policy and Cost Sharing (concluded)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 1,289,000	0 %	\$ 1,200,000

Funding Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$18,563,900, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,563,900. The covered payroll (annual payroll of active employees covered by the plan) was \$74,491,000, and the ratio of the UAAL to the covered payroll was 24.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the projected unit credit cost method was used.

The actuarial assumptions included an interest rate for discounting liabilities of 4.5% per annum, payroll inflation rate of 5% per annum, and the RP 2000 Mortality Table. Turnover rates are based on gender and length of service for the first five years and gender and age thereafter. Retirement assumptions begin at age 50 with rates of eligibility for early retirement and eligibility for normal / unreduced.

FOX C-6 SCHOOL DISTRICT
NOTES TO THE BASIC FINACIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

XVI. SUBSEQUENT EVENT

There were no subsequent events noted as of the date of the report.

XVII. CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted the provisions of the Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," as applicable to the modified cash basis of accounting, as of and for the year ended June 30, 2011.

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

REQUIRED SUPPLEMENTARY INFORMATION

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
General Fund - Modified Cash Basis
For the Year Ended June 30, 2011

	Budgeted Amounts			Variances-- Over(Under)
	Original	Final	Actual	Final to Actual
Revenues Collected				
Local Sources	\$ 47,658,803.94	\$ 47,658,803.94	\$ 47,761,108.90	\$ 102,304.96
County Sources	1,783,348.28	1,783,348.28	1,399,171.61	(384,176.67)
State Sources	16,272,682.64	16,272,682.64	17,198,219.57	925,536.93
Federal Sources	6,823,003.80	6,823,003.80	6,376,629.80	(446,374.00)
TOTAL REVENUES	72,537,838.66	72,537,838.66	72,735,129.88	197,291.22
Expenditures Paid				
Current				
Instruction	13,301,495.30	13,301,495.30	11,910,416.90	(1,391,078.40)
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	1,074,728.35	1,074,728.35	1,125,417.80	50,689.45
Improvement of Instruction	295,406.00	295,406.00	125,230.88	(170,175.12)
Professional Development	350,000.00	350,000.00	208,643.55	(141,356.45)
Media Services	158,224.00	158,224.00	157,475.69	(748.31)
Board of Education Services	36,710.00	36,710.00	20,390.12	(16,319.88)
Executive Administration	2,250,155.31	2,250,155.31	1,869,206.15	(380,949.16)
Building Level Administration	1,753,132.02	1,753,132.02	1,804,179.90	51,047.88
Business Central Services	-	-	8,497.16	8,497.16
Operation of Plant	8,982,579.85	8,982,579.85	9,003,641.38	21,061.53
Security Services	7,200.00	7,200.00	6,310.20	(889.80)
Pupil Transportation	4,938,441.68	4,938,441.68	4,961,157.09	22,715.41
Food Service	4,231,154.63	4,231,154.63	4,014,364.30	(216,790.33)
Community Services	1,338,409.60	1,338,409.60	1,236,436.34	(101,973.26)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	38,717,636.74	38,717,636.74	36,451,367.46	(2,266,269.28)
Revenues Collected Over (Under)				
Expenditures Paid	33,820,201.92	33,820,201.92	36,283,762.42	2,463,560.50
Other Financing Sources (Uses):				
Transfers	(36,812,717.82)	(36,812,717.82)	(34,815,243.58)	1,997,474.24
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services		-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Net Insurance Recovery		-	-	-
Total Other Financing Sources (Uses)	(36,812,717.82)	(36,812,717.82)	(34,815,243.58)	1,997,474.24
NET CHANGE IN FUND BALANCES	(2,992,515.90)	(2,992,515.90)	1,468,518.84	\$ 4,461,034.74
Fund Balance July 1, 2010	22,382,471.74	22,382,471.74	22,382,471.74	
Fund Balance June 30, 2011	\$ 19,389,955.84	\$ 19,389,955.84	\$ 23,850,990.58	

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

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Special Revenue Fund - Modified Cash Basis
For the Year Ended June 30, 2011

	Budgeted Amounts			Variances-- Over(Under)
	Original	Final	Actual	Final to Actual
Revenues Collected				
Local Sources	\$ 3,336,731.50	\$ 3,336,731.50	\$ 3,158,757.76	\$ (177,973.74)
County Sources	333,000.00	333,000.00	362,299.26	29,299.26
State Sources	31,611,648.50	31,611,648.50	26,675,295.00	(4,936,353.50)
Federal Sources	1,483,195.79	1,483,195.79	6,771,018.65	5,287,822.86
TOTAL REVENUES	36,764,575.79	36,764,575.79	36,967,370.67	202,794.88
Expenditures Paid				
Current				
Instruction	64,261,732.36	64,261,732.36	63,497,301.50	(764,430.86)
Attendance	-	-	-	-
Guidance	1,841,479.77	1,841,479.77	1,774,007.49	(67,472.28)
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	100,110.56	100,110.56	51,142.35	(48,968.21)
Professional Development	-	-	-	-
Media Services	903,910.18	903,910.18	908,366.18	4,456.00
Board of Education Services	-	-	-	-
Executive Administration	1,360,980.60	1,360,980.60	733,468.32	(627,512.28)
Building Level Administration	4,835,649.14	4,835,649.14	4,705,571.66	(130,077.48)
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	273,431.00	273,431.00	112,756.75	(160,674.25)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Support Services	73,577,293.61	73,577,293.61	71,782,614.25	(1,794,679.36)
Revenues Collected Over (Under)				
Expenditures Paid	(36,812,717.82)	(36,812,717.82)	(34,815,243.58)	1,997,474.24
Other Financing Sources (Uses):				
Transfers	36,812,717.82	36,812,717.82	34,815,243.58	(1,997,474.24)
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Net Insurance Recovery	-	-	-	-
Total Other Financing Sources (Uses)	36,812,717.82	36,812,717.82	34,815,243.58	(1,997,474.24)
NET CHANGE IN FUND BALANCES	-	-	-	\$ -
Fund Balance July 1, 2010	-	-	-	
Fund Balance June 30, 2011	\$ -	\$ -	\$ -	

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

FOX C-6 SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011

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 of the political subdivision.
- 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 proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues 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) On June 29, 2010, the budget was legally enacted by a vote of the Board of Education and was amended on June 28, 2011.
- 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 accompanying financial statements.
- 6) Budgeted amounts are as finally amended by the Board of Education.

OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note I and XV, the District allows employees who retire from the District to participate in the District's medical, dental and vision insurance plans. Upon meeting the retirement requirements of PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate.

The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand alone financial report is available for the plan. During the year ended June 30, 2011, 319 retirees participated in the District's insurance plans and paid premiums totaling \$1,618,279.66.

FOX C-6 SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2011

OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in *Note VIII*, the District provides health care benefits to employees who retire, or who have retired, and receive or are eligible to receive benefits under the retirement plans described in *Note VIII*, as mandated by Section 169.590 of the Missouri Revised Statutes. Retirees who submit a signed written request for coverage under the plan within 365 days of the retirement date are eligible for coverage under the plan upon submission and approval of a written request. Retirees are required to contribute the entire amount of premium necessary for their participation in the plan, which is funded on a pay-as-you-go basis. Currently, 1,667 people are eligible to participate in the plan. This is a single-employer defined benefit OPEB plan. As of July 1, 2009, the most recent actuarial valuation date, the following information has been provided:

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
7/1/2007	\$ -	\$17,436,000	\$17,436,000	0%	\$69,568,000	25.1%
7/1/2009	\$ -	\$18,564,000	\$18,564,000	0%	\$74,491,000	24.9%

Fiscal Year Ending June 30	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Actual Contribution	Net OPEB Obligation
2008	\$ 1,231,000	\$ -	\$ -	\$1,231,000	\$ 739,000	\$ 492,000
2009	\$ 1,260,000	\$ 22,000	\$ 16,000	\$1,266,000	\$ 834,000	\$ 924,000
2010	\$ 1,276,000	\$ 42,000	\$ 29,000	\$1,289,000	\$ 1,013,000	\$1,200,000

* GASB 45 defined actual contributions made to be amounts contributed to a separate, qualified trust, if any, plus any retiree benefit payments (including the value of any implicit rate subsidy) made directly from the District in excess of retiree paid contributions.

The results shown above are based on the baseline assumptions with respect to the medical inflation rate and the discount rate and on the level percent amortization method. Please note that the baseline discount rate assumed that the District will not pre-fund its retiree medical program. The 4.50% baseline discount rate assumes that benefits are not pre-funded. The discount rate is based on the expected earnings of the District's general fund.

SUPPLEMENTARY INFORMATION

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Debt Service Fund - Modified Cash Basis
For the Year Ended June 30, 2011

	Budgeted Amounts			Variances-- Over(Under)
	Original	Final	Actual	Final to Actual
Revenues Collected				
Local Sources	\$ 3,041,351.00	\$ 3,041,351.00	\$ 3,089,882.37	\$ 48,531.37
County Sources	209,441.13	209,441.13	158,884.44	(50,556.69)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUES	3,250,792.13	3,250,792.13	3,248,766.81	(2,025.32)
Expenditures Paid				
Current				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	890,000.00	1,950,000.00	1,950,000.00	-
	<u>1,465,952.50</u>	<u>1,647,516.67</u>	<u>1,637,516.67</u>	<u>(10,000.00)</u>
Total Expenditures	2,355,952.50	3,597,516.67	3,587,516.67	(10,000.00)
Revenues Collected Over (Under)				
Expenditures Paid	894,839.63	(346,724.54)	(338,749.86)	7,974.68
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	8,650,000.00	8,650,000.00	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Net Insurance Recovery	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>8,650,000.00</u>	<u>8,650,000.00</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	894,839.63	8,303,275.46	8,311,250.14	\$ 7,974.68
Fund Balance July 1, 2010	9,670,804.99	9,670,804.99	9,670,804.99	
Fund Balance June 30, 2011	\$ 10,565,644.62	\$ 17,974,080.45	\$ 17,982,055.13	

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

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
Capital Projects Fund - Modified Cash Basis
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances--
	Original	Final		Over(Under)
				Final to Actual
Revenues Collected				
Local Sources	\$ 2,987,537.28	\$ 2,987,537.28	\$ 3,365,242.41	\$ 377,705.13
County Sources	65,187.67	65,187.67	44,045.08	(21,142.59)
State Sources	2,029,940.50	2,029,940.50	2,425,363.00	395,422.50
Federal Sources	45,000.00	45,000.00	47,779.70	2,779.70
TOTAL REVENUES	5,127,665.45	5,127,665.45	5,882,430.19	754,764.74
Expenditures Paid				
Current				
Instruction	74,000.00	74,000.00	235,917.11	161,917.11
Attendance		-	-	-
Guidance		-	-	-
Health, Psych Speech & Audio		-	-	-
Improvement of Instruction		-	-	-
Professional Development		-	-	-
Media Services		-	-	-
Board of Education Services		-	-	-
Executive Administration		-	-	-
Building Level Administration		-	-	-
Business Central Services	220,000.00	220,000.00	182,811.26	(37,188.74)
Operation of Plant	220,000.00	220,000.00	35,493.50	(184,506.50)
Security Services	10,000.00	10,000.00	7,868.00	(2,132.00)
Pupil Transportation	45,000.00	164,637.52	212,495.00	47,857.48
Food Service		-	39,160.88	39,160.88
Community Services	-	-	5,997.69	5,997.69
Capital Outlay	692,000.00	692,000.00	290,782.63	(401,217.37)
Debt Service:				
Principal	2,510,000.00	2,510,000.00	2,435,068.00	(74,932.00)
Interest and Charges	1,547,681.26	1,547,681.26	1,574,941.26	27,260.00
Total Support Services	5,318,681.26	5,438,318.78	5,020,535.33	(417,783.45)
Revenues Collected Over (Under)				
Expenditures Paid	(191,015.81)	(310,653.33)	861,894.86	1,172,548.19
Other Financing Sources (Uses):				
Transfers		-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Other Property			-	-
Refunding Bonds	-	-	-	-
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Net Insurance Recovery	-	-	7,716.00	7,716.00
Total Other Financing				
Sources (Uses)	-	-	7,716.00	7,716.00
NET CHANGE IN FUND BALANCES	(191,015.81)	(310,653.33)	869,610.86	\$ 1,180,264.19
Fund Balance July 1, 2010	3,363,531.70	3,363,531.70	3,363,531.70	
Fund Balance June 30, 2011	\$ 3,172,515.89	\$ 3,052,878.37	\$ 4,233,142.56	

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

Fox C-6 School District
Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual
All Governmental Funds - Modified Cash Basis (Excluding Component Unit)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variances-- Over(Under)
	Original	Final	Actual	Final to Actual
Revenues Collected				
Local Sources	\$ 57,024,423.72	\$ 57,024,423.72	\$ 57,374,991.44	\$ 350,567.72
County Sources	2,390,977.08	2,390,977.08	1,964,400.39	(426,576.69)
State Sources	49,914,271.64	49,914,271.64	46,298,877.57	(3,615,394.07)
Federal Sources	8,351,199.59	8,351,199.59	13,195,428.15	4,844,228.56
TOTAL REVENUES	117,680,872.03	117,680,872.03	118,833,697.55	1,152,825.52
Expenditures Paid				
Current				
Instruction	\$ 77,637,227.66	\$ 77,637,227.66	75,643,635.51	(1,993,592.15)
Attendance	-	-	-	-
Guidance	1,841,479.77	1,841,479.77	1,774,007.49	(67,472.28)
Health, Psych Speech & Audio	1,074,728.35	1,074,728.35	1,125,417.80	50,689.45
Improvement of Instruction	395,516.56	395,516.56	176,373.23	(219,143.33)
Professional Development	350,000.00	350,000.00	208,643.55	(141,356.45)
Media Services	1,062,134.18	1,062,134.18	1,065,841.87	3,707.69
Board of Education Services	36,710.00	36,710.00	20,390.12	(16,319.88)
Executive Administration	3,611,135.91	3,611,135.91	2,602,674.47	(1,008,461.44)
Building Level Administration	6,588,781.16	6,588,781.16	6,509,751.56	(79,029.60)
Business Central Services	220,000.00	220,000.00	191,308.42	(28,691.58)
Operation of Plant	9,202,579.85	9,202,579.85	9,039,134.88	(163,444.97)
Security Services	17,200.00	17,200.00	14,178.20	(3,021.80)
Pupil Transportation	4,983,441.68	4,983,441.68	5,173,652.09	190,210.41
Food Service	4,231,154.63	4,231,154.63	4,053,525.18	(177,629.45)
Community Services	1,611,840.60	1,611,840.60	1,355,190.78	(256,649.82)
Capital Outlay	692,000.00	(308,000.00)	290,782.63	598,782.63
Debt Service:	-	-		
Principal	3,400,000.00	3,400,000.00	4,385,068.00	985,068.00
Interest and Charges	3,013,633.76	3,014,286.26	3,212,457.93	198,171.67
Total Expenditures	119,969,564.11	118,970,216.61	116,842,033.71	(2,128,182.90)
Revenues Collected Over (Under)				
Expenditures Paid	(2,288,692.08)	(1,289,344.58)	1,991,663.84	3,281,008.42
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Tuition From Other Districts	-	-	-	-
Area Voc Fees From Other LEAs	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	8,650,000.00	8,650,000.00
Contracted Educational Services	-	-	-	-
Transportation From Other LEA's for Non Disabled Route	-	-	-	-
Net Insurance Recovery	-	-	7,716.00	7,716.00
Total Other Financing Sources (Uses)	-	-	8,657,716.00	8,657,716.00
NET CHANGE IN FUND BALANCES	(2,288,692.08)	(1,289,344.58)	10,649,379.84	\$ 11,938,724.42
Fund Balance July 1, 2010	35,416,808.43	35,416,808.43	35,416,808.43	
Fund Balance June 30, 2011	\$ 33,128,116.35	\$ 34,127,463.85	\$ 46,066,188.27	

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

STATE COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH CERTAIN LAWS AND REGULATIONS SPECIFIED BY MISSOURI STATUTE

To the Members of the
Board of Education
Fox C-6 School District

We have audited the basic financial statements of the governmental activities, each major fund and remaining fund information of the Fox C-6 School District (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 7, 2011.

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the budgetary statute (Chapter 67 RSMo) and Section 165.121.3(7) RSMo with respect to the methods of maintaining pupil attendance and pupil transportation records for the year ended June 30, 2011. The management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on 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.

In our opinion, the District's budgetary and disbursements procedures were in compliance, in all material respects, with the budgetary statute (Chapter 67 RSMo) for the year ended June 30, 2011. 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; average number of students transported on a regular basis; and mileage and allowable cost for pupil transportation in compliance with state law and administrative rules for the year ended June 30, 2011.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
November 7, 2011

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2011

I. STATE FINDINGS

There were no state findings for Fox C-6 School District for the year ended June 30, 2011.

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 050-012
YEAR ENDED JUNE 30, 2011

I. CALENDAR (Sections 160.041 and 171.031, RSMo)

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

Kindergarten – Full Day	<u>1,075.50</u>	Hours	Grades	<u>1-6</u>	<u>1,075.50</u>	Hours
			Grades	<u>7-8</u>	<u>1,075.50</u>	Hours
			Grades	<u>9-12</u>	<u>1,075.50</u>	Hours

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

Kindergarten – A.M.	<u>-</u>	Days	Grades	<u>1-5</u>	<u>167</u>	Days
Kindergarten – P.M.	<u>-</u>	Days	Grades	<u>6-8</u>	<u>167</u>	Days
Kindergarten – Full Day	<u>167</u>	Days	Grades	<u>9-12</u>	<u>167</u>	Days

II. AVERAGE DAILY ATTENDANCE (ADA)

		Full-Time & Part-Time	Remedial	Total
Regular Term				
Kindergarten – Full Day		<u>849.7378</u>	<u>-</u>	<u>849.7378</u>
Grades	1-6	5,156.1915	-	5,156.1915
Grades	7-8	1,757.8103	-	1,757.8103
Grades	9-12	3,281.1799	3.3901	3,284.5700
Subtotal Regular Term		<u>11,044.9195</u>	<u>3.3901</u>	<u>11,048.3096</u>
			Resident	Total
Summer School Subtotal			<u>238.1782</u>	<u>238.1782</u>
Total Regular Term Plus Summer School ADA				<u>11,286.4878</u>

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 050-012
YEAR ENDED JUNE 30, 2011

III. SEPTEMBER MEMBERSHIP

	Total
September Membership	
FTE Count	<u>11,690.00</u>

IV. FREE AND REDUCED PRICED LUNCH FTE COUNT (Section 163.011(6), RSMo)

	Total
State FTE Total	
Free	2,798.00
Reduced	<u>701.00</u>
Total	<u>3,499.00</u>

V. FINANCE

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

- | | | |
|----|--|-------------------|
| A. | As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of: | <u>\$ 250,000</u> |
| B. | The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | <u>TRUE</u> |
| C. | The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. | <u>TRUE</u> |
| D. | Salaries reported for education in the October Core Data cycle are supported by payroll/contract records. | <u>TRUE</u> |
| E. | 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. | <u>N/A</u> |

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 050-012
YEAR ENDED JUNE 30, 2011

V. FINANCE (Concluded)

- 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.

TRUE

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

Finding #: N/A

Management Letter Comment #: _____

Notes: _____

VI. TRANSPORTATION (SECTION 163.161, RSMO)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

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

TRUE

- 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

TRUE

- 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

8,878.00

- Ineligible ADT

626.50

- 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

TRUE

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

1,313,828

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

1,127,711

- Ineligible Miles (Non-Route/Disapproved)

186,117

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
DISTRICT NO. 050-012
YEAR ENDED JUNE 30, 2011

VI. TRANSPORTATION (SECTION 163.161, RSMO) (Concluded)

Number of days the District operated the school transportation system during the regular school year: 167

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

Finding # : N/A

Management Letter Comment # : _____

Notes: _____

FEDERAL COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the Board of Education
Fox C-6 School District

We have audited the financial statements of the governmental activities, each major fund and remaining fund information of Fox C-6 School District, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the District, and have issued our modified-cash basis report thereon dated November 7, 2011. Our report was modified because 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. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

We noted certain matters that we reported to management of the District in a separate letter dated November 7, 2011.

This report is intended solely for the information and use of District's management, the Board of Education, the Missouri Department of Elementary and Secondary Education, others within the entity, and other audit agencies and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 7, 2011



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Members of the Board of Education
Fox C-6 School District

Compliance

We have audited Fox C-6 School District's (the "District") 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 the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

Internal Control Over Compliance (concluded)

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

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 indentify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 7, 2011

Fox C-6 School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Number	Expenditures
<u>Cash Federal Expenditures</u>			
U.S. Department of Education			
Passed Through State Department of Elementary and Secondary Education			
Special Education Cluster:			
Individuals With Disabilities	84.027A	050-012	2,180,346.66
Special Education - High Need Fund	84.027A	050-012	4,774.62
Early Childhood Special Education	84.027A	050-012	424,470.86
ARRA - Individuals With Disabilities	84.391A	050-012	1,530,400.16
ARRA - Early Childhood Special Education	84.392A	050-012	<u>77,985.65</u>
Total Special Education Cluster			4,217,977.95
Title I Cluster:			
Title I (ESEA)	84.010A	050-012	822,413.77
ARRA - Title I	84.389A	050-012	<u>90,017.00</u>
Total Title I Cluster			912,430.77
Stabilization Cluster:			
ARRA - State Fiscal Stabilization Fund-Education State Grants	84.394	050-012	1,837,808.00
ARRA - State Fiscal Stabilization Fund-Government Services	84.397	050-012	<u>1,123,608.00</u>
Total Stabilization Cluster			2,961,416.00
Ed Jobs Fund			
ARRA - Federal Education Jobs Fund, Classroom Jobs Fund	84.410A	050-012	384,983.00
ARRA - Federal Education Jobs Fund, State Schools Fund	84.410A	050-012	1,633,217.00
ARRA - Federal Education Jobs Fund, Federal Budget Stabilization	84.410A	050-012	<u>1,049,756.00</u>
Total Ed Jobs Fund			3,067,956.00
Title II, Part A - ESEA	84.367A	050-012	140,646.97
Title IV.A, Safe & Drug-Free Schools	84.186A	050-012	12,174.42
Title III	84.365A	050-012	11,339.07
ARRA - Homeless Education	84.387A	050-012	1,921.00
Vocational Federal	84.048A	050-012	5,947.79
Direct Program			
Alcohol Abuse Grant	84.184	N/A	189.10
<i>Total Department of Education</i>			11,331,999.07
Corporation for National and Community Service			
Passed Through State Department of Elementary and Secondary Education			
National & Community Service Trust	94.004	050-012	12,682.80
<i>Total Department of Education</i>			12,682.80
U.S. Department of Agriculture			
Passed Through State Department of Elementary and Secondary Education			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	050-012	314,049.04
National School Lunch Program	10.555	050-012	1,312,545.13
<u>Non-Cash Assistance:</u>			
National School Lunch Program-Commodities	10.555	050-012	<u>268,811.51</u>
Total Child Nutrition Cluster			1,895,405.68
<i>Total Department of Agriculture</i>			<u>1,895,405.68</u>
Total Federal Expenditures			<u><u>13,240,087.55</u></u>

FOX C-6 SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Fox C-6 School District (the "District"). The District's reporting entity is defined in Note I to the District's accompanying financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule.

NOTE 2 – BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the Schedule includes expenditures of both cash and noncash awards.

NOTE 3 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note I to the District's accompanying financial statements.

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

FEDERAL SOURCES

General Fund	\$ 6,376,629.80
Special Revenue Fund	6,771,018.65
Capital Fund	47,779.70
	<u>\$ 13,195,428.15</u>

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting.

NOTE 6 -MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 – NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 8 – SUBRECIPIENTS

The District provided no federal awards to subrecipients during the year ended June 30, 2011.

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any Material Weakness(es) identified? ☐ Yes ☒ No
 - b. Any Significant Deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported
3. Any noncompliance material to financial statements noted? ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major programs:
 - a. Any Material Weakness(es) identified? ☐ Yes ☒ No
 - b. Any Significant Deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major programs: Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? ☐ Yes ☒ No
4. Identification of major programs:

CFDA Number(s):	Name of Federal Program or Cluster:
84.027A, 84.391A, 84.392A	Individuals with Disabilities Education
84.027A	Special Education
84.010A0, 84.389A, 84.389A	Title I Cluster
84.394, 84.397	Stabilization Cluster
84.410A	Ed Jobs Fund

5. Dollar threshold used to distinguish between type A and type B programs: \$ 397,203
6. Auditee qualified as low-risk auditee? ☒ Yes ☐ No

FOX C-6 SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

II. FINANCIAL STATEMENT FINDINGS

There were no findings and questioned costs related to financial statements as of June 30, 2011.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to Federal Awards as of June 30, 2011.

FOX C-6 SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2010.

II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2010.