

NEW ISSUE**S&P RATINGS: Program Rating: AA+****District Underlying Rating: A+****See "RATINGS" herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri, and (3) the Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.



\$27,000,000
JOPLIN SCHOOLS
JOPLIN, MISSOURI
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2013

Dated: Date of Issuance**Due: March 1, as shown below**

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from Commerce Bank, Kansas City, Missouri, as Paying Agent for the Bonds. DTC is required to remit such payments to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on September 1, 2013.

The Bonds and the interest thereon will constitute general obligations of the District, payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

The Bonds may be called for redemption and payment prior to the Stated Maturity on March 1, 2023, and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

MATURITY SCHEDULE**BASE CUSIP NO.: 48068T**

Maturity	Principal	Interest		
<u>March 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2028	\$2,400,000	3.00%	3.10%	AU8
2029	2,900,000	4.00	3.00*	AV6
2030	3,150,000	4.00	3.07*	AW4
2031	3,400,000	4.00	3.15*	AX2
2032	3,650,000	5.00	2.90*	AY0
2033	8,175,000	5.00	2.95*	BA1
2033	3,325,000	3.25	3.40	AZ7

* Yield calculated to the first optional redemption date.

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about May 15, 2013.

George K. Baum & Company

The date of this Official Statement is April 30, 2013

(THIS PAGE LEFT BLANK INTENTIONALLY)

JOPLIN SCHOOLS

Joplin Administration Building
3901 E. 32nd Street, Joplin, MO 64804
P.O. Box 128, Joplin, MO 64801
(417) 625-5200

Board of Education

Jeff Flowers, President and Member
Michael D. Landis, Vice President and Member
Jim Kimbrough, Member
Randy Steele, Member
Anne Sharp, Member
Dawn Sticklen, Member
Phil Willcoxon, Member

Pat Waldo, Secretary
Paul Barr, Treasurer

Administration

Dr. C. J. Huff, Superintendent
Dr. Angie Besendorfer, Assistant Superintendent
Paul A. Barr, Chief Financial Officer

UNDERWRITER

George K. Baum & Company
Kansas City, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

CERTIFIED PUBLIC ACCOUNTANTS

Mense, Churchwell & Mense, P.C.
Certified Public Accountants
Joplin, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the District and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or “blue sky” laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the District’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENTS WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS SET FORTH IN **APPENDIX C**.

TABLE OF CONTENTS

	<u>Page</u>	
INTRODUCTION	1	APPENDIX A:
Purpose of the Official Statement.....	1	General, Economic and Financial Information
The District.....	1	for the Joplin Schools
Purpose of the Bonds; 2011 Tornado	1	
Security and Source of Payment.....	2	APPENDIX B:
Other Outstanding Obligations Payable	2	Report of Joplin Schools– Basic Financial
Financial Statements	2	Statements with Independent Auditors’
Continuing Disclosure Information	2	Report for the Fiscal Year Ended June 30,
Bond Ratings	2	2012
PLAN OF FINANCING	2	
Authorization and Purpose of Bonds.....	2	APPENDIX C:
The 2011 Tornado	3	Summary of the Continuing Disclosure
The Project	4	Undertaking
Sources and Uses of Funds	4	
THE BONDS	4	APPENDIX D:
General Description	4	Book-Entry Only System
Book-Entry Only System.....	5	
Registration, Transfer and Exchange of		
Bonds Upon Discontinuance of Book-		
Entry Only System.....	5	
Redemption Provisions	5	
SECURITY FOR THE BONDS	6	
General	6	
Direct Deposit of State Aid Payments.....	6	
LEGAL MATTERS	7	
Legal Proceedings	7	
Approval of Legality	7	
TAX MATTERS	7	
Opinion of Bond Counsel	8	
Other Tax Consequences	8	
RATINGS	9	
MISCELLANEOUS	10	
Underwriting	10	
Continuing Disclosure.....	10	
Certification and Other Matters Regarding		
Official Statement	10	
Additional Information	11	

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

District:	Joplin Schools, Joplin, Missouri
Issue:	\$27,000,000 General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2013
Dated Date:	Date of Issuance
Interest Payment Dates:	March 1 and September 1, beginning September 1, 2013
Principal Due:	Serially on March 1 in the years 2028 through 2033, as detailed on the front page of this Official Statement.
Optional Redemption:	The Bonds may be called for redemption and payment prior maturity on March 1, 2023, and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.
Authorization:	The Bonds are authorized by a resolution of the Board of Education of the District pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108 and 164 of the Revised Statutes of Missouri, as amended.
Security:	The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the caption “THE BONDS – Security and Sources of Payment For The Bonds; Direct Deposit of State Aid Payments” herein.
Credit Ratings:	Standard & Poor’s (“S&P”) will assign the Bonds the rating of “AA+” conditioned upon the execution and delivery of the Direct Deposit Agreement described under the caption “THE BONDS – Security and Sources of Payment for the Bonds; Direct Deposit of State Aid Payments” hereof. In addition, S&P will assign the Bonds an underlying rating of “A+” based on S&P’s evaluation of the credit worthiness of the District.
Purpose:	The Bonds are the second series of bonds being issued for the purpose of acquiring, constructing, improving, furnishing and equipping school facilities, including a new Joplin High School/Franklin Technical Center, a new East Middle School, two new elementary schools and major repairs and improvements at a number of school facilities. The Bonds are being issued pursuant to a resolution adopted by the Board of Education, the governing body of the District. See the caption “THE BONDS” herein.
Tax Exemption:	Gilmore & Bell, P.C., Bond Counsel, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX MATTERS” in this Official Statement.
Not Bank Qualified:	The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	Commerce Bank, Kansas City, Missouri
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds.

OFFICIAL STATEMENT

\$27,000,000
JOPLIN SCHOOLS
JOPLIN, MISSOURI
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2013

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) Joplin Schools (the “**District**”), and (2) the General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2013 (the “**Bonds**”) of the District to be issued in the principal amount of \$27,000,000 and dated the date of issuance and delivery.

The District

The District is a school district organized and existing under the laws of the State of Missouri. For general, economic and financial information about the District, see **Appendix A**. Audited financial statements of the District, as of and for the year ended June 30, 2012, are included in **Appendix B**. The financial statements have been audited by Mense, Churchwell & Mense, P.C., independent certified public accountants, to the extent and for the period indicated in a report which is also included in **Appendix B**.

Purpose of the Bonds; 2011 Tornado

The Bonds are being issued for the purpose of paying a portion of the costs of acquiring, constructing, improving, furnishing and equipping school facilities, including a new Joplin High School/Franklin Technical Center, a new East Middle School, two new elementary schools and major repairs and improvements at a number of school facilities (the “**Project**”).

The primary purpose of the Project is to construct new facilities or repair and improve existing facilities to replace those facilities damaged or destroyed by one of the deadliest and most destructive tornadoes in the history of the United States, which struck the City of Joplin, Missouri, on May 22, 2011. This tornado tracked across the southern portion of the City causing significant numbers of injuries and deaths and demolishing thousands of buildings and homes. The tornado destroyed the Joplin High School, Franklin Technology Center, one middle school, two elementary schools and a second middle school being used as a transitional facility but vacant at the time. In addition, two additional elementary schools and the District’s administration building were damaged. For a more detailed discussion of the 2011 Tornado and its impact on the District, see the caption “**PLAN OF FINANCING – Impact of the 2011 Tornado.**”

The Bonds are the second and final portion of the \$62,000,000 principal amount of general obligation bonds approved by voters at an election held on April 3, 2012. The Bonds are being issued pursuant to a resolution (the “**Bond Resolution**”) adopted by the Board of Education, the governing body of the District. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. In addition, the District will enter into a Direct Deposit Agreement (hereinafter defined), whereby the District will pledge its State Aid to the payment of the Bonds. The Direct Deposit Agreement will require that a portion of the District's State Aid payments be transferred directly to the Deposit Trustee (hereinafter defined) which will, in turn, transfer amounts as needed to the paying agent for the Bonds in order to provide for payment of debt service on the Bonds. See also the caption **"THE BONDS – Security and Sources of Payment for the Bonds; Direct Deposit of State Aid Payments."**

Other Outstanding Obligations Payable

In addition to the Bonds, the District is obligated to meet from ad valorem taxes the principal and interest requirements on the District's other general obligation bonds as set forth in this Official Statement under **"DEBT STRUCTURE OF THE DISTRICT – Current Long-Term Indebtedness."**

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2012, are included in **Appendix B** to this Official Statement. These financial statements have been audited by Mense, Churchwell & Mense, P.C., Certified Public Accountants, Joplin, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditors' Report which is also included in **Appendix B**.

Continuing Disclosure Information

The District has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (**"EMMA"**), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See **"MISCELLANEOUS – Continuing Disclosure"** and **Appendix C: "Summary of the Continuing Disclosure Undertaking."**

Bond Ratings

The District is expected to receive the ratings set forth on the cover page from Standard & Poor's on this issue. See the caption **"RATINGS"** herein.

PLAN OF FINANCING

Authorization and Purpose of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108 and 164 of the Revised Statutes of Missouri, as amended. Issuance of the Bonds was approved by 57.68% (4,982 to 3,655) of the qualified voters of the District voting at an election held in the District on April 3, 2012.

On August 9, 2012, the District issued \$35,000,000 principal amount of General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2012 (the Series 2012 Bonds"), to pay the first portion of the costs of the Project. Proceeds of the Bonds will be used to pay additional costs of the Project. The Bonds are being issued pursuant to a resolution of the Board of Education of the District (the **"Bond Resolution"**) for the purposes described below.

The 2011 Tornado

A devastating tornado struck the City of Joplin on May 22, 2011. The tornado was a massive EF5 multiple vortex tornado with winds over 200 mph (peaking at 225 to 250 mph). According to the local branch of the American Red Cross, approximately 25% of the City of Joplin was destroyed. The Missouri State Emergency Management Agency reported more than 990 injured and death toll from the tornado is 161. In addition to the tornado deaths, a policeman was struck by lightning and killed while assisting with recovery and cleanup efforts the day after the storm.

Ten Joplin School District facilities in several different locations were damaged or destroyed by the tornado. Since the tornado occurred on a Sunday, the schools were not in session at the time of the tornado. However, the 2011 high school senior graduation had concluded at Missouri Southern State University just a short time before the storm hit. The multiple schools and facilities owned and operated by the District that were damaged and/or destroyed, include:

1. Emerson Elementary School, 301 E. 19th Street, Joplin
2. Franklin Technology Center, 20th and Indiana, Joplin
3. Joplin High School, 20th and Indiana, Joplin
4. East Middle School, 4594 E. 20th Street, Joplin
5. Former Irving Elementary School, 311 Gabby Street Boulevard, Joplin
6. Former South Middle School, 22nd and Wall, Joplin (used for schools in transition)
7. Roi S. Wood Administration Building, 1717 E. 15th Street, Joplin
8. Kelsey Norman Elementary School, 1323 E. 28th Street, Joplin
9. Cecil Floyd Elementary School, 2201 W. 24th Street, Joplin

In addition to schools that were damaged and/or destroyed by the tornado, the District intends to retrofit undamaged schools using FEMA Hazard Mitigation Grant Program (HMGP) funding to include FEMA Tornado Safe Shelters to provide near absolute level of protection to school occupants and adjacent community population. HMGP is a supplemental program that provides funding to states to reduce or eliminate threats to future disaster events. The District, in partnership with Federal and State Emergency Management Agencies and other involved stakeholders, implemented plans immediately to start providing temporary school facilities so that the school year that started in August 2011 would not be delayed. Debris removal and design and repair are complete. Rebuilding of new school facilities is underway at three sites.

The following table shows the estimated repair or replacement costs of the various schools under insurance releases:

<u>School</u>	<u>Insurance Settlements</u>	<u>Status</u>
Emerson Elementary School	\$ 1,500,000	Not in use—funds redirected
Franklin Technology Center (FTC)	9,865,000	See Note C—JHS/FTC combined
Joplin High School (JHS)	44,818,891	
East Middle School	15,540,000	See Note B
Old Irving Elementary School	5,700,000	See Note A
Old South Middle School	8,900,000	Demolished—funds redirected
Roi S. Wood Administration Building	486,978	Repair complete
Kelsey Norman Elementary School	47,054	Repair complete
Cecil Floyd Elementary School	<u>2,354,008</u>	Repair complete
Total	\$89,211,931	

- A. 60% complete on new site donated by Mercy Hospital.
- B. 50% complete. Built on a single expanded campus alongside an elementary school, recently named Soaring Heights. Includes \$540,000 for costs incurred immediately after the loss, prior to demolition.
- C. 20% complete with single structure to house both JHS and FTC in a way that maintains separate identities but shares common facilities.

The Project

Proceeds of all series of bonds remaining after payments of costs of issuance are expected to be allocated to pay for the following improvements comprising the Project:

	(Millions)				
	Total Cost	Insurance Proceeds	Federal & State Funds	Donations	Bonds (2012/2013)
New Joplin High School/ Franklin Technical Center	\$107.7	\$54.8	\$10.5		\$42.4
New East Middle School	28.0	15.0	8.0		5.0
New Irving Elementary School	17.7	8.9	7.2		1.6
New Soaring Heights Elementary School	15.3	7.2	0.3	\$1.7	6.1
Community Safe Rooms	15.0		9.4		5.6
Elem. Sch. Repairs/Improvements	7.0				7.0
Totals	\$190.7	\$85.9	\$35.4	\$1.7	\$67.7

Construction of all new facilities is expected to be completed by September 1, 2014. More information about Operation Rising Eagle, including slide show images is available on our website at www.joplinschools.org.

Sources and Uses of Funds

The following table summarizes the use of proceeds from the sale of the Bonds:

Sources of Funds:

Proceeds of the Bonds	\$27,000,000.00
Net reoffering premium/original issue discount	<u>2,697,740.25</u>
Total	\$29,697,740.25

Uses of Funds:

Funds available for improvements	\$29,515,790.25
Costs of issuance for the Bonds	<u>181,950.00</u>
Total	\$29,697,740.25

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Resolution for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amount shown on the cover page, will be dated the date of their issuance, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature on March 1 in the years and in the principal amounts shown on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2013.

Interest will be paid to the registered owners of the Bonds as shown on the registration books maintained by Commerce Bank, Kansas City, Missouri (the **“Paying Agent”**) at the close of business on the **“Record Date”** for payment of such interest, which Record Date is the 15th day (whether or not a business day) of the calendar month next preceding an interest payment date, (a) by check or draft mailed by the Paying Agent to the address of such registered owners shown on the registration books of the Paying Agent, or (b) in the case of an interest payment to DTC or any successor securities depository, or to any registered owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such registered owner upon written notice given to the Paying Agent by such registered owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) including the bank ABA routing number and account number to which such registered owner wishes to have such wire directed. While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in **Appendix D**. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution.

Book-Entry Only System

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the **“Book-Entry Only System”**) described in **Appendix D**.

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply: Each Bond when issued will be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Resolution and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds may be called for redemption and payment prior to the Stated Maturity on March 1, 2023, and thereafter, as a whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Selection of Bonds to be Redeemed. When less than all Bonds are to be redeemed, such Bonds shall be redeemed from maturities selected by the District, and Bonds of less than a full maturity shall be selected by the Paying Agent in multiples of \$5,000 principal amount by lot or in such other equitable manner as the Paying Agent may determine.

Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the Redemption Date to the State Auditor of Missouri, the Underwriter and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the District defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest. The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

SECURITY FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the District and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax. Under the Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the District are levied and collected. Except as otherwise provided in the section below captioned **“Direct Deposit of State Aid Payments,”** the proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the District and shall be used solely for the payment of the principal or redemption price of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

Direct Deposit of State Aid Payments

Pursuant to Section 360.111 of the Revised Statutes of Missouri and related statutes (the **“Deposit Law”**), the State of Missouri (the **“State”**) will transfer to a Missouri bank, as direct deposit trustee (the **“Deposit Trustee”**), a portion of the District’s State aid payments and distributions normally used for operational purposes (**“State Aid”**) in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the District will enter into a Direct Deposit Agreement (the **“Deposit Agreement”**) with the Office of the Treasurer of the State of Missouri (**“Treasurer’s Office”**), the Department of Elementary and Secondary Education of the State of Missouri (**“DESE”**), the Health and Educational Facilities Authority of the State of Missouri (the **“Authority”**) and the Deposit Trustee. Under the Deposit Agreement, the District will pledge its State Aid to the payment of the Bonds. The Deposit Agreement will provide that one-seventh (1/7th) of the debt service to be paid on the Bonds on March 1, 2014 will be deposited with the Deposit Trustee in each of the months of June through September 2013 and in December 2013 through February 1, 2014, one-tenth (1/10th) of the annual debt service in the next bond year will be deposited with the Deposit Trustee in each of the ten months of March through September 2014 and in December 2014 through February 2015, and thereafter one-tenth (1/10th) of the annual debt service in the next bond year will be deposited with the Deposit Trustee in each succeeding similar ten months (March through September and the following December through February) so long as the Bonds are outstanding. Amounts of State Aid to the District in excess of the amounts required to be deposited with the Deposit Trustee will be transferred directly to the District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Deposit Agreement, DESE will advise the Treasurer’s Office of the amount of the District’s State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up

in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the District in legally permitted investments. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not later than the business day prior to each payment date with respect to the Bonds. The District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

Nothing in the Deposit Law or the Deposit Agreement relieves the District of its obligation to make payments of principal and interest on the Bonds, or to impose any debt service levy sufficient to retire the Bonds. Moneys of the District which would otherwise be used to pay the Bonds on each payment date will be transferred to the District's operational funds to replace State Aid funds used to pay the Bonds. The State has not committed pursuant to the Deposit Law, the Deposit Agreement or otherwise to maintain any particular level of State Aid on behalf of the District, and the State is not obligated in any manner, contractually or morally, to make payments of debt service on the Bonds, other than its obligation to make transfers to the Deposit Trustee as described above. No assurance can be made that the amount of annual State Aid to the District will not in the future drop below that of the annual debt service requirements on the Bonds.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the District or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the District's ability to meet its obligations to pay the Bonds.

Approval of Legality

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain matters relating to this Official Statement will also be passed upon by Bond Counsel. Bond Counsel has represented the Underwriter in transactions unrelated to the issuance of the Bonds, but is not representing the Underwriter in connection with the issuance of the Bonds. The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax

deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“**OID**”) is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be

reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

RATINGS

It is anticipated that Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), will assign the Bonds the rating of "AA+" conditioned upon the execution and delivery of the Direct Deposit Agreements described under the caption **"THE BONDS – Security and Sources of Payment for the Bonds; Direct Deposit of State Aid Payments"** hereof. In addition, S&P has assigned the Bonds an underlying rating of "A+" based on S&P's evaluation of the credit worthiness of the District without consideration that payments on the Bonds are to be made pursuant to the Direct Deposit Program.

At present, S&P maintains four categories of investment grade ratings—AAA, AA, A and BBB. Under S&P criteria, debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree; debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than "AAA"- and "AA"-rated debt. Ratings reflect only the view of S&P at the time such ratings are given, and the District and the Underwriter make no representation as to the appropriateness of such ratings or that such ratings will not be changed, suspended or withdrawn.

S&P relies on the District and others for the accuracy and completeness of the information submitted in connection with the ratings. Ratings are not "market" ratings nor recommendations to buy, hold or sell the

Bonds, and such ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of ratings could have an adverse effect on the market price and marketability of the Bonds. An explanation of the significance of ratings may be obtained only from S&P at the following address: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041.

MISCELLANEOUS

Underwriting

George K. Baum & Company (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the District at a price of \$29,576,240.25 (equal to \$27,000,000 principal amount of the Bonds plus a reoffering premium net of original issue discount of \$2,697,740.25 minus an underwriting discount of \$121,500). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

The Underwriter has read and participated in the preparation of certain portions of this Official Statement and has supervised the compilation and editing thereof. The Underwriter has not, however, independently verified the factual and financial information contained in this Official Statement and, accordingly, expresses no view as to the sufficiency or accuracy thereof.

Continuing Disclosure

Pursuant to a Continuing Disclosure Undertaking, the District has agreed to provide to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system ("**EMMA**") the audited financial statements and certain operating data of the District. The District has agreed to have updated financial information and operating data for the District available not later than six months after each June 30, the final day of the District's fiscal year (i.e., not later than December 31 of each year). The financial statements of the District are audited by the District's independent certified public accountants. The District has also agreed to provide prompt notice of the occurrence of certain material events with respect to the Bonds. See *Appendix C: "Summary of the Continuing Disclosure Undertaking."*

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the District and other sources which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

Simultaneously with the delivery of the Bonds, the President of the Board of Education of the District, acting on behalf of the District, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the District. Neither the District nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District's ability to make payments required of it; and further, neither the District nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Bond Resolution.

Additional Information

Additional information regarding the District or the Bonds may be obtained from the District in care of Joplin Schools, Joplin Administration Building, 3901 E. 32nd Street, Joplin, Missouri 64801 (417) 625-5200, or from the Underwriter, George K. Baum & Company, Plaza Colonnade, 4801 Main Street, Suite 500, Kansas City, Missouri 64112, Attention: Gregory A. Bricker, (816) 474-1100.

JOPLIN SCHOOLS

By: /s/ Jeff Flowers
President of the Board of Education

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

JOPLIN SCHOOLS

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

TABLE OF CONTENTS

	<u>Page A-</u>
GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT	1
Location and Size	1
Population.....	1
Government and Organization.....	1
Board of Education	1
Superintendent.....	2
Educational Facilities	2
History of Enrollment	2
Other District Statistics	3
School Rating and Accreditation	3
Commerce, Industry and Employment.....	3
Medical and Health Facilities	4
Recreational, Educational Institutions and Cultural Facilities	5
Municipal Services and Utilities.....	5
Transportation and Communication Facilities	5
Income and Home Values.....	5
DEBT STRUCTURE OF THE DISTRICT	6
Overview	6
Current Long-Term General Obligation Indebtedness	7
History of General Obligation Indebtedness	7
Debt Service Requirements.....	7
Overlapping or Underlying Indebtedness.....	8
Legal Debt Capacity.....	8
Other Obligations of the District.....	9
FINANCIAL INFORMATION CONCERNING THE DISTRICT	10
Accounting, Budgeting and Auditing Procedures.....	10
Sources of Revenue.....	11
Local Revenue.....	11
County Revenue	12
State Revenue.....	12
Federal Revenue	12
Missouri School Finance Laws.....	12
Fund Balances Summary	16
Risk Management.....	16
Employee Retirement and Pension Plans	17
Employee Relations	17
PROPERTY TAX INFORMATION CONCERNING THE DISTRICT	17
Property Valuations.....	17
Property Tax Levies and Collections.....	18
Tax Rates.....	19
History of Tax Levies.....	20
Tax Collection Record	21
Major Property Taxpayers	21

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT

Location and Size

The District encompasses approximately 70 square miles and includes within its limits the Cities of Joplin (marked on the map at the right) and Duenweg and the Village of Duquesne. The District is located in Jasper and Newton Counties in southwest Missouri.



The residents of the District have excellent access to major highways. Being near the geographic center of the nation and with the intersection of Interstate Highways 44 and 49 (formerly U.S. Highway 71), in addition to eight other Missouri state highways, the District's proximity to these major highways makes it a leader in surface transportation.

Population

The following table show population figures for the District, Jasper and Newton Counties and the State of Missouri from the last four decennial censuses.

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2012</u>
District	47,547	50,844	56,119	59,509*
City of Joplin	39,376	40,866	45,504	50,559*
Jasper County	89,500	90,465	104,686	115,258
Newton County	40,555	44,445	52,636	59,069
State of Missouri	4,916,766	5,117,073	5,595,211	6,021,988

Source: QuickFacts.census.gov

* District population as of 2010 and City of Joplin estimated as of 2011

Government and Organization

The District is a reorganized school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri. The District is governed by a seven-member Board of Education. The members of the Board are elected by the voters of the District for three-year staggered terms. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President of the Board is elected by the Board from among its members for a term of one year and has no regular administrative duties. The Secretary and Treasurer are appointed by the Board and may or may not be members of the Board.

The Board of Education appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Additional members of the administrative staff are appointed by the Board of Education upon recommendation by the Superintendent. The District has a total of 1,219 employees, including 11 administrative personnel, 645 teachers and 563 non-certified employees.

Board of Education

The current members and officers of the Board of Education are:

<u>Name</u>	<u>Office</u>	<u>First Elected</u>	<u>Current Term Began</u>	<u>Current Term Expires</u>
Jeff Flowers	President and Member	April 2008	April 2011	April 2014
Michael D. Landis	Vice President and Member	April 2001	April 2013	April 2016
Randy Steele	Member	April 2008	April 2011	April 2014
Anne Sharp	Member	April 2000	April 2012	April 2015
Jim Kimbrough	Member	April 2006	April 2012	April 2015
Phil Willcoxon	Member	April 2008	April 2011	April 2014
Dawn Sticklen	Member	June 2012*	April 2013	April 2016

*Appointed

The Board has appointed Pat Waldo to serve as Secretary. The District's Chief Financial Officer, Paul Barr, serves as Treasurer.

Superintendent

Dr. Huff arrived in Joplin in July 2008 and is currently in his fourth year as the Superintendent of the District. Prior to accepting this position, Dr. Huff served four years as the Superintendent of Schools in the Eldon School District, near Lake of the Ozarks. He has also served as a principal in the Nixa, Springfield, and the Bolivar School Districts and as an elementary classroom teacher in Bolivar, MO and Pleasanton, KS.

Dr. Huff received his BS degree in Elementary Education from Pittsburg State University, Masters and Specialist Degrees from Missouri State University, and a Doctorate in Educational Leadership from the University of Arkansas in Fayetteville. In addition to his administrative responsibilities with the District, Dr. Huff remains active in the Joplin Community through his participation on the Joplin Chamber of Commerce, United Way Board of Directors, Success by 6 Committee, Single Parent Scholarship Fund Committee, Jasper County Workforce Investment Board, as a volunteer at Children's Haven, and serves as a "lunch buddy" through Big Brothers Big Sisters.

Educational Facilities

Because of damage and destruction to school facilities from the 2011 Tornado, several new facilities are being constructed while others are being repaired and improved. For a discussion of the impact of the 2011 Tornado, see the caption "**PLAN OF FINANCING – The 2011 Tornado**" in the body of this Official Statement. The District presently operates 18 schools, a portion of which are housed in temporary facilities pending construction of replacement facilities. The replacement cost of the physical facilities of the District as most recently determined for insurance purposes is \$152,899,428 which includes the value of certain temporary facilities but excludes the value of new facilities being constructed to replace those that were destroyed.

History of Enrollment

The following table shows student enrollment in the District as of the last Wednesday in September, for each of the last four and current school years.

<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
7,543	7,650	7,784	7,252	7,493

The decrease of 532 students in the 2011-12 school year was primarily due to the students relocating outside of the District because of the destruction of residential housing by the 2011 Tornado within the District.

Other District Statistics

The following table shows additional information about the District compiled by DESE for the last five completed fiscal years.

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Ave. Daily Attendance (ADA)	7,069	7,149	7,361	7,426	7,255
Rate of Attendance	93.8%	94.5%	95.3%	94.8%	95.6%
Current Expenditures per ADA	7,298	7,247	7,274	6,998	8,303
Students per Teacher	14	14	14	14	13
Students per Classroom Teacher	21	21	21	21	20

School Rating and Accreditation

The Missouri Department of Elementary and Secondary Education (“DESE”) evaluates school districts in all areas of operation, including curriculum, facilities, teaching staff and administrative staff under the DESE-administered Missouri School Improvement Program (“MSIP”). The ratings are not bond or debt ratings, but solely evaluations made by DESE. On June 4, 2009, the District received a Waiver Review report and at this time is currently rated as “accredited.”

Under MSIP, districts are evaluated based on DESE standards in three areas -- resource standards, educational process standards and performance standards. Districts receive an evaluation judgment for each of the three sets of standards and an overall evaluation, which evaluations are in one of three categories: “accredited,” “provisionally accredited” or “unaccredited.” The MSIP Review Committee has given the District an evaluation of “accredited” in each category and an overall classification recommendation of “accredited.”

The MSIP classification is not a bond or debt rating, but is solely an evaluation made by DESE regarding the educational services provided by the district.

Commerce, Industry and Employment

Some major employers in or near Joplin, Missouri, include:

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Freeman Health System	Health Care	2,897
Conway Trucking	Common Carrier Trucking	2,677
Mercy Hospital Joplin (formerly St. John’s Regional Medical Center) *	Health Care	2,200
Joplin School District	Education	1,219
Downstream Casino Resort	Casino/Resort	1,083
EaglePicher Technologies	Batteries, Chemicals, Electronics	1,022
Wal-Mart, Inc. of Joplin *	Retail	920
Crossland Construction	Construction	850
NCO Systems Technology	Customer Service	750
AT&T Mobility	Communications	688
TAMKO Roofing Products	Construction roofing manufacture	645

Source: Joplin Area Chamber of Commerce, Fall 2012

* One of the City's two Wal-Mart Supercenter locations and the St. John's Regional Medical Center main facility were among the buildings destroyed by the 2011 Tornado. Wal-Mart Stores retained the employees who worked at the affected location by moving them to other nearby Wal-Mart locations during the period in which the building was closed for reconstruction. Since the 2011 Tornado, St. John's Regional Medical Center, now known as Mercy Hospital Joplin, has moved its operations into temporary modular facilities around the City and has continued to function without laying off employees. For more on the 2011 Tornado, see the caption "**PLAN OF FINANCING – The 2011 Tornado**" in the body of this Official Statement.

The following table sets forth unofficial employment figures for Jasper and Newton Counties, Missouri:

Jasper County, Missouri Employment Data

Average for Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2012	57,547	54,125	3,422	5.9%
2011	58,705	54,866	3,839	6.5%
2010	57,887	53,042	4,845	8.4%
2009	57,285	52,557	4,728	8.3%
2008	57,062	54,094	2,968	5.2%
2007	56,870	54,324	2,546	4.5%

Newton County, Missouri Employment Data

Average for Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2012	28,754	26,971	1,783	6.2%
2011	29,312	26,995	2,317	7.9
2010	29,127	26,605	2,522	8.7
2009	27,765	25,517	2,248	8.1
2008	27,783	26,256	1,527	5.5

Source: MERIC (Missouri Economic Research and Information Center)

Medical and Health Facilities

The City is home to two major hospitals that provide special services and treatment capabilities rivaling those found in major metropolitan areas. Freeman Hospital has 288 licensed beds and is operated by the Freeman Health System. The Freeman Health System also operates the Freeman East Specialty Hospital in the City, which facility has 94 licensed sub-acute beds. Prior to May 22, 2011, St. John's Regional Medical Center, a member of Mercy Health based in St. Louis, Missouri, operated a 367 licensed bed facility in the southern portion of the City. That facility was severely damaged by the 2011 Tornado and was not salvageable. St. John's Regional Medical Center now known as Mercy Hospital Joplin is currently operating out of temporary, modular hospital facilities and in 2012 commenced construction on a new 327 licensed bed facility, the final phase of which is scheduled to be completed in 2015.

The City also has two fully equipped sports medicine clinics, psychological and psychiatric services, major heart and cancer care facilities and many top-quality nursing/retirement centers and extended care facilities. The Community Clinic of Joplin, an all-volunteer free medical/dental clinic, provides quality health care to the underprivileged.

Recreational, Educational Institutions and Cultural Facilities

The City maintains 19 public parks, 3 public swimming pools, an athletic complex, 27 public tennis courts, 9 basketball courts, 9 soccer fields and a public golf course. There are three country clubs, two YMCA facilities and twenty indoor movie theaters. The City is approximately 45 miles from Grand Lake, which has 1,380 miles of shoreline and offers fishing, swimming and boating. Significant historic events ranging from Civil War battles to developments in America's mining revolution provide the City's cultural activities.

Municipal Services and Utilities

Utility service in the City is provided by a mix of public and private entities. Electric service is provided by Empire District Electric Company. Natural Gas is supplied by Missouri Gas Energy. Telephone service to the area is provided by AT&T. Water is supplied by Missouri American Water Company. The City owns and operates its own wastewater collection and treatment system. The City provides its own police and fire protection.

Transportation and Communication Facilities

The residents of the District have excellent access to major highways. Being near the geographic center of the nation and with the intersection of Interstate Highways 44 and 49 (formerly U.S. Highway 71), in addition to eight other Missouri state highways, the District's proximity to these major highways makes it a leader in surface transportation.

Joplin Regional Airport located just west of the District is a commercial service airport with scheduled air carrier service to Dallas Fort Worth International Airport provided by American Eagle. The Airport is considered a primary airport by the Federal Aviation Administration. The Airport has paved, lighted runways totaling 6,500 feet. Railroads serving the area close by include Kansas City Southern and Burlington Northern Santa Fe and Northern Arkansas Railroad.

Within the Jasper County area there are two daily and three weekly newspapers. There are several radio stations and television stations within Jasper County.

Income and Home Values

The following tables show the latest available per capita personal income and median value of owner-occupied housing units in the area of the District and the State of Missouri:

Income (2011 inflation-adjusted dollars)

	<u>Median Household</u>	<u>Per Capita</u>
Joplin	\$37,587	\$22,458
Jasper County	39,522	20,735
Newton County	41,873	22,054
State of Missouri	47,202	25,371

Median Housing Value of Owner-Occupied Housing Units (2007-2011)

Joplin	\$95,300
Jasper County	96,900
Newton County	106,500
State of Missouri	138,900

Source: quickfacts.census.gov

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District. This information should be reviewed in conjunction with the information contained in this section and the financial statements of the District in *Appendix A* hereto.

2012 Assessed Valuation ¹	\$824,643,099
2012 Estimated Actual Valuation ²	\$3,238,620,303
Net Outstanding General Obligation Bonds ("Direct Debt") ³	\$121,837,286
Lease Debt ⁴	\$0
Total Direct and Lease Debt	\$121,837,286
Estimated Population	59,509
Per Capita Direct Debt	\$2,047.38
Ratio of Direct Debt to Assessed Valuation	14.77%
Ratio of Direct Debt to Estimated Actual Valuation	3.76%
Ratio of Direct and Lease Debt to Assessed Valuation	14.77%
Ratio of Direct and Lease Debt to Estimated Actual Valuation	3.76%
Overlapping and Underlying General Obligation and Lease Debt ("Indirect Debt") ⁵	\$0
Total Direct, Lease and Indirect Debt	\$121,837,286
Per Capita Direct, Lease and Indirect Debt	\$2,047.38
Ratio of Direct, Lease and Indirect Debt to Assessed Valuation	14.77%
Ratio of Direct, Lease and Indirect Debt to Estimated Valuation	3.76%

¹ Includes 2012 real and personal property certified by the Jasper and Newton County Clerks, including \$13,378,767 attributable to state assessed railroad and utility property for that portion of the District located within the City of Joplin. For further details see "PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."

² Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see "PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."

³ Equals \$98,740,000 principal amount of the District's outstanding general obligation bonds plus the \$27,000,000 principal amount of the Bonds being issued less a Debt Service fund balance of \$3,902,714 available to pay principal of bonds as of March 31, 2013.

⁴ See "DEBT STRUCTURE OF THE DISTRICT – Other Obligations of the District."

⁵ For further details see "DEBT STRUCTURE OF THE DISTRICT - Overlapping or Underlying General Obligations and Lease Obligations."

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the District after issuance of the Bonds. The principal amount of bonds to be paid pursuant to escrow trust agreements is not shown.

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>
General Obligation Refunding	11/01/2005	\$ 5,970,000
General Obligation Refunding	06/01/2006	6,070,000
General Obligation Building	05/15/2007	51,700,000
General Obligation Building	08/09/2012	35,000,000
General Obligation Building	05/15/2013	<u>27,000,000</u>
Total		\$125,740,000

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the District as of the end of each of the last five fiscal years:

<u>As of June 30</u>	<u>Total Outstanding Debt</u>	<u>Debt as % of Assessed Value*</u>
2012	\$100,450,000	12.13%
2011	67,885,000	7.88
2010	76,730,000	8.62
2009	78,400,000	8.92
2008	86,850,000	10.22

* Excludes state assessed railroad and utility property; if state assessed railroad and utility property were taken into account, the net debt as a percentage of total assessed valuation would be lower than the percentages shown. For more information see the caption "Legal Debt Capacity" which follows.

The District has never defaulted on the payment of any of its debt obligations.

Debt Service Requirements

General Obligation Bonds. The following schedule shows the yearly principal and interest requirements for all outstanding general obligation bonds of the District which are payable from amounts in the Debt Service Fund generated by a levy on all taxable tangible property in the District. Payments of principal of and interest on all bonds provided for pursuant to escrow trust agreements are not shown. The Debt Service Fund levy may be set, without limitation as to rate or amount, at the level required to make payments on the general obligation bonds.

<u>Fiscal Year Ended June 30</u>	<u>Outstanding Bonds</u>		<u>2013 Bonds Being Offered</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 1,710,000	\$ 3,789,336			\$ 5,499,336
2014	2,430,000	4,344,698		\$ 913,065	7,687,762
2015	2,715,000	4,249,200		1,149,313	8,113,513
2016	3,200,000	4,147,471		1,149,313	8,496,783
2017	3,185,000	4,026,659		1,149,313	8,360,972
2018	3,615,000	3,906,421		1,149,313	8,670,733

Fiscal Year Ended June 30	Outstanding Bonds		2013 Bonds Being Offered		
	Principal	Interest	Principal	Interest	Total
2019	\$ 3,840,000	\$ 3,762,031		\$ 1,149,313	\$ 8,751,343
2020	4,380,000	3,605,975		1,149,313	9,135,287
2021	4,625,000	3,414,913		1,149,313	9,189,225
2022	5,250,000	3,212,813		1,149,313	9,612,125
2023	5,750,000	2,981,563		1,149,313	9,880,875
2024	6,250,000	2,699,063		1,149,313	10,098,375
2025	6,750,000	2,391,563		1,149,313	10,290,875
2026	7,250,000	2,059,063		1,149,313	10,458,375
2027	7,750,000	1,701,563		1,149,313	10,600,875
2028	5,500,000	1,334,812	\$ 2,400,000	1,149,313	10,384,125
2029	5,800,000	1,114,813	2,900,000	1,077,313	10,892,125
2030	6,400,000	882,813	3,150,000	961,313	11,394,125
2031	6,600,000	562,813	3,400,000	835,313	11,398,125
2032	7,450,000	232,813	3,650,000	699,313	12,032,125
2033			11,500,000	516,813	12,016,813
Total	\$100,450,000	\$54,420,388	\$27,000,000	\$21,093,502	\$202,963,890
Less 2013	(1,710,000)	(3,789,336)			(5,499,336)
Current	\$ 98,740,000	\$50,631,052	\$27,000,000	\$21,093,502	\$197,464,554

Overlapping or Underlying Indebtedness

To the knowledge of the District, there are no political subdivisions with boundaries overlapping the District or which lie fully within the District that have any outstanding indebtedness (either general obligation or lease indebtedness). However, political subdivisions may have ongoing programs requiring the issuance of substantial bonds or the incurring of lease obligations, the amounts of which cannot be determined at this time.

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the District may incur indebtedness for authorized school district purposes not to exceed 15% of the valuation of taxable tangible property in the District according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the District voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date.

The legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2012 assessed valuation) ¹	\$123,696,465
General obligation bonds outstanding (including the Series 2013 Bonds)	\$125,740,000
Less Debt Service Fund balance available to pay interest on bonds	<u>(3,902,714) ²</u>
Net general obligation bonds outstanding	\$121,837,286
Legal Debt Margin under Article VI, Sections 26(b)	\$1,859,179

¹ Includes assessed valuation of \$13,378,767 attributable to that portion of state assessed railroad and utility property located within the District determined for tax year 2012. See discussion below.

² Equal to a Debt Service Fund Balance of \$6,413,472 as of March 31, 2013, less interest payments on all general obligation bonds of the District on September 1, 2013 of \$2,510,757.

The District's debt margin would actually be greater if all and not just a portion of the value attributable to state assessed railroad and utility property were included in the calculation. Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT-Property Valuations-Current Assessed Valuation**"), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the district would exceed its legal debt limit. In order for the District to issue the Bonds, it was necessary for the District to include a portion of the value of state assessed railroad and utility property located within the District (that portion within the City of Joplin which is easily obtained) in calculating the District's legal debt limit. It was not necessary for the District to determine the value of all state assessed railroad and utility property located throughout the District because, based on the value of a portion of such property located within the City of Joplin, the District was able to provide evidence that the issuance of the Bonds would not cause the principal amount of all of the District's general obligation bonds to exceed the constitutional limitation of 15% of the valuation of all taxable tangible property located within the District.

Other Obligations of the District

Due to the May 22, 2011 tornado that passed through the City, many of the schools within the District were destroyed. The District has entered into multiple lease agreements to rent property to be used as temporary schools and contracts for work on the remodeling and improvements necessitated by code and specific use as a school, while waiting on the reconstruction of the schools that were destroyed. The following is the lease payment schedule for use of temporary school facilities:

Lease	Description	Term	Payments
Bentley Investments	Franklin Tech temporary facilities	Thru 6/30/14	\$35,000/month
Missouri Department of Transportation	Administration Building temporary facilities	Thru 7/14/14	Contractual only (no payments)
City of Joplin	Use of Memorial Hall for various school programs	Thru 7/31/14	\$33,333.33/ month
Joplin Building and Industrial Development Corporation	East Middle School temporary facilities	7/31/12 with provisions to renew up to 5 years	\$36,000/ month
Northpark Mall	JHS 11-12 temporary facilities	7/31/12 with provisions to renew thru 9/30/15	\$11,187.50

Lease	Description	Term	Payments
Shopko/KIR	JHS 11-12 temporary facilities	8/31/12 with provisions to renew thru 8/2015	\$83,333.33
Olde Joplin Properties	Parking lot at Franklin Tech temporary facility		\$1,500/quarter

In addition, on August 15, 2011, the District entered into a two year municipal lease agreement with Sovereign Leasing, LLC to lease ten (10) school buses at the rate of \$8,888 per month including principal and interest for usage during school years 2011-2012 and 2012-2013.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District follows a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions. The modification of the cash basis of accounting relates to the presentation of investments and payroll liabilities. The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As of result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable (e.g., property taxes) and revenue for billed or provided services not yet collected) and certain liabilities, with the exception of payroll liabilities, and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

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. All government-wide financial statements would be presented on the accrual basis of accounting. The reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting when reviewing the District's financial statements in *Appendix A*.

Cash transactions are recorded in the following funds which the District is required to maintain for the accounting of all school moneys:

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

Special Revenue (“Teachers”) Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State of Missouri and the local levy for the payment of teacher salaries and certain employee benefits.

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

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

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund. Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they are levied, collected or received and all checks must be signed by the President and the Treasurer.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board of Education for approval, after a public hearing, prior to August 15. The District's fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from District taxes.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The most recent annual audit was performed by Mense, Churchwell & Mense, P.C., Joplin, Missouri. A copy of the annual audit for the fiscal year ended June 30, 2012, is included in this Official Statement as **Appendix A**. A summary of significant accounting policies of the District is contained in the Notes accompanying the financial statements in **Appendix A**. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

Sources of Revenue

The District finances its operations through the local property tax levy, state sales tax, State Aid, federal grant programs and miscellaneous sources. Debt service on general obligation bonds is paid from amounts in the District's Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. However, the Debt Service Fund may also contain money derived from transfers from the Incidental Fund described under the caption "**Missouri School Finance Laws – Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund**," from State Aid in the Classroom Trust Fund (discussed below), and from certain other taxes or payments-in-lieu-of-taxes which may be placed in the Debt Service Fund at the discretion of the Board of Education.

For the 2011-12 fiscal year, the District's sources of revenue (excluding proceeds from insurance for facilities damaged or destroyed by the 2011 Tornado during such fiscal year) were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue:		
Property Taxes	\$27,468,661	32.46%
Proposition "C" Sales Tax	6,711,880	7.93
Other	8,945,667	10.57
County Revenue:		
Railroad & Utility Property Taxes	1,125,915	1.33
Fines, Forfeitures & Other	218,187	0.26
State Revenue	23,280,008	27.51
Federal Revenue	15,715,471	18.57
Other Revenue	<u>1,169,419</u>	<u>1.38</u>
Total Revenue	\$84,635,208	100.00%

Local Revenue

The primary sources of "local revenue" are (1) taxes upon real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below under the caption "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**," and (2) receipts from a 1% state sales tax (commonly referred to as "**Proposition C revenues**").

Proposition C sales tax proceeds are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district on a per-pupil basis utilizing the

district's weighted average daily attendance (see "**Weighted ADA**" under "**Missouri School Finance Laws**" below). Historically, each school district has received from \$750 to \$800 per pupil per year from Proposition C revenues.

County Revenue

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. No determination is made of the assessed value of the railroad and utility property that is physically located within the boundaries of each school district. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

State Revenue

The primary source of state revenue or "State Aid" is provided under a formula enacted under Chapter 163 of the Revised Statutes of Missouri, as amended. In its 2005 regular session, the Missouri General Assembly approved significant changes to the formula by adoption of Senate Bill 287 ("**SB 287**"), which became effective July 1, 2006. The changes to State Aid distribution laws are more fully described below under "**Missouri School Finance Laws.**"

Federal Revenue

School districts receive certain grants and other revenue from the federal government, which are usually required to be used for the specified purposes of the grant or funding program.

Missouri School Finance Laws

State Aid. The amount of State Aid for school districts in Missouri has typically been calculated using a complex formula. The impact of SB 287 is to transition the State away from a local-tax-rate-based formula to a formula that is primarily student-needs based. The new formula was phased in over a seven-year period which began in the 2006-07 fiscal year. During the phase-in period, State Aid for each school district was based on a percentage of both the old local tax rate based formula (determined as a percentage of the 2005-06 State Aid Payments), and the new student-needs based formula. State aid was calculated using the following percentages of the old and new formulas:

<u>Phase-In Year</u>	<u>Percentage of 2005-06 State Aid Payment</u>	<u>Percentage of SB 287 Formula</u>	<u>Actual Pro-Ration Factor</u>
2006-07	85%	15%	-
2007-08	70	30	-
2008-09	56	44	-
2009-10	42	58	99%
2010-11	28	72	97
2011-12	14	86	94
2012-13	0	100	92 (expected)

The fiscal year 2010-11 basic formula appropriation approved by the Missouri General Assembly and signed by the Governor was approximately 97% of the amount needed to fully fund the amount needed for the phase-in described above. The fiscal year 2011-12 basic formula appropriation was approximately 94.15% of the amount needed to fully fund the amount needed for the phase-in described above. To lessen the impact of the funding shortfall, the General Assembly approved an amendment to Chapter 163 of the Revised Statutes of

Missouri, which provides that, in fiscal years 2010-11, 2011-12 and 2012-13, if the State's basic formula appropriation is less than the amount needed to fully fund the phased-in formula, or the appropriation for transportation is funded at a level that provides less than 75% of the allowable transportation-related costs, school districts will be excused from compliance with certain spending requirements for professional development, as well as certain fund placement and expenditure requirements, described below under ***"Mandatory Deposit and Expenditures of Certain Amounts in the Teachers' Fund."*** School districts will also be excused from complying with these requirements if the Governor withholds funds appropriated for funding the basic formula in any of the same three years.

Property Tax Levy Requirements. The sum of a district's local property tax levies in its Incidental and Teachers' Funds must be at least \$2.75 per \$100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-06 fiscal year. Levy reductions required as a result of a "Hancock rollback" (See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Operating Levy"** below) will not affect a district's eligibility for State Aid increases.

The Formula. A district's State Aid is determined by first multiplying the district's weighted average daily attendance (***"ADA"***) by the state adequacy target (discussed below). This figure may be adjusted upward by a dollar value modifier (discussed below). The product of the weighted ADA multiplied by the state adequacy target multiplied by the dollar value modifier is then reduced by a district's "local effort" (discussed below) to calculate a district's final State Aid amount.

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced lunch, receive special education services, or possess limited English language proficiency. Students receive additional weighted treatment if, categorically, they exceed certain thresholds (based on the percentage of students in each of the categories in "Performance Districts," as defined below). Beginning in 2012-13, additional weight is assigned to students above the following thresholds: above 38.8% for students who qualify for free or reduced lunch, above 13.2% for students receiving special education services, and above 1.8% for students possessing limited English language proficiency. The District's State Aid revenues would be adversely affected by decreases in its weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of students eligible for free and reduced lunch, special education students, or students with limited English language proficiency.

State Adequacy Target. The new State Aid formula requires DESE to calculate a "state adequacy target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the state adequacy target is based upon amounts spent, excluding federal and state transportation revenues, by certain high performing districts (known as **"Performance Districts"**). Every two years, using the most current list of Performance Districts, DESE recalculates the state adequacy target. The recalculation can never result in a decrease from the previous state adequacy target amount. DESE has established the state adequacy target for the 2012-13 fiscal year at \$6,423.

Dollar Value Modifier. The dollar value multiplier (***"DVM"***) is an index of the relative purchasing power of a dollar, calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.0. DESE will begin revising the DVM for each district on an annual basis beginning with the 2012-13 fiscal year. The DVM for the District for 2012-13 will be 1.025 (it was previously 1.028).

Local Effort. For the 2006-07 fiscal year, the "local effort" figure utilized in a district's State Aid calculation was the amount of certain locally generated revenue that the district would have received in the 2004-05 fiscal year if its operating levy was set at \$3.43. The \$3.43 amount is called the "performance levy." After the 2006-07 fiscal year, a district's "local effort" amount will be frozen at the 2006-07 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the district. Growth

in assessed valuation and operating levy increases will result in additional local revenue to the district, without affecting State Aid payments.

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These are all subject to available funding and include (1) 75% of allowable transportation costs, (2) the vocational education entitlement, and (3) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distribution. A portion of the state aid received under the formula is in the form of a distribution from the “Classroom Trust Fund” in the state treasury containing a portion of the State’s gambling revenues. Starting with the 2006-07 fiscal year, this money is distributed to school districts on the basis of prior year average daily attendance (versus weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and shall be spent at the discretion of the local school district, except that, beginning with the 2010-11 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-10 fiscal year must be placed in the Teachers’ or Incidental Funds. Classroom Trust Fund dollars do not increase the amount of State Aid.

Mandatory Deposit and Expenditures of Certain Amounts in the Teachers’ Fund. The following state and local revenues must be deposited in the Teachers’ Fund: (1) 75% of basic formula State Aid, excluding State Aid distributed from the Classroom Trust Fund (gambling revenues); (2) 75% of one-half of the district’s local share of Proposition C revenues; and (3) 100% of local revenue from fines and escheats based on violations or abandoned property within the district’s boundaries.

In addition to these mandatory deposits, commencing with the 2006-07 fiscal year, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. Beginning in the 2007-08 fiscal year, school districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year’s weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers’ Fund, plus the amount of any transfers from the Incidental Fund to the Teachers’ Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Teachers’ Fund will result in a deduction of the amount of the expenditure shortfall from a district’s basic formula State Aid for the following year, unless the district receives an exemption from the State Board of Education. In fiscal years 2010-11, 2011-12 and 2012-13, under certain circumstances described above under “***State Aid,***” school districts will be excused from compliance with certain spending requirements for professional development, as well as certain of these fund placement and expenditure requirements. School districts will also be excused from complying with these requirements if the Governor withholds funds appropriated for funding the basic formula in any of the same three years.

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers’ Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers’ Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers’ Fund.

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (i) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy), (ii) revenue from the school district’s local property tax levy for the Capital Projects Fund; (iii) certain permitted transfers from the Teachers’ and Incidental Funds (see below), and (iv) a portion of the funds distributed to school districts

from the Classroom Trust Fund. Other sources include a surtax on merchants and manufacturers personal property, a tax on financial institutions, earnings on investments, contributions from patrons, sale of no longer used equipment/real estate and grant proceeds.

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers and Incidental Funds to an amount below \$2.75.

Transfers from Incidental Fund to Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund under the following limited circumstances:

- (1) The amount to be expended for transportation equipment that is considered an allowable cost under the state board of education rules for transportation reimbursements during the current year;
- (2) Any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools;
- (3) Current year obligations for lease-purchase obligations entered into prior to January 1, 1997;
- (4) The amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and
- (5) To satisfy current year capital project expenditures, an amount not to exceed the greater of:
 - a. \$162,326; or
 - b. Seven percent (7%) of the state adequacy target (\$6,423 in 2012-13 fiscal year) times the district's weighted ADA.

Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the \$162,326 transfer (as discussed above) and is not making payments on lease purchases pursuant to Section 177.088, Revised Statutes of Missouri, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of:

- (1) The State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the debt service and capital projects levy used in the foundation formula and placed in the Capital Projects or Debt Service fund; or
- (2) Five percent (5%) of the state adequacy target (\$6,423 in 2012-13 fiscal year) times the district's weighted ADA.

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances--All Governmental Funds was prepared from audited financial statements of the District. The statement set forth below should be read in conjunction with the other financial statements and notes appertaining hereto set forth in *Appendix A* of this Official Statement and the financial statements on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Funds

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>General (Incidental) Fund</u>					
Balance--Beginning of Year	\$17,707,243	\$15,090,592	\$15,198,847	\$13,770,216	\$16,546,139
Revenues	35,994,330	37,529,836	37,422,654	38,326,408	40,674,405
Expenditures	23,261,987	23,177,566	23,881,059	23,775,131	32,151,119
Transfers In (Out)	<u>(15,348,994)</u>	<u>(14,244,014)</u>	<u>(14,970,227)</u>	<u>(11,775,354)</u>	<u>(11,221,397)</u>
Balance--End of Year	\$15,090,592	\$15,198,847	\$13,770,216	\$16,546,139	\$13,848,029
<u>Special Rev. (Teachers') Fund</u>					
Balance--Beginning of Year	\$	\$	\$	\$	\$
Revenues	24,096,431	25,884,748	25,646,093	27,919,341	29,416,692
Expenditures	35,584,083	36,481,728	37,916,318	35,813,856	36,499,798
Transfers In (Out)	<u>11,487,652</u>	<u>10,596,980</u>	<u>12,270,225</u>	<u>7,894,515</u>	<u>7,083,107</u>
Balance--End of Year	\$	\$	\$	\$	\$
<u>Debt Service Fund</u>					
Balance--Beginning of Year	\$16,443,004	\$16,943,572	\$10,517,830	\$11,037,313	\$4,243,370
Revenues	5,712,242	6,017,984	5,777,634	5,572,327	5,354,601
Expenditures	<u>5,211,672</u>	<u>12,443,725</u>	<u>5,258,150</u>	<u>12,366,269</u>	<u>5,030,034</u>
Balance--End of Year	16,943,572	10,517,830	11,037,313	4,243,370	4,567,937
<u>Capital Projects Fund</u>					
Balance--Beginning of Year	\$67,978,411	\$58,699,120	\$25,734,437	\$8,104,599	\$29,333,685
Revenues	5,288,054	2,947,600	1,147,134	20,574,726	71,323,322
Expenditures	18,428,688	39,559,317	21,476,976	3,226,480	37,988,173
Transfers In (Out)	<u>3,861,342</u>	<u>3,647,034</u>	<u>2,700,003</u>	<u>3,880,839</u>	<u>4,138,291</u>
Balance--End of Year	\$58,699,120	\$25,734,437	\$8,104,599	\$29,333,685	\$66,807,124
<u>Total Funds</u>					
Balance--Beginning of Year	\$102,128,659	\$90,733,284	\$51,451,114	\$32,912,127	\$50,123,192
Revenues	71,091,055	72,380,166	69,993,515	92,392,801	146,769,019
Expenditures	<u>82,486,430</u>	<u>111,662,335</u>	<u>88,532,502</u>	<u>75,181,735</u>	<u>111,669,123</u>
Balance--End of Year	\$90,733,284	\$51,451,114	\$32,912,127	\$50,123,192	\$85,223,089
<u>Ending Operating Fund ¹</u>					
Balances as Percentage of Expenditures	25.64%	25.48%	22.28%	27.77%	20.17%

¹ The Operating Fund is defined to be the General Fund and Special Revenue Fund only.

Risk Management

The District maintains various policies of insurance providing coverage which includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses.

Employee Retirement and Pension Plans

The District contributes to the state-wide retirement systems created by Chapter 169 of the Revised Missouri Statutes to provide retirement allowances for substantially all of its employees. Certified employees (generally teachers and administrators) are covered by the Public School Retirement System of Missouri (PSRS), and other eligible employees are covered by the Public Education Employee Retirement System of Missouri (PEERS). The systems include most of the school districts in Missouri, and are administered by a seven-member Board of Trustees, consisting of one elected PEERS member, three elected PSRS members, and three trustees appointed by the Governor, one of whom must be a PEERS or PSRS retiree. Both systems are advance funded plans which are required by statute to remain in actuarial balance.

The District's annual contributions are based upon amounts recommended by a consulting actuary not to exceed rates established by statute. The actual contribution rates for the fiscal year ended June 30, 2012 were, and for the fiscal year to end on June 30, 2013 will be, 14.5% of PSRS members' salaries and 6.86% of PEERS members' salaries, with the total cost to the District for the fiscal year ended June 30, 2012 being \$10,151,005.

Contribution rates provide for funding the systems' liability for past service cost. However, the liability for past service cost is not allocable to individual school districts.

Non-certified employees and some certified employees of the District also participate in the Social Security retirement plan. There are no unfunded pension plans covering District employees.

Employee Relations

Teachers in the District belong to the Missouri State Teachers Association, the Missouri National Education Association or are not affiliated. The Board of Education makes the final decisions on all matters of policy, salaries and working conditions.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

Assessment Procedure. All taxable real and personal property within the District is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 0.5%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; poultry, 12%; and certain tools and equipment used for pollution control, used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by certain types of companies specified by state law, 25%.

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real

property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding state assessed railroad and utility property, except for that portion of state assessed railroad and utility property of the District located within the City of Joplin) according to the assessment for calendar year 2012 for property owned as of January 1, 2012.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation*</u>	<u>% of Actual Valuation</u>
Real:				
Residential	\$335,117,740	19.00%	\$1,763,777,579	54.46%
Agricultural	3,084,110	12.00%	25,700,917	0.79
Commercial	239,634,890	32.00%	748,859,031	23.12
Total Real	\$577,836,740		\$2,538,337,527	78.38%
Personal	233,427,592	33.33%	700,282,776	21.62
State RR and Utilities:	13,373,439	33.33%	40,124,329	1.24
Total Real & Personal	\$824,637,771		\$3,238,620,303	100.00%

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. Under this method of distributing tax collections from state assessed railroad and utility property, it is unnecessary to determine the assessed value of such property that is physically located within the bounds of each school district. The District received \$1,125,915 for the fiscal year ended June 30, 2012 from state assessed railroad and utility property taxes.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding state assessed railroad and utility property) according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2012	\$811,264,332	-2.06%
2011	828,341,322	-3.87
2010	861,646,535	-3.23
2009	890,415,476	1.30
2008	879,015,043	3.42

Property Tax Levies and Collections

Property taxes are levied and collected for the District by Jasper and Newton Counties, for which both the Counties receive a collection fee of approximately 1.5 to 2.0% of the gross tax collections made.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The District must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county assessment books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the District as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early November. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the District each month. Because of the tax collection procedure described above, the District receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The District's debt service levy for the 2012-13 fiscal year is \$0.9100 per \$100 of assessed valuation. Once indebtedness has been approved by requisite number of the voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "**tax rate ceiling**" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment, more fully explained below).

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to \$2.75 per \$100 assessed valuation without voter approval. Any increase above \$2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above \$6.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below). The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

Article X, Section 22(a) of the Missouri Constitution (popularly known as the “**Hancock Amendment**”), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of “**total state revenues**” to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a “**Hancock rollback**.” The limitation on local governmental units does not apply to taxes levied in the Debt Service Fund for the payment of principal and interest on general obligation bonds.

In 2008, through the enactment of Senate Bill 711 (“**SB 711**”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district’s *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district’s voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a district’s *actual* operating tax levy, regardless of whether that levy is at the district’s tax levy *ceiling*. This further reduction is sometimes referred to as an “**SB 711 rollback**.” In non-reassessment years (even-numbered years), the operating levy may be increased to the district’s tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as “**Proposition C**,” revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the State on the basis of per eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to approximately 50% of the estimated revenues to be received through Proposition C during the year. School districts may submit propositions to voters to forego all or a part of the reduction in the operating levy which would otherwise be required under terms of Proposition C. The District’s voters approved a proposition to forego all of the reduction in the operating levy which would otherwise be required under terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For fiscal year 2012-13, the District’s operating levy is \$2.75 and the District’s tax rate ceiling was \$2.9072 per \$100 of assessed valuation.

The tax levy for debt service on the District’s general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District’s tax levies (per \$100 of assessed valuation) for each of the current and the last five completed fiscal years:

Fiscal Year Ended <u>June 30</u>	General (Incidental) <u>Fund</u>	Special Revenue (Teachers') <u>Fund</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total <u>Levy</u>
2013	\$2.7500	\$0.0000	\$0.9100	\$0.0000	\$3.6600
2012	2.7500	0.0000	0.5600	0.0000	3.3100
2011	2.7500	0.0000	0.5600	0.0000	3.3100
2010	2.7500	0.0000	0.5600	0.0000	3.3100
2009	2.7500	0.0000	0.5600	0.0000	3.3100

Tax Collection Record

The following table sets forth tax collection information for the District for the last five years.

Fiscal Year Ended <u>June 30</u>	Total <u>Levy</u>	Total Taxes <u>Levied</u>	Current & Delinquent Taxes Collected	
			<u>Amount</u>	<u>%</u>
2012	\$3.31	\$27,418,098	\$27,468,661	100.18%
2011	3.31	28,520,500	27,758,485	97.33
2010	3.31	29,472,752	29,055,661	98.58
2009	3.31	29,095,398	28,994,021	99.65
2008	3.31	28,131,945	27,493,512	97.73

Major Property Taxpayers

The following table sets forth the largest property taxpayers in the District based on the valuation of property owned as of January 1, 2012:

REAL PROPERTY

<u>Owner</u>	<u>Type of Use</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Northpark Mall	Shopping center	\$ 8,048,620	0.98%
Transportation Property Leasing	Transportation	4,233,300	0.51
Missouri Gas Energy	Utility	4,015,620	0.49
Walmart	Shopping center	3,778,840	0.46
North Park Crossing	Shopping center	1,793,020	0.22
Jasper Products Heritage Foods LLC	Food processing	1,639,060	0.20
General Mills Operations	Food processing	1,632,670	0.20
KIMCO Joplin 707 Inc.	Realty company	1,611,250	0.20
Broadmoor at Chelsea Co.	Apartments	1,482,570	0.18
HD Development of Maryland, Inc.	Home improvement store	<u>1,455,200</u>	<u>0.18</u>
		\$29,690,150	3.42%

PERSONAL PROPERTY

<u>Owner</u>	<u>Type of Use</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Missouri American Water Co	Utility	\$ 7,162,480	0.87%
Jasper Products	Food processing	5,740,330	0.70
Tamko Roofing Products	Construction products	5,636,320	0.68
Modine Manufacturing	Auto parts	4,977,480	0.60
Con Way Truckload, Inc.	Freight service	3,719,082	0.45
Cott Beverages	Beverage manufacturer	3,591,410	0.44
EaglePicher	Battery systems manufacturer	2,893,530	0.35
General Mills	Food processing	2,840,460	0.34
Tamko Building Products	Construction products	2,130,140	0.26
Milprint Packaging LLC	Packaging material	<u>1,883,600</u>	<u>0.23</u>
		\$40,574,832	4.92%

Source: Jasper County Assessor Office

APPENDIX B

JOPLIN SCHOOLS

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(THIS PAGE LEFT BLANK INTENTIONALLY)

JOPLIN SCHOOLS
JOPLIN, MISSOURI
BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2012

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

(THIS PAGE LEFT BLANK INTENTIONALLY)

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
• Title Page	
• Table of Contents	i-ii
INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-12
BASIC FINANCIAL STATEMENTS	
• Statement of Net Assets – Modified Cash Basis	13
• Statement of Activities – Modified Cash Basis	14
• Statement of Assets, Liabilities, and Fund Balances – Governmental Funds – Modified Cash Basis	15
• Statement of Revenues Collected, Expenditures, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis	16
• Statement of Net Assets – Internal Service Fund – Modified Cash Basis	17
• Statements of Revenues Collected, Expenses Paid, and Changes in Net Assets – Internal Service Fund – Modified Cash Basis	18
• Statement of Net Assets – Modified Cash Basis	19
• Statement of Changes in Fiduciary Net Assets – Modified Cash Basis	20
• Notes to Financial Statements	21-36
REQUIRED SUPPLEMENTARY INFORMATION	
• Budgetary Comparison Schedule – General Fund	37
• Budgetary Comparison Schedule – Special Revenue Fund	38
• Notes to Budgetary Comparison Schedules	39

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
OTHER FINANCIAL INFORMATION	
• Budgetary Comparison Schedule – Debt Service Fund	40
• Budgetary Comparison Schedule – Capital Projects Fund	41
• Schedule of Revenues Collected by Source	42-43
• Schedule of Expenditures by Object	44
• Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46
• Independent Auditors’ Report on Compliance with Requirements that could have a Direct and Material Effect on each Major Program and over Internal Control over Compliance in Accordance with OMB Circular A-133	47-48
• Schedule of Expenditures of Federal Awards	49
• Notes to Schedule of Expenditures of Federal Awards	50
• Summary Schedule of Findings and Questioned Costs	51
• Schedule of Prior Audit Findings	52
SUPPLEMENTARY STATE INFORMATION	
• Independent Auditors’ Report on Compliance with Certain Laws and Regulations Specified by Missouri Statue	53-54
• Schedule of Selected Statistics	55-57
• Schedule of Transportation Costs Eligible for State Aid	58

INDEPENDENT AUDITORS' REPORT

Board of Education
Joplin Schools
Joplin, Missouri 64801

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit and each major fund of the Joplin Schools (the "District") as of and for the year ended June 30, 2012, 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 an opinion on these financial statements based on our audit.

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

As described in Note A to the financial statements, Joplin Schools 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the discretely presented component unit and each major fund of Joplin Schools as of June 30, 2012, and the respective changes in modified cash basis financial position thereof for the year then ended, in conformity with the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Joplin Schools' financial statements as a whole. The data contained under Other Financial Information, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note A.

Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
November 9, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

(THIS PAGE LEFT BLANK INTENTIONALLY)

Joplin Schools

Joplin, Missouri

Management's Discussion and Analysis

Year Ended June 30, 2012

The Management's Discussion and Analysis (MD&A) of Joplin Schools' financial performance provides an overall review of the modified-cash basis financial activities for the fiscal years ended June 30, 2012 and 2011. The reader is encouraged to consider the information presented here in conjunction with additional information presented in the financial statements, notes to the financial statements, required supplementary information and other supplementary information 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, except for accrued payroll for which liabilities and expenditures are recorded when incurred. Additional information of the District's modified-cash basis of accounting can be found in *Note A*.

Financial Highlights

The modified-cash basis total assets of the Joplin Schools exceeded its liabilities at the end of fiscal year 2012 ("FY 12") by \$88,799,018 (net assets) as compared to \$53,812,882 (net assets) in fiscal year 2011 ("FY 11"). For FY 12, \$16,506,734 (unrestricted net assets) may be used to meet the District's ongoing obligations versus \$27,495,880 (unrestricted net assets) at the end of FY 11.

For FY 12, the governmental funds reported a combined ending fund balance (modified-cash basis) of \$84,669,879, an increase of \$35,101,464 from the prior year. For FY 11, the combined ending fund balance (modified-cash basis) was \$49,568,415, an increase of \$17,211,451 from the previous year.

The combined modified-cash basis unreserved fund balance for the General and Special Revenue (Teachers') Fund as of June 30, 2012, was \$13,294,813, or 19.4% of the FY 12 expenditures of these funds. The June 30, 2011, balance was \$15,991,357, or 26.8% of the FY 11 expenditures of these funds.

In FY12, the multi-year financial planning process included transfers of \$4,138,291 out of the General Fund to the Capital Projects Fund. The transfers to the Capital Projects Fund, and accumulated reserves from prior year transfers provided Capital Projects Fund Balance of \$66.8 million, which is available to use for rebuilding projects.

The modified-cash basis fund balances for FY12 for all governmental funds increased by \$35.1 million. For FY11 the governmental fund balances increased by \$17.2 million.

The net assets (modified-cash basis) of the internal service fund (Self-funded health and dental plan) decreased by \$115,328 in FY 12 and increased by \$398,943 in FY 11. Although the total number and dollar amount of health claims in a year is not predictable, the goal is to increase the Self-Insurance Health Fund balance (which funds employee claims) to a reasonable level that can sustain payments in unusually high claims years. The current reinsurance deductible the fund pays for individual claims is \$200,000. The number of random occurrences of these high dollar claims in any given year is the primary determinant over time as to whether or not the fund pays a high amount of employee claims.

In April, 2007, District patrons passed a \$57,300,000 General Obligation bond issue to renew/expand one middle school, build two new middle schools, and renovate one building for ancillary operations. Bond sale proceeds of \$59.9 million were recorded as revenue in the Capital Projects Fund in FY 07. As of June 30, 2012, bond funds remaining of \$483,972 will be expended over the next year, as described in the bond issue election and with the bond issue public information materials.

In April 2012, voters approved a total of \$62 million of general obligation bonds to provide a source of revenue to rebuild schools destroyed by the May 22, 2011 tornado. The bond term is 20 years. On July 24, 2012, the Board of Education approved a Resolution authorizing the first of two bond sales of \$35 million of bonds. The final sale planned for the remainder of authorized bonds of \$27 million will be in early 2013. The \$35 million proceeds from the bond sale has been placed into the Capital Projects Fund in August, 2012 and used to complete the voter-approved project.

Overview of the Financial Statements

The annual financial report consists of four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (district-wide and fund financial statements), including notes to the financial statements
- Required supplementary information, consisting of budgetary comparisons for the general and major special revenue funds
- Other supplementary information, including other budgetary comparison schedules and other schedules

The basic financial statements consist of two different kinds of statements that present different views of the District's modified-cash basis financial activities.

- District-wide financial statements – these financial statements provide information about the District's overall financial status both short-term (the recently completed fiscal year) and long-term. The district-wide statements include the Statement of Net Assets and Statement of Activities.
- Fund financial statements – these financial statements focus on individual funds of the District and report the District's operations in more detail than the district-wide statements.

The notes to the financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the District's modified-cash basis financial activities and position.

The required supplementary information provides original and final budget and actual amounts for the District's general and major special revenue funds.

Other supplementary information, including budgetary comparisons for the District's other governmental funds and other schedules further explain and support the financial statements and provide information to meet various state and federal reporting requirements.

The major features of the District's modified-cash basis financial statements, including the portion of the District's activities reported and the type of information contained is shown in Table 1.

Table 1**Major Features of the District-Wide and Fund Financial Statements**

		Fund Financial Statements		
	District-wide Statements	Governmental Funds	Internal Service Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities that serve other departments of the District on a cost reimbursement basis, such as the self-funded benefit program	Instances in which the District administers resources on behalf of someone else (i.e. scholarship funds)
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets (modified-cash basis) • Statement of activities (modified-cash basis) 	<ul style="list-style-type: none"> • Statement of assets, liabilities and fund balances (modified-cash basis) • Statement of revenues collected, expenditures, and changes in fund balances (modified-cash basis) • Budgetary comparison schedules (modified-cash basis) for general and major special revenue funds 	<ul style="list-style-type: none"> • Statement of net assets (modified-cash basis) • Statement of revenues collected, expenses, and changes in net assets (modified-cash basis) 	<ul style="list-style-type: none"> • Statement of fiduciary net assets (modified-cash basis) • Statement of changes in fiduciary net assets (modified-cash basis)
Accounting basis and measurement focus	Modified-cash basis of accounting and cash and investments resources focus	Modified-cash basis of accounting and cash and investment resources focus	Modified-cash basis of accounting and cash resources focus	Modified-cash basis of accounting and cash resources focus
Type of asset/liability information	Cash and investment assets and accrued payroll liabilities; no other assets or liabilities including capital assets or long-term liabilities included	Cash and investment assets and accrued payroll liabilities; no other assets or liabilities, including capital assets or long-term liabilities included	Cash assets; no other assets or liabilities included	Cash assets; no other assets or liabilities included
Type of inflow/outflow information	Revenues collected for which cash is received during the year; expenses when paid, except for payroll and related benefits which are recognized when incurred and the related liability is due and payable	Revenues collected for which cash is received during the year; expenditures when paid, except for payroll and related benefits which are recognized when incurred and the related liability is due and payable	Revenues collected for which cash is received during the year; expenses when paid	Additions for which cash is received during the year; deductions when paid

District-wide Statements

The district-wide statements report information about the District as a whole except for fiduciary activities. The two district-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's modified-cash basis assets and liabilities, are one way to measure the District's overall financial condition.

To assess the District's overall financial condition, additional non-financial factors, such as changes in the District's property tax base and the condition of its school buildings and other facilities, should be considered.

In the district-wide financial statements, the District's activities are all classified as governmental activities. Governmental activities include instruction, student services, instructional support staff, building administration, operation of plant, transportation, food service, capital outlay, debt service and community service. Property taxes and federal and state aid finance most of these activities.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as the District's self-funded benefit program) or to show that it is properly using certain revenues collected (such as contributions held for scholarships).

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and investments flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provided a detailed short-term modified-cash basis view that helps you determine whether there are more or fewer cash and investment resources that can be spent in the near future to finance the District's programs.
- Internal service funds – Activities of the District's self-funded health and dental program on a cost reimbursement basis, funded by participants and the District, are reported as an internal service fund.
- Fiduciary fund – The District serves in a fiduciary capacity and accounts for cash assets that are held for the benefit of individuals or private organizations. The District is responsible for ensuring that the cash assets reported in this fund are used only for their intended purpose and to whom the cash assets belong. The District excludes this fund from the district-wide financial statements because it cannot use these cash assets to finance its operations.

Financial Analysis of the District as a Whole

Table 2 provides a summary of the District's modified-cash basis net assets for the years ending June 30, 2012 and 2011.

Table 2

Statement of Net Assets (Modified-Cash Basis)

Assets

	Governmental Activities 2012	Governmental Activities 2011
Cash and cash equivalents	\$ 20,588,405	\$ 32,806,665
Restricted cash and cash equivalents	70,202,976	24,305,906
Restricted investments	<u>2,089,308</u>	<u>2,011,096</u>
Total assets	<u>92,880,689</u>	<u>59,123,667</u>

Liabilities

Accrued payroll		
Wages	2,938,471	2,938,732
Payroll taxes and withholding	<u>1,143,200</u>	<u>2,372,053</u>
Total liabilities	<u>4,081,671</u>	<u>5,310,785</u>

Net Assets

Restricted for debt service	4,567,942	4,243,374
Restricted for construction	483,972	1,595,839
Restricted for designated gifts	917,218	477,789
Committed for capital projects	66,323,152	20,000,000
Unrestricted	<u>16,506,734</u>	<u>27,495,880</u>
Total net assets	<u>\$ 88,799,018</u>	<u>\$ 53,812,882</u>

Total net assets increased by \$35.0 million (65%) in FY 12, and increased by \$17.6 million (49%) during FY 11. The discussion regarding why the changes in net assets occurred can be found on page 10.

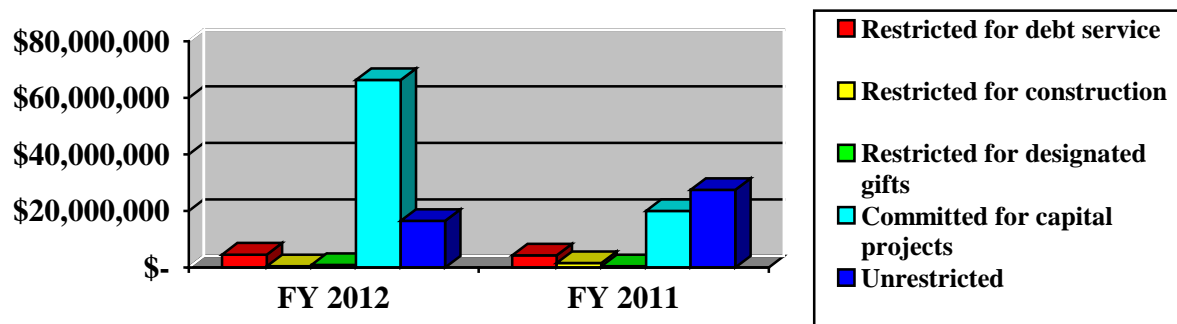


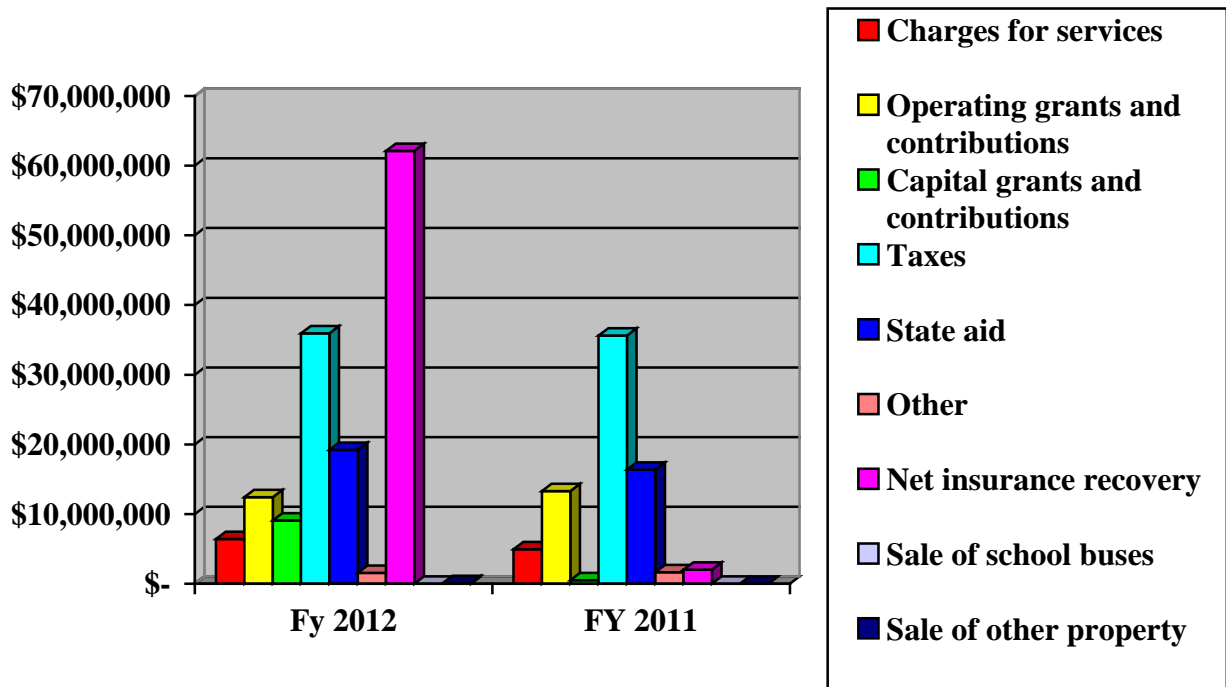
Table 3 provides the changes in net assets (modified-cash basis) for the years ended June 30, 2012 and 2011.

Table 3

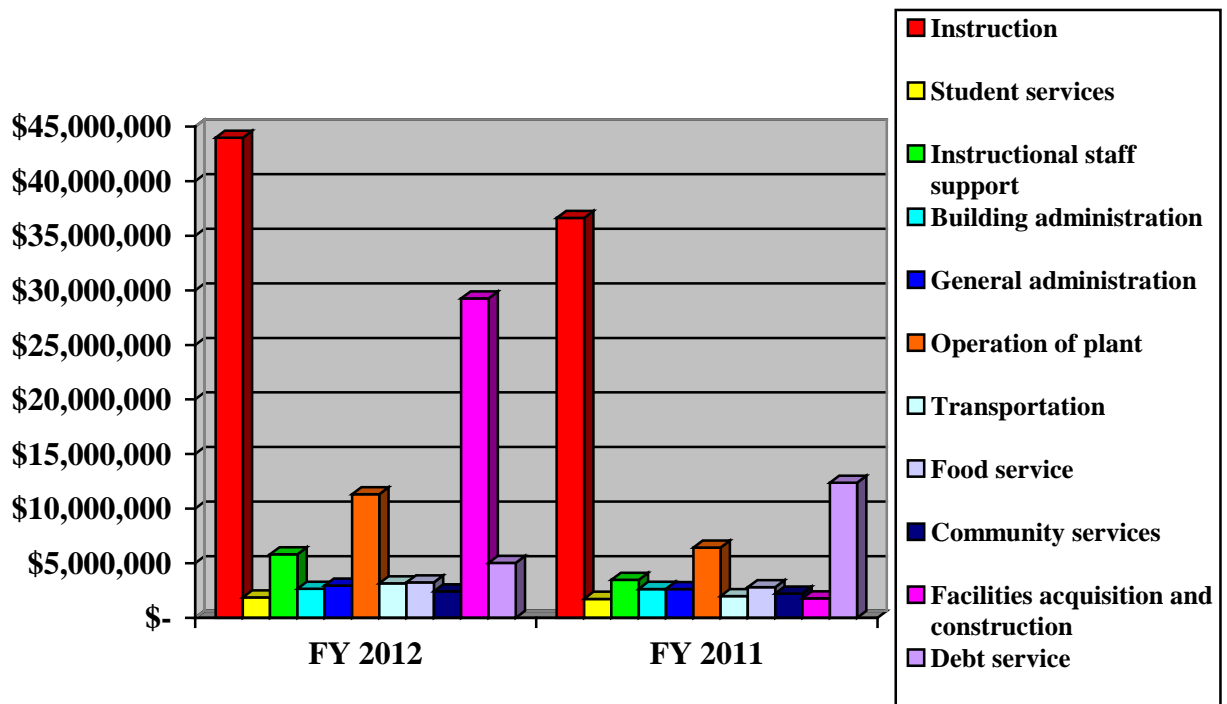
Changes in Net Assets (Modified-Cash Basis)

	Governmental Activities 2012	Governmental Activities 2011
Revenues collected		
Program revenues collected		
Charges for services	\$ 6,398,188	\$ 4,937,353
Operating grants and contributions	12,421,719	13,289,920
Capital grants and contributions	9,049,070	507,901
General revenues collected		
Taxes	35,928,781	35,606,046
State aid	19,184,957	16,349,844
Other	<u>1,530,491</u>	<u>1,650,549</u>
Total revenues collected	<u>84,513,206</u>	<u>72,341,613</u>
Expenses		
Instruction	43,992,062	36,643,030
Student services	1,865,263	1,736,999
Instructional staff support	5,809,252	3,474,743
Building administration	2,669,595	2,643,616
General administration	2,952,610	2,629,647
Operation of plant	11,316,184	6,440,585
Transportation	3,152,749	1,998,915
Food service	3,256,008	2,800,903
Community services	2,431,880	2,215,196
Facilities acquisition and construction	29,268,205	1,793,697
Debt service	<u>5,030,033</u>	<u>12,366,269</u>
Total expenses	<u>111,743,841</u>	<u>74,743,600</u>
Special Items		
Net insurance recovery	62,133,812	20,000,000
Sale of school buses	1,427	-
Sale of other property	<u>81,532</u>	<u>12,381</u>
Total	<u>62,216,771</u>	<u>20,012,381</u>
Increase in net assets	34,986,136	17,610,394
Net assets, Beginning of Year	<u>53,812,882</u>	<u>36,202,488</u>
Net assets, End of Year	<u>\$ 88,799,018</u>	<u>\$ 53,812,882</u>

TOTAL REVENUES



TOTAL EXPENDITURES



Governmental and Business-Type Activities

As shown in Table 3, general revenues collected provided 67.0% and 74.1% of the total funding for governmental activities for the years ended June 30, 2012 and 2011, respectively. Joplin Schools relies on taxes for funding its governmental activities with 43% and 49% of total revenues collected coming from taxes for the years ended June 30, 2012 and 2011, respectively.

The changes in the District's overall modified-cash basis financial position, an increase in net assets for fiscal year 2012 of \$34,986,136, can be attributed primarily to the following:

- Receipt of \$62 million insurance proceeds for tornado damage. Expenditures to reconstruct and replace items lost will be made in FY13 and FY14.
- Facilities acquisition and construction costs of \$29.3 million in FY12. Most of these costs are tornado related, for temporary facilities and contents.

Table 4 presents the cost of each of the major district governmental activities. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 4

Net Cost of Governmental Activities (Modified-Cash Basis)

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Expenses				
Instruction	\$ 43,992,062	\$ 30,413,427	\$ 36,643,030	\$ 23,960,839
Student services	1,865,263	1,865,263	1,736,999	1,736,999
Instructional staff support	5,809,252	5,267,576	3,474,743	2,872,402
Building and central services	2,669,595	2,669,595	2,643,616	2,643,616
Business administration	2,952,610	2,925,316	2,629,647	2,629,647
Operation of plant	11,316,184	9,902,385	6,440,585	6,440,585
Transportation	3,152,749	2,598,581	1,998,915	1,464,882
Food service	3,256,008	101,381	2,800,903	(174,619)
Facilities acquisition and construction	29,268,205	22,335,001	1,793,697	1,793,697
Debt service	5,030,033	5,030,033	12,366,269	12,366,269
Community service	<u>2,431,880</u>	<u>766,306</u>	<u>2,215,196</u>	<u>274,109</u>
Total	\$ <u>111,743,841</u>	\$ <u>83,874,864</u>	\$ <u>74,743,600</u>	\$ <u>56,008,426</u>

Table 4 provides the following highlights:

- Instruction expenses are increased by \$115,717 for FY 12 and reduced by \$397,076 for FY 11 to reflect the net operating activity of the Internal Service Fund.
- The total cost of all governmental activities for FY 12 was \$112 million, as compared to \$75 million in FY 11.
- Instruction represents 39% and 49% of the total cost of all governmental activities of the District for FY 12 and FY 11, respectively.

- The net cost of all governmental activities was \$83.9 million in FY 12, with \$27.9 million of the total cost being financed by revenues collected generated by the governmental activities. These figures were \$56.0 million and \$18.7 million in FY 11.
- Operation of Plant represents 10.1% and 8.6% of the total cost of all governmental activities of the District for FY 12 and FY 11, respectively.

Financial Analysis of the District's Funds

The modified-cash basis financial performance of the District as a whole is reflected in its governmental funds as well. The District completed the year with a total governmental fund balance of \$84,669,879, an increase of \$35,101,464 over the previous year.

The District budgeted a planned deficit of \$(8,059,893) in the General Fund, but ended the year with a decrease of (\$2,698,110), or a positive variance of \$5,361,783. The significant variance (positive) from the final budget in the operating fund (General and Special Revenue Funds) was primarily the result of the following factors:

- The District received approximately \$3.7 million less in revenues collected than was budgeted.
- The District expended approximately \$7.1 million less than was budgeted.
- The District transferred approximately \$4.4 million less than was budgeted out of the general fund to the Special Revenue Fund, and approximately \$2.4 million more than was budgeted out of the General Fund to the Capital Projects Fund.

General Fund Budgetary Highlights

The District follows a conservative approach to budgeting by underestimating revenues collected and overestimating expenditures within a reasonable range.

The District adopts a final budget in June each year for the following fiscal year. However, it is anticipated that budget amendments will be made periodically as additional information becomes available. Generally, the original budget is amended several times a year. For FY 12, the General Fund budget amendments included:

- Increasing state and federal grant revenues and expenditures by approximately \$1.9 million.
- Increasing General Fund expenditures by \$6.2 million for temporary facility leases and tornado related costs.
- Increasing General Fund revenues by \$3.1 million for FEMA/SEMA grants, donations, and other unanticipated revenue.

Capital Assets

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

Debt Administration

The District operates under the modified-cash basis of accounting, therefore, payments on long-term debt are recorded as expenditures/expenses. Long-term debt is not reflected in the financial statements. Commitments for long-term debt are disclosed in the notes to the financial statements.

As of June 30, 2012, the District had \$65,950,000 in general obligation bonds outstanding, a \$1,935,000 decrease from the June 30, 2011, balance. At June 30, 2012, the District had no capital leases payable. (More detailed information regarding long-term debt can be found in the notes to the financial statements, Notes E and G on pages 28, 29 and 30.)

The outstanding general obligation bonds of the District have a Standard & Poor's rating of AA+ due to participation in the Missouri School District Direct Deposit Program and purchased insurance coverage. In addition, Standard & Poor's has issued the District an underlying rating of A+, based on local rating characteristics.

The District also incurs obligations for compensated absences and claims associated with the self-funded benefit program. The obligation for vacation and health care claims at June 30, 2012, was \$233,107 and \$652,411, respectively, and for June 30, 2011, was \$328,815 and \$487,085, respectively.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Joplin Schools' modified-cash basis finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Joplin Schools, P.O. Box 128, Joplin MO 64802.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

(THIS PAGE LEFT BLANK INTENTIONALLY)

JOPLIN SCHOOLS
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
June 30, 2012

	<u>Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Cash and cash equivalents	\$ 20,588,405	\$ 95,576
Restricted cash and cash equivalents	70,202,976	3,080,656
Restricted investments	<u>2,089,308</u>	<u>180,899</u>
TOTAL ASSETS	<u>92,880,689</u>	<u>3,357,131</u>
LIABILITIES		
Accrued wages	2,938,471	-
Accrued payroll taxes	<u>1,143,200</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,081,671</u>	<u>-</u>
NET ASSETS		
Restricted for debt service	4,567,942	-
Restricted for capital projects	66,807,124	-
Restricted for endowment funds	-	180,899
Temporarily restricted for tornado recovery	-	3,018,868
Temporarily restricted for designated gifts	917,218	61,788
Unrestricted	<u>16,506,734</u>	<u>95,576</u>
TOTAL NET ASSETS	<u><u>\$ 88,799,018</u></u>	<u><u>\$ 3,357,131</u></u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2012

	Expenses	Program Revenues Collected			Net (Expenses) Revenues Collected and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Component Unit
Governmental Activities:						
Instruction	\$ (43,992,062)	\$ 4,545,785	\$ 7,115,674	\$ 1,917,176	\$ (30,413,427)	\$ -
Student services	(1,865,263)	-	-	-	(1,865,263)	-
Instructional staff support	(5,809,252)	-	541,676	-	(5,267,576)	-
Building administration	(2,669,595)	-	-	-	(2,669,595)	-
General administration	(2,952,610)	-	-	27,294	(2,925,316)	-
Operation of plant	(11,316,184)	-	1,413,799	-	(9,902,385)	-
Transportation	(3,152,749)	-	533,403	20,765	(2,598,581)	-
Food service	(3,256,008)	645,698	2,508,929	-	(101,381)	-
Community services	(2,431,880)	1,206,705	308,238	150,631	(766,306)	-
Facilities acquisition and construction	(29,268,205)	-	-	6,933,204	(22,335,001)	-
Debt service	(5,030,033)	-	-	-	(5,030,033)	-
NET PROGRAM (EXPENSES) REVENUES COLLECTED	<u>\$ (111,743,841)</u>	<u>\$ 6,398,188</u>	<u>\$ 12,421,719</u>	<u>\$ 9,049,070</u>	<u>(83,874,864)</u>	<u>-</u>
Component Unit:						
Joplin Schools Foundation	<u>\$ 2,047,018</u>	<u>\$ -</u>	<u>\$ 4,219,449</u>	<u>\$ -</u>		<u>2,172,431</u>
General Revenues Collected:						
Ad valorem tax revenues collected					27,468,661	-
Prop C sales tax revenues collected					6,711,880	-
Other tax revenues collected					1,748,240	-
County revenues collected					1,344,102	-
State revenues collected					19,184,957	-
Interest revenues collected					186,389	40,554
TOTAL GENERAL REVENUES COLLECTED					<u>56,644,229</u>	<u>40,554</u>
Special Items:						
Net insurance recovery					62,133,812	-
Sale of school buses					1,427	-
Sale of other property					81,532	-
TOTAL SPECIAL ITEMS					<u>62,216,771</u>	<u>-</u>
INCREASE IN NET ASSETS					34,986,136	2,212,985
NET ASSETS - Beginning of year					<u>53,812,882</u>	<u>1,144,146</u>
NET ASSETS - End of year					<u>\$ 88,799,018</u>	<u>\$ 3,357,131</u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS
June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Government Funds
ASSETS					
Cash and cash equivalents	\$ 12,513,102	\$ 3,946,164	\$ -	\$ -	\$ 16,459,266
Restricted cash and cash equivalents	917,218	-	2,478,634	66,807,124	70,202,976
Restricted investments	-	-	2,089,308	-	2,089,308
TOTAL ASSETS	\$ 13,430,320	\$ 3,946,164	\$ 4,567,942	\$ 66,807,124	\$ 88,751,550
LIABILITIES					
Accrued Payroll					
Wages	\$ 93,017	\$ 2,845,454	\$ -	\$ -	\$ 2,938,471
Payroll taxes and withholdings	42,490	1,100,710	-	-	1,143,200
TOTAL LIABILITIES	135,507	3,946,164	-	-	4,081,671
FUND BALANCES					
Restricted for debt service	-	-	4,567,942	-	4,567,942
Restricted for capital projects	-	-	-	483,972	483,972
Restricted for designated gifts	917,218	-	-	-	917,218
Committed for capital projects	-	-	-	66,323,152	66,323,152
Unassigned	12,377,595	-	-	-	12,377,595
TOTAL FUND BALANCES	13,294,813	-	4,567,942	66,807,124	84,669,879
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,430,320	\$ 3,946,164	\$ 4,567,942	\$ 66,807,124	\$ 88,751,550

RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND FUND
BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS TO THE
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

Total Fund Balances - Governmental Funds \$ 84,669,879

Amounts reported for governmental activities in
the statement of net assets are different because:
An internal service fund is used by the District's management
to charge the costs of the self-funded healthcare plan to the
individual funds. The assets of the internal service fund are
included in governmental activities in the statement of net
assets - modified cash basis

4,129,139

Net Assets of Governmental Activities

\$ 88,799,018

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF REVENUES COLLECTED EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES COLLECTED					
Local	\$ 28,021,971	\$ 8,020,303	\$ 5,116,262	\$ 1,928,239	\$ 43,086,775
County	887,576	218,187	238,339	-	1,344,102
State	4,499,482	17,354,891	-	1,425,635	23,280,008
Federal	7,210,443	2,746,851	-	5,758,177	15,715,471
Other	15,501	1,076,460	-	-	1,091,961
TOTAL REVENUES COLLECTED	40,634,973	29,416,692	5,354,601	9,112,051	84,518,317
EXPENDITURES					
Instruction	8,587,304	30,338,979	-	4,950,062	43,876,345
Student services	578,865	1,286,398	-	-	1,865,263
Instructional staff support	1,434,288	1,649,954	-	2,725,010	5,809,252
Building administration	874,444	1,795,151	-	-	2,669,595
General administration	2,461,963	252,497	-	238,150	2,952,610
Operation of plant	11,316,184	-	-	-	11,316,184
Transportation	2,654,389	-	-	498,360	3,152,749
Food service	2,952,924	-	-	303,084	3,256,008
Adult basic education	36,240	169,280	-	-	205,520
Adult continuing education	630,329	988,919	-	5,302	1,624,550
Community services	583,190	18,620	-	-	601,810
Facilities acquisition and construction	-	-	-	29,268,205	29,268,205
Debt service	-	-	5,030,033	-	5,030,033
TOTAL EXPENDITURES	32,110,120	36,499,798	5,030,033	37,988,173	111,628,124
EXCESS (DEFICIT) Of REVENUES COLLECTED OVER EXPENDITURES	8,524,853	(7,083,106)	324,568	(28,876,122)	(27,109,807)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	7,083,106	-	4,138,291	11,221,397
Operating transfers (out)	(11,221,397)	-	-	-	(11,221,397)
Net insurance recovery	-	-	-	62,129,833	62,129,833
Sale of school buses	-	-	-	1,427	1,427
Sale of other property	-	-	-	80,011	80,011
TOTAL OTHER FINANCING SOURCES (USES)	(11,221,397)	7,083,106	-	66,349,562	62,211,271
EXCESS (DEFICIT) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	(2,696,544)	-	324,568	37,473,440	35,101,464
FUND BALANCE, July 1, 2011	15,991,357	-	4,243,374	29,333,684	49,568,415
FUND BALANCE June 30, 2012	\$ 13,294,813	\$ -	\$ 4,567,942	\$ 66,807,124	\$ 84,669,879

RECONCILIATION OF THE STATEMENT OF REVENUE COLLECTED, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS TO THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Net change in fund balances - total governmental funds - modified cash basis	\$ 35,101,464
An internal service fund is used by the District's management to charge the costs of the self-funded health care plan to the individual funds. The net expenses of the activities of the internal service fund is reported with governmental activities	(115,328)
Change in net assets of governmental activities - modified cash basis	\$ 34,986,136

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF NET ASSETS - INTERNAL SERVICE FUND - MODIFIED CASH BASIS
June 30, 2012

	<u>Internal Service Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 4,129,139</u>
TOTAL ASSETS	<u><u>\$ 4,129,139</u></u>
NET ASSETS	
Committed for Health and Dental Claims	<u>\$ 4,129,139</u>
TOTAL NET ASSETS	<u><u>\$ 4,129,139</u></u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND CHANGES IN NET ASSETS -
INTERNAL SERVICE FUND - MODIFIED CASH BASIS
Year Ended June 30, 2012

	Internal Service Fund
REVENUES COLLECTED	
Charges for services	\$ 4,705,315
TOTAL REVENUES COLLECTED	<u>4,705,315</u>
EXPENSES PAID	
Insurance claims and administrative expenses	<u>4,821,032</u>
TOTAL EXPENSES PAID	<u>4,821,032</u>
OPERATING INCOME (LOSS)	<u>(115,717)</u>
NONOPERATING REVENUES COLLECTED	
Interest	<u>389</u>
TOTAL NONOPERATING REVENUES COLLECTED	<u>389</u>
NET INCOME (LOSS)	(115,328)
NET ASSETS, July 1, 2011	<u>4,244,467</u>
NET ASSETS, June 30, 2012	<u><u>\$ 4,129,139</u></u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF NET ASSETS - FIDUCIARY FUND - MODIFIED CASH BASIS
June 30, 2012

	<u>Scholarship Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 553,216</u>
TOTAL ASSETS	<u><u>\$ 553,216</u></u>
NET ASSETS	
Held in trust for student scholarships	<u>\$ 553,216</u>
TOTAL NET ASSETS	<u><u>\$ 553,216</u></u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
Year Ended June 30, 2012

	<u>Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 39,384
Interest	<u>51</u>
TOTAL ADDITIONS	<u>39,435</u>
DEDUCTIONS	
Scholarships	<u>41,000</u>
TOTAL DEDUCTIONS	<u>41,000</u>
CHANGE IN NET ASSETS	(1,565)
NET ASSETS, July 1, 2011	<u>554,781</u>
NET ASSETS, June 30, 2012	<u><u>\$ 553,216</u></u>

The accompanying notes are an integral part of this statement.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has adopted the reporting model as required by GASB Statement No. 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the District’s accounting policies are described below.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

GASB Statement No. 39, *Determining Whether Certain Organization are Component Units*, which amended GASB Statement No. 14, provides specific criteria which must be met in order for an organization to be included in the District’s financial statements. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The District is a primary government, which is governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America, the District has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The following entity is included in the District’s annual financial statement, as it is part of the District’s entity based on the criteria established in GASB Statement No. 39:

Joplin Schools Foundation: This component unit was incorporated as a not-for-profit organization whose stated purpose is to support the District and the students. The financial information presented for the Joplin Schools Foundation has been discretely presented in the Statement of Net Assets and the Statement of Activities. Complete financial statements for the Joplin Schools Foundation may be obtained from the Joplin Schools Foundation’s secretary.

JOPLIN SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues collected and expenditures. The District has governmental funds, a proprietary fund and a fiduciary fund. The funds of the District are all considered major funds.

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

General Fund – Accounts for expenditures for non certified employees, school 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 Fund – Accounts for expenditures for certified employees involved in administration and instruction, and includes revenues collected restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District's tax levy.

Debt Service Fund – Accounts for revenues collected designated for the retirement of principal and interest on the District's long-term debt.

Capital Projects Fund – Accounts for taxes and other revenues collected designated for acquisition or construction of major capital assets and other capital outlay as defined by the State of Missouri statutes.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund – Accounts for monies held in a trustee capacity restricted for student scholarships.

Internal Service Fund – Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the District. The Internal Service Fund of the District is used to account for the medical, dental, and prescription drug self-insurance program.

Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities and the fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, net assets/fund equity, revenues collected, and expenditures when they result from cash transactions. The modification of the cash basis of accounting relates to the presentation of investments and payroll liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The measurement focus of the government-wide financial statements differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation to identify the relationship between the government-wide financial statements and the statements for governmental funds.

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

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. All government-wide financials would be presented on the accrual basis of accounting.

Capital Outlay

General fixed assets are recorded as expenditures in the Capital Projects Fund at the time the goods received are paid for.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The District's policies regarding compensated absences permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is not recorded in the government-wide financial statements. Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Such amounts unused that are vested in the employee are payable upon termination at varying rates depending on the employee's rate of pay.

Long-Term Debt

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

Teachers' Salaries

The salary payment schedule of the District for the 2011-2012 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2012, payroll checks are included in the financial statements as expenditures in the month of June. The practice has been consistently followed in previous years.

Pooled Cash and Cash Equivalents

Cash and cash equivalents of the individual funds are combined to form a pool of cash and cash equivalents with the exception of the Debt Service Fund, which is kept in separate bank accounts. Cash equivalents of the pooled accounts consist primarily of money market accounts, carried at cost, which approximates the market.

Equity

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

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

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. Unrestricted net assets – All other net assets that do not meet the definition of “restricted.”

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

Fund Balance Reporting

In the fund financial statements, governmental fund equity is classified as fund balance. The Governmental Accounting Standards Board (GASB) has issued Statement No. 54. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact including amounts associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board. The School Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through the same type of action it employed to previously commit those amount.

Assigned – Fund balance including amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the Superintendent or their designee may assign amounts for specific purposes.

Unassigned – Fund balance representing the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications.

The District’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entry.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balances.

It is possible for the non-general funds to have negative unassigned fund balances when nonspendable amount plus the restricted fund balances for specific purposes amount, exceed the positive fund balance for the non-general fund.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general receipts. All taxes are classified as general receipts even if restricted for a specific purpose.

NOTE B – CASH AND CASH EQUIVALENTS

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2012, all bank balances on deposit are entirely insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE C – INVESTMENTS

The District may purchase any investments allowed by the State Treasurer. These include U.S. Treasury securities, U.S. agency securities, securities issued by the State of Missouri, repurchase agreements, certificates of deposit, bankers' acceptances and commercial paper.

The District participates in the Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the MOHEFA Bond Program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. Investments of the District as of June 30, 2012, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Investment Contract Fund with Wells Fargo Bank through the Missouri Direct Deposit Program	N/A	\$ 2,089,308
		<u>\$ 2,089,308</u>

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE C – INVESTMENTS (Continued)

Investment Contracts with Wells Fargo Bank

The District has funds on deposit with Wells Fargo Bank, which are invested in investment contracts with credit providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service, in accordance with Section 165.051 and 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. Each District investing in the program owns a pro-rata share of each investment, which is held in the name of the fund. Fair market value approximates cost as the District has a pro-rata share of the fund.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensibility of its fair value to changes in market interest rates. The District minimizes interest rate risk by structuring its investment portfolio so that securities mature to meet anticipated cash flows for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds in primarily shorter-term securities.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. To protect against credit risk, the District restricts investments to those with a rating of AAA by Standards and Poor's or A1+/P1 by Moody's. These ratings are the highest given by the agencies and indicate a low credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To minimize custodial credit risk, it is the District's policy that all securities purchased be perfected in the name of or for the account of the District and be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a specific maturity, issuer or class of security. The District's investment policy includes minimum diversification standards by security type and issuer and maximum maturity provisions.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE D – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property taxes and remits them to the District.

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

The assessed valuation of the tangible taxable property for the calendar year 2011 for purposes of local taxation was:

Real estate	\$ 598,614,740
Personal property	<u>229,726,582</u>
TOTAL ASSESSED VALUATION	<u><u>\$ 828,341,322</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2011 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.7500	\$ 2.7500
Debt Service Fund	<u>0.5600</u>	<u>0.5600</u>
TOTAL LEVY	<u><u>\$ 3.3100</u></u>	<u><u>\$ 3.3100</u></u>

The revenues collected of current and delinquent property taxes during the fiscal year ended June 30, 2012, aggregated approximately 100.18% of the current assessment computed on the basis of the levy as shown above.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE E – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at June 30, 2012, consist of:

\$7,100,000 general obligation crossover refunding bonds due in varying annual installments through March 1, 2021; interest at 4.5% to 5.25%.	\$ 6,585,000
\$6,750,000 general obligation bonds due in varying annual installments through March 1, 2019; interest at 4.4% to 5.10%.	6,165,000
\$4,575,000 general obligation refunding bonds due in varying annual installments through March 1, 2013; interest at 3.0% to 4.75%.	500,000
\$57,300,000 general obligation bonds due in varying annual installments through March 1, 2027; interest at 4.0% to 5.0%.	<u>52,700,000</u>
	<u><u>\$ 65,950,000</u></u>

The following is a summary of bond transactions for the year ended June 30, 2012:

Bonds Payable, July 1, 2011	\$ 67,885,000
Bonds issued	-
Bonds retired	<u>(1,935,000)</u>
Bonds Payable, June 30, 2012	<u><u>\$ 65,950,000</u></u>

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE E – GENERAL OBLIGATION BONDS PAYABLE (Continued)

Debt service requirements are:

Year Ended June 30,	Principal	Interest	Total
2013	\$ 2,210,000	\$ 3,013,261	\$ 5,223,261
2014	2,430,000	2,922,385	5,352,385
2015	2,465,000	2,826,888	5,291,888
2016	2,950,000	2,730,158	5,680,158
2017	2,935,000	2,614,347	5,549,347
2018	3,365,000	2,499,108	5,864,108
2019	3,590,000	2,359,718	5,949,718
2020	4,130,000	2,211,162	6,341,162
2021	4,375,000	2,027,600	6,402,600
2022	5,000,000	1,833,000	6,833,000
2023	5,500,000	1,609,250	7,109,250
2024	6,000,000	1,334,250	7,334,250
2025	6,500,000	1,034,250	7,534,250
2026	7,000,000	709,250	7,709,250
2027	7,500,000	359,250	7,859,250
	<u>\$ 65,950,000</u>	<u>\$ 30,083,877</u>	<u>\$ 96,033,877</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized General Obligation Bonds of a district to 15% of the assessed valuation of the District. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2012, was:

Constitution debt limit	\$ 124,251,198
General obligation bonds payable	(65,950,000)
Amount available in Debt Service Fund	<u>4,567,942</u>
LEGAL DEBT MARGIN	<u>\$ 62,869,140</u>

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE F – RETIREMENT PLANS

The District contributed to the Public Schools Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to full-time (and certain part-time) certificated employees and death benefits to members and beneficiaries. Positions covered by the Public School Retirement System are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010 - .141 of the Missouri Revised Statutes (1986). The statutes assign responsibility for the administration of the system to a seven-member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by PSRS Board of Trustees. The District's contributions to PSRS for the years ending June 30, 2012, 2011, and 2010, were \$8,751,900, \$8,409,652, and \$8,664,506, respectively, equal to the required contributions.

The 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 the employees of the District who work 20 or more hours per week and who do not contribute to the Public School Retirement System of Missouri. Positions covered by the Public Education Employee Retirement System are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600 - .715 of the Missouri Revised Statutes (1986). The statutes assign responsibility for the administration of the system of 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 6.86% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of the members and the District are established and may be amended by the Board of Trustees. The Joplin Schools' contributions to PEERS for the years ending June 30, 2012, 2011, and 2010, were \$1,399,105, \$1,293,859, and \$1,368,478, respectively, equal to the required contributions.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE G – COMPENSATED ABSENCES PAYABLE

Compensated absences payable at June 30, 2012, consists of vacation days payable to District employees. The District allows full-time employees to earn 5-20 days of vacation annually, depending on length of service. Employees who leave the District receive payment for accumulated vacation days based on their pay rate. Total compensated absences payable at June 30, 2012 was \$233,107.

NOTE H – SELF INSURANCE FUND

The District maintains a self-funded health insurance program with claims processed by a third party administrator on behalf of the District. A separate Self-Insurance Health Fund (an internal service fund) was created to account for and finance the health insurance program.

The District has established a medical care, dental care, and prescription drug self-insurance plan for substantially all District employees to minimize the total cost of health insurance to the District. This program is for the benefit of the all regular, full-time District employees. Medical claims exceeding an individual participant limit of \$200,000 are covered through a private insurance carrier.

The cash transactions of the health care plan are accounted for in the Self-Insurance Health Fund, an internal service fund. At June 30, 2012, the estimated obligation of health claims based on claims filed prior to, but not yet paid, as of year-end, claims incurred during the year but filed subsequent to year-end, and an additional amount for incurred but not reported claims based on prior experience was \$652,411. Changes in the estimated benefit obligation during the year ended June 30, 2012 are as follows:

Estimated Benefit Obligation, beginning of year	\$ 487,085
Claims incurred	4,563,484
Claims paid	<u>(4,398,158)</u>
Estimated Benefit Obligation, end of year	<u><u>\$ 652,411</u></u>

NOTE I – RELATED PARTY TRANSACTIONS

Joplin Schools Foundation (the “Foundation”) indirectly provides services and benefits exclusively to the District. The Foundation was organized as a not-for-profit organization with exemption from income tax under Internal Revenue Service Code Section 501(c)(3) to solicit individual and corporate donations and otherwise raise funds to provide support for the District and its students, and to promote, sponsor and carry out educational, scientific, technological and related activities and objectives. During the year ended June 30, 2012, the Foundation distributed \$1,816,070 to the District to fund the purchase of laptop computers for Joplin High School students.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE J – RISK MANAGEMENT

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

NOTE K – INTERFUND TRANSFERS

Transfers between funds of the District for the year ended June 30, 2012, were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 11,221,397
Special Revenue Fund	7,083,106	-
Capital Projects Fund	4,138,291	-
	<u>\$ 11,221,397</u>	<u>\$ 11,221,397</u>

The District is required to make a transfer from the General Fund to the Special Fund to cover the excess of expenditures over revenues collected each year. The District makes allowed transfers from the General Fund to the Capital Projects Fund to cover expenditures and build balances as allowed by state law.

NOTE L – RECONCILIATION TO ANNUAL SECRETARY OF THE BOARD REPORT
(ASBR)

Fiduciary Fund

For ASBR reporting, the District has recorded revenues collected, expenditures and fund balance of the private purpose trust fund within the General Fund, however, for the fund financial statements the Fiduciary Fund is separately reported and therefore is not included as part of the General Fund.

JOPLIN SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE L – RECONCILIATION TO ANNUAL SECRETARY OF THE BOARD REPORT
(ASBR) (Continued)

Fiduciary Fund

The revenues collected, expenditures and fund balances of the General Fund as presented in the fund financial statement are reconciled to the ASBR as follows:

Total General Fund revenues collected per Statement of	
Revenues Collected, Expenditures and Changes in Fund	
Balances - Modified Cash Basis	\$ 40,634,973
Plus: Private-Purpose Trust Fund revenues collected	39,435
	<hr/>
Total General Fund revenues collected per ASBR	<u>\$ 40,674,408</u>
Total General Fund expenditures per Statement of	
Revenues Collected, Expenditures and Changes in Fund	
Balances - Modified Cash Basis	\$ 32,110,120
Plus: Private-Purpose Trust Fund expenditures	41,000
	<hr/>
Total General Fund expenditures per ASBR	<u>\$ 32,151,120</u>

NOTE M – OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note F, the District provides healthcare benefits to employees who retire, or who have retired, and receive or are eligible to receive benefits under the retirement plans described in Note F, as mandated by Section 169.590 of the Missouri Revised Statutes. Retirees must apply for coverage within 30 days of their effective retirement date in order to be eligible to participate in the plan, which is funded on a pay-as-you-go basis. The amount of expenses incurred by the plan for benefits to retirees during the year ended June 30, 2012, is not reasonably determinable.

NOTE N – OPERATING LEASES

Due to the May 22, 2011 tornado that passed through the City of Joplin, MO, many of the schools within the Joplin School District were destroyed. The District has entered into multiple three year operating lease agreements to rent property to be used as temporary schools while waiting on the reconstruction of the schools that were destroyed.

JOPLIN SCHOOLS
NOTE TO FINANCIAL STATEMENTS
June 30, 2012

NOTE N – OPERATING LEASES (Continued)

The following is the monthly lease payment schedule for the temporary schools:

Joplin High School	
Northpark Mall/Joplin LLC	\$ 11,188
Kir Joplin L.P.	83,333
City of Joplin, MO	33,333
Franklin Technology Center	
Bentley Investments of Nevada, LLC	35,000
East Middle School	
Joplin Businss and Industrial Development Corporation	36,000
Total monthly lease payment	<u>\$ 198,854</u>

On August 15, 2011, the District also entered into a two year municipal lease agreement with Sovereign Leasing, LLC to lease ten (10) school buses at the rate of \$8,888 per month including principal and interest.

Total rent expense for the year ended June 30, 2012 under these operating leases was \$2,427,820.

The following is a schedule of future minimum lease payments under the operating leases:

Year ending June 30,	
2013	\$ 2,492,904
2014	2,386,248
Total future minimum lease payments	<u>\$ 4,879,152</u>

NOTE O – COMMITMENTS AND CONTINGENCIES

The District is committed to multiple construction contracts for the reconstruction of the schools that were destroyed in the tornado. The following is the summary of estimated total costs to rebuild the destroyed schools and the total amounts that the District has committed to during fiscal year 2012:

	Committed as of 6/30/2012	Estimated Total Costs
Joplin High School and Franklin Technology Center	\$ 5,111,172	\$ 104,396,000
East Middle School and Elementary School	27,304,639	45,466,500
Irving Elementary School	9,339,607	18,293,900
Community Safe Rooms	-	24,315,600
Elementary Schools	-	7,000,000
	<u>\$ 41,755,418</u>	<u>\$ 199,472,000</u>

JOPLIN SCHOOLS
NOTE TO FINANCIAL STATEMENTS
June 30, 2012

NOTE O – COMMITMENTS AND CONTINGENCIES (Continued)

The funding for the rebuilding of schools that were destroyed by the tornado will come from a combination of insurance proceeds, FEMA and SEMA funds, and bond proceeds.

Litigation

Various claims and lawsuits are pending against the District. In the opinion of the District management, the potential loss on all claims and lawsuits will not be material to the District's financial statements taken as a whole.

Grant Audits

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 the 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.

Protested Taxes

Each year, the County remits certain unresolved protested tax payments to the District. The County notifies the District when a taxpayer is successful in their protests, and the District refunds the tax payments to the County. Normal refunds of protested tax payments are not material in relation to the District's financial position and results of operations.

NOTE P – ARBITRAGE REBATED

Under certain provisions in the Federal Tax Code, the District is required to rebate arbitrage earnings of tax-exempt debt to the federal government every five years as long as the bond remains outstanding. Arbitrage earnings occur when the District invests proceeds from its low-interest, tax-exempt debt issue into securities with a higher interest yield. During 2012, the District had rebated \$779,746 in arbitrage earnings to the federal government. At June 30, 2012, the District does not expected to receive any more arbitrage earnings on this bond.

NOTE Q – SUBSEQUENT EVENTS

In April 2012, voters approved a total of \$62 million of general obligation bonds to provide a source of revenue to rebuild schools destroyed by the May 22, 2011 tornado. The bond term is 20 years. On July 24, 2012, the Board of Education approved a Resolution authorizing the first of two bond sales of \$35 million of bonds. The final sale planned for the remainder of authorized bonds of \$27 million will be in early 2013. The \$35 million proceeds from the bond sale has been placed into the Capital Projects Fund in August 2012 and used to complete the voter-approved project.

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES COLLECTED				
Local	\$ 24,562,311	\$ 27,390,622	\$ 28,061,404	\$ 670,782
County	750,000	750,000	887,576	137,576
State	3,592,344	4,471,570	4,499,482	27,912
Federal	7,649,141	10,810,682	7,210,443	(3,600,239)
Other	-	1,000,000	15,501	(984,499)
TOTAL REVENUES COLLECTED	36,553,796	44,422,874	40,674,406	(3,748,468)
EXPENDITURES				
Instruction	7,171,128	12,559,794	8,587,304	3,972,490
Student services	500,812	557,295	578,865	(21,570)
Instructional staff support	1,548,137	1,688,777	1,434,288	254,489
Building administration	954,664	954,664	874,444	80,220
General administration	2,366,308	2,938,333	2,461,963	476,370
Operation of plant	7,905,133	12,488,483	11,316,184	1,172,299
Transportation	1,818,941	1,823,241	2,654,389	(831,148)
Food service	2,929,999	2,929,999	2,952,924	(22,925)
Adult basic education	33,191	37,343	36,240	1,103
Adult continuing education	2,684,595	2,723,341	630,329	2,093,012
Community services	400,632	591,887	624,189	(32,302)
TOTAL EXPENDITURES	28,313,540	39,293,157	32,151,119	7,142,038
(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	8,240,256	5,129,717	8,523,287	3,393,570
OTHER FINANCING SOURCES				
Operating transfers in (out)	(14,789,371)	(13,189,610)	(11,221,397)	1,968,213
TOTAL OTHER FINANCING SOURCES	(14,789,371)	(13,189,610)	(11,221,397)	1,968,213
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES	(6,549,115)	(8,059,893)	(2,698,110)	5,361,783
FUND BALANCE, July 1, 2011	16,546,138	16,546,138	16,546,138	-
FUND BALANCE, June 30, 2012	\$ 9,997,023	\$ 8,486,245	\$ 13,848,028	\$ 5,361,783

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES COLLECTED				
Local	\$ 7,851,582	\$ 7,989,832	\$ 8,020,303	\$ 30,471
County	240,000	240,000	218,187	(21,813)
State	12,870,883	13,971,418	17,354,891	3,383,473
Federal	3,208,856	4,389,198	2,746,851	(1,642,347)
Other	989,694	989,694	1,076,460	86,766
TOTAL REVENUES COLLECTED	25,161,015	27,580,142	29,416,692	1,836,550
EXPENDITURES				
Instruction	32,067,011	32,820,358	30,338,979	2,481,379
Student services	919,712	943,462	1,286,398	(342,936)
Instructional staff support	1,424,202	1,426,229	1,649,954	(223,725)
Building administration	2,367,024	2,367,024	1,795,151	571,873
General administration	254,081	254,081	252,497	1,584
Adult basic education	181,615	173,167	169,280	3,887
Adult continuing education	1,036,741	1,066,811	988,919	77,892
Community services	-	18,620	18,620	-
TOTAL EXPENDITURES	38,250,386	39,069,752	36,499,798	2,569,954
(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	(13,089,371)	(11,489,610)	(7,083,106)	4,406,504
OTHER FINANCING SOURCES				
Operating transfers in	13,089,371	11,489,610	7,083,106	(4,406,504)
EXCESS OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, July 1, 2011	-	-	-	-
FUND BALANCE, June 30, 2012	\$ -	\$ -	\$ -	\$ -

JOPLIN SCHOOLS
NOTE TO BUDGETARY COMPARISON SCHEDULES
June 30, 2012

NOTE A – BUDGETS AND BUDGETARY INFORMATION

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

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The 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. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. The District prepares its budget and Annual Secretary of the Board Report using the modified cash basis of accounting. The modified cash basis is used because it enables the District to better budget revenues and expenditures as the resources are expended or received.
7. The District budgets the Scholarship Fund as a part of the General Fund. Therefore, the Budgetary Comparison Schedule for the General Fund includes the budget and actual revenues collected, expenditures, and changes in fund balance of the Scholarship Fund.

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES COLLECTED				
Local	\$ 5,358,414	\$ 5,358,414	\$ 5,116,262	\$ (242,152)
County	150,000	150,000	238,339	88,339
TOTAL REVENUES COLLECTED	5,508,414	5,508,414	5,354,601	(153,813)
EXPENDITURES				
Debt Service	5,035,000	5,035,000	5,030,033	4,967
TOTAL EXPENDITURES	5,035,000	5,035,000	5,030,033	4,967
(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	473,414	473,414	324,568	(148,846)
FUND BALANCE, July 1, 2011	4,243,374	4,243,374	4,243,374	-
FUND BALANCE, June 30, 2012	\$ 4,716,788	\$ 4,716,788	\$ 4,567,942	\$ (148,846)

JOPLIN SCHOOLS
BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES COLLECTED				
Local	\$ 77,079	\$ 1,618,101	\$ 1,928,239	\$ 310,138
State	-	2,284,935	1,425,635	(859,300)
Federal	-	205,000	5,758,177	5,553,177
TOTAL REVENUES COLLECTED	77,079	4,108,036	9,112,051	5,004,015
EXPENDITURES				
Instruction	3,455,500	7,267,860	4,950,062	2,317,798
Instructional staff support	357,933	2,749,399	2,725,010	24,389
General administration	80,000	354,608	238,150	116,458
Transportation	540,000	540,000	498,360	41,640
Food service	15,000	304,428	303,084	1,344
Adult continuing education	-	139,280	5,302	133,978
Facilities acquisition and construction	2,206,767	30,419,615	29,268,205	1,151,410
TOTAL EXPENDITURES	6,655,200	41,775,190	37,988,173	3,787,017
(DEFICIT) OF REVENUES COLLECTED OVER EXPENDITURES	(6,578,121)	(37,667,154)	(28,876,122)	8,791,032
OTHER FINANCING SOURCES				
Sale of school buses	-	-	1,427	1,427
Sale of other property	-	69,227	80,011	10,784
Operating transfers in	1,700,000	1,700,000	4,138,291	2,438,291
Net insurance recovery	-	61,129,833	62,129,833	1,000,000
TOTAL OTHER FINANCING SOURCES	1,700,000	62,899,060	66,349,562	3,450,502
(DEFICIT) OF REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES	(4,878,121)	25,231,906	37,473,440	12,241,534
FUND BALANCE, July 1, 2011	29,333,684	29,333,684	29,333,684	-
FUND BALANCE, June 30, 2012	\$ 24,455,563	\$ 54,565,590	\$ 66,807,124	\$ 12,241,534

JOPLIN SCHOOLS
SCHEDULE OF REVENUES COLLECTED BY SOURCE
Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
LOCAL					
Current taxes	\$ 21,004,412	\$ -	\$ 4,277,262	\$ -	\$ 25,281,674
Delinquent taxes	1,816,983	-	370,004	-	2,186,987
School district fund (Prop C)	-	6,711,880	-	-	6,711,880
Financial institution tax	-	-	6,611	32,463	39,074
M & M surcharge taxes	1,395,290	-	284,132	-	1,679,422
In lieu of taxes	-	-	5,032	24,712	29,744
Tuition from individuals	-	14,126	-	-	14,126
Tuition- post secondary	-	1,206,705	-	-	1,206,705
Earnings on investments	5,833	1,190	173,221	5,806	186,050
Food service program	569,402	-	-	-	569,402
Food service non-program	76,295	-	-	-	76,295
Student activities	2,973,186	-	-	-	2,973,186
Other	220,002	86,403	-	1,865,258	2,171,663
TOTAL LOCAL	28,061,403	8,020,304	5,116,262	1,928,239	43,126,208
COUNTY					
Fines, escheats, etc.	-	218,187	-	-	218,187
State assessed utilities	887,576	-	238,339	-	1,125,915
TOTAL COUNTY	887,576	218,187	238,339	-	1,344,102
STATE					
Basic formula	-	16,407,594	-	-	16,407,594
Transportation	533,403	-	-	-	533,403
Early childhood special education	406,705	252,113	-	-	658,818
Basic formula - classroom trust fund	2,971,151	-	-	-	2,971,151
Educational screening program/PAT	122,977	-	-	-	122,977
Vocational/Technical aid	877	678,024	-	-	678,901
Food service	21,847	-	-	-	21,847
Adult education and literacy grant	-	17,160	-	-	17,160
Voc/Tech Ed enhancement grant	-	-	-	150,631	150,631
A+ schools grant	51,918	-	-	-	51,918
SEMA fund	224,996	-	-	1,275,004	1,500,000
High need fund	124,498	-	-	-	124,498
Other	41,110	-	-	-	41,110
TOTAL STATE	4,499,482	17,354,891	-	1,425,635	23,280,008

JOPLIN SCHOOLS
SCHEDULE OF REVENUES COLLECTED BY SOURCE (CONTINUED)
Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
FEDERAL					
Medicaid	230,217	518	-	-	230,735
Reserve officer training corps (ROTC)	-	78,632	-	-	78,632
Basic Formula - Fed. Budget Stabilization - ARRA	-	386,454	-	-	386,454
Basic Formula - Government Services - ARRA	-	21,459	-	-	21,459
Classroom Trust Fund - Jobs Bill	16,178	-	-	-	16,178
Voc Ed Act - Title I Basic Grant	217,314	73,169	-	-	290,483
Workforce Investment Act (WIA)	-	1,000	-	-	1,000
Adult education and literacy	64,609	142,877	-	-	207,486
IDEA	14,249	2,271	-	-	16,520
Early childhood special education	-	82,353	-	-	82,353
IDEA entitlement funds, part B IDEA	1,385,139	32,000	-	-	1,417,139
School lunch program	1,729,105	-	-	-	1,729,105
School breakfast program	539,860	-	-	-	539,860
After school snack program	35,791	-	-	-	35,791
Title I, ESEA	172,872	1,674,201	-	-	1,847,073
Title I-A, ARRA	865,407	-	-	-	865,407
Title IV, Drug Free Schools	6,428	-	-	-	6,428
Title III, ESEA	18,018	-	-	-	18,018
Title I-D, ARRA	75,366	-	-	-	75,366
Title II, Part A - ESEA	145,004	202,884	-	-	347,888
Title VII-B, ARRA	17,634	49,033	-	-	66,667
FEMA Funds	1,188,803	-	-	5,658,200	6,847,003
Summer food service program	182,325	-	-	-	182,325
IDEA, Part B (611) - ARRA	267,610	-	-	-	267,610
IDEA, Part B (619) - ARRA	38,514	-	-	-	38,514
Other	-	-	-	99,977	99,977
TOTAL FEDERAL	7,210,443	2,746,851	-	5,758,177	15,715,471
OTHER SOURCES					
Net insurance recovery	3,979	-	-	62,129,833	62,133,812
Sale of school buses	-	-	-	1,427	1,427
Sale of other property	1,521	-	-	80,011	81,532
Area voc fees from other LEAs	-	273,600	-	-	273,600
Contracted educational services	10,001	802,859	-	-	812,860
TOTAL OTHER SOURCES	15,501	1,076,459	-	62,211,271	63,303,231
TOTAL RECEIPTS	\$ 40,674,405	\$ 29,416,692	\$ 5,354,601	\$ 71,323,322	\$ 146,769,020

The Schedule of Revenues Collected by Source agrees to the Annual Secretary of the Board Report which includes the scholarship fund's revenue as part of the General Fund.

JOPLIN SCHOOLS
SCHEDULE OF EXPENDITURES BY OBJECT
Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Salaries	\$ 11,773,826	\$ 29,758,987	\$ -	\$ 41,532,813
Teacher retirement	23,140	4,356,936	-	4,380,076
Non-teacher retirement	695,081	4,560	-	699,641
Social security	707,324	97,874	-	805,198
Medicare	166,145	404,431	-	570,576
Employee insurance	911,385	1,877,011	-	2,788,396
Other benefits	334,384	-	-	334,384
Tuition	625,165	-	-	625,165
Professional services	49,172	-	-	49,172
Audit	30,000	-	-	30,000
Technical services	2,282,880	-	-	2,282,880
Legal services	46,156	-	-	46,156
Property services	2,801,511	-	-	2,801,511
Travel	470,606	-	-	470,606
Property insurance	241,045	-	-	241,045
Liability insurance	58,111	-	-	58,111
Fidelity premium	1,855	-	-	1,855
Other purchased services	1,557,970	-	-	1,557,970
General supplies	5,304,744	-	-	5,304,744
Regular textbook	770,000	-	-	770,000
Library books	177,600	-	-	177,600
Periodicals	205	-	-	205
Food supplies	1,143,536	-	-	1,143,536
Energy supplies	1,979,277	-	-	1,979,277
Land	-	-	2,023,697	2,023,697
Buildings	-	-	25,001,011	25,001,011
Improvements to sites	-	-	2,059,471	2,059,471
Equipment - general	-	-	5,761,638	5,761,638
Equipment - instructional apparatus	-	-	2,443,733	2,443,733
Vehicles (except school buses)	-	-	200,263	200,263
School buses	-	-	477,595	477,595
School buses - Purchased with specific funds	-	-	20,765	20,765
TOTAL DISBURSEMENTS	\$ 32,151,118	\$ 36,499,799	\$ 37,988,173	\$ 106,639,090

The Schedule of Expenditures by Object agrees to the Annual Secretary of the Board Report which includes the scholarship fund's expenditures as part of the General Fund.

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

Board of Education
Joplin Schools
Joplin, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Joplin Schools as of and for the year ended June 30, 2012, which collectively comprise Joplin Schools' basic financial statements and have issued our report thereon dated November 9, 2012. Joplin Schools' financial statements were prepared 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. Except as discussed in the preceding sentence, 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

In planning and performing our audit, we considered Joplin Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Joplin Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Joplin Schools' 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 reasonably 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 Joplin Schools' 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*.

This report is intended solely for the information and use of management, Board of Education, others within the entity, 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.

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

Joplin, Missouri
November 9, 2012

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

Board of Education
Joplin Schools
Joplin, Missouri

Compliance

We have audited Joplin Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Joplin Schools' major federal programs for the year ended June 30, 2012. Joplin Schools' 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 Joplin Schools' management. Our responsibility is to express an opinion on Joplin Schools' 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 Joplin Schools' 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 Joplin Schools' compliance with those requirements.

In our opinion, Joplin Schools 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, 2012.

Internal Control over Compliance

The management of Joplin Schools 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 Joplin Schools' 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 Joplin Schools' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 management, Board of Education, others within the entity, 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.

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

Joplin, Missouri
November 9, 2012

JOPLIN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Missouri Department of Elementary and Secondary Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	049-148	\$ 539,861
National School Lunch Program - Cash	10.555	049-148	1,729,105
National School Lunch Program - Commodities	10.555	049-148	265,160
After School Snacks Program	10.555	049-148	35,791
Missouri Department of Health Services			
Child Nutrition Cluster			
Summer Food Service Program	10.559	049-148	182,325
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 2,752,242
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Aid Cluster			
Federal Pell Grant Program	84.063	N/A	\$ 595,230
Federal Family Educational Loan Program	84.032	N/A	928,307
Federal Emergency Mgt Agency (FEMA) Funds	97.036	N/A	6,847,003
Missouri Department of Elementary and Secondary Education			
Title I, Grants to LEAs	84.010	049-148	3,011,804
Title I, Part D - Grants to LEAs	84.010	049-148	250,107
Title II, Part A - Improving Teacher Quality State Grants	84.367	049-148	280,705
Title III - LEP - English Language Acquisition Grants	84.365	049-148	13,800
Special Education Grants to States	84.027	049-148	1,427,936
Adult Education - Basic Grants to States	84.002	049-148	205,520
Perkins Basic Grant - Secondary - Career and Technical Education	84.048	049-148	239,301
State Fiscal Stabilization Fund Cluster			
ARRA Education State Grants, Recovery Act	84.394	049-148	386,454
ARRA Government Services, Recovery Act	84.397	049-148	21,459
Federal Education Jobs Fund Cluster			
ARRA Classroom Trust Fund, Recovery Act	84.410A	049-148	16,178
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 14,223,804
U.S. DEPARTMENT OF DEFENSE			
Direct Programs:			
Junior Reserve Officers Training Corp Unit	12.000	N/A	\$ 78,632
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 78,632
U.S. DEPARTMENT OF LABOR			
Missouri Department of Elementary and Secondary Education			
Workforce Investment Act	17.260	049-148	\$ 1,000
TOTAL U.S. DEPARTMENT OF LABOR			\$ 1,000
TOTAL FEDERAL AWARDS			\$ 17,055,678

See notes to Schedule of Expenditures of Federal Awards

JOPLIN SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grants activity of the District and is prepared on the modified cash basis of accounting as described in Note A to the District's financial statements.

NOTE B – FOOD DISTRIBUTION

Commodities received and expended are valued by the Food Service Section of the Department of Elementary and Secondary Education.

JOPLIN SCHOOLS
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONS COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Joplin Schools.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Joplin Schools, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal awards programs for Joplin Schools expresses an unqualified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were disclosed during the audit.
7. The programs tested as major programs included:

Child Nutrition Cluster	10.553 and 10.555
Title I, Part A Grants Cluster	84.010 and 84.389
Improving Teacher Quality State Grants	84.367
Special Education Grants Cluster	84.027, 84.391, 84.173, 84.323 and 84.392
State Fiscal Stabilization Fund Cluster	84.394 and 84.397
Student Financial Aid Cluster	84.063 and 84.032
Federal Emergency Management Agency Fund	97.036

8. The threshold used for distinguishing Type A and B programs was \$300,000.
9. The Joplin Schools qualified as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

JOPLIN SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

There were no prior year audit findings.

INDEPENDENT AUDITORS' REPORT
ON ADMINISTRATION'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI LAWS AND REGULATIONS

Board of Education
Joplin Schools
Joplin, Missouri

We have audited the administration's assertions, included in its representation letter dated November 9, 2012, that the Joplin Schools, Joplin, Missouri (the "District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of the average daily attendance, resident membership on the last Wednesday of September, 2011, the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2012; and accurate disclosure by the District's pupil transportation records of the average number of students transported on a regular basis eligible and ineligible for state transportation aid, the number of miles eligible and ineligible for state transportation aid and mileage allowable cost for pupil transportation and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2012. As discussed in that representation letter, administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

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

In our opinion, the administration's assertions that the Joplin Schools, Joplin, Missouri complied with the aforementioned requirements for the year ended June 30, 2012 are fairly stated in all material respects.

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.

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

Joplin, Missouri
November 9, 2012

JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2012

A single audit was performed.

1. 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:

Kindergarten - Grade 5	1147.90
Grades 6 - 8	1136.00
Grades 9 - 12	1090.58

B. The number of days that classes were in session and pupils were under the direction of the teachers this school year was 174.

2. Average Daily Attendance (ADA)

	Full-time Part-time	Remedial	Total
Average Daily Attendance (ADA):			
Regular term:			
Kindergarten - Grade 5	3,406.80	9.75	3,416.55
Grades 6 - 8	1,555.29	2.98	1,558.27
Grades 9 - 12	1,882.57	60.59	1,943.16
Total regular term			6,917.98
Summer school average daily attendance			183.92
Total Average Daily Attendance			7,101.90

3. September Membership

September Membership FTE Count	7,209.11
--------------------------------	----------

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

State FTE Total	Free	3,853.05
	Reduced	524.60
	Total	4,377.65

JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS - CONTINUED
YEAR ENDED JUNE 30, 2012

5. Finance

- A. A bond, as required by Section 162.401, RSMo, has been purchased for the District treasurer in the amount of \$250,000.
- B. The District's deposits were adequately secured during the year as required by Section 110.010 and 110.020 RSMo.
- C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011 RSMo
- D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records.
- E. The 7% x SAT x WADA transfer, which was made, did not exceed adjusted expenditures. The board approved the transfer.
- F. The District published a summary of the 2010-2011 audit report within thirty days of receipt of the audit, pursuant to Section 165.121, RSMo.
- G. There were no findings noted above.

6. Transportation (Section 163.161, RSMo)

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.
- B. The District's school transportation ridership records are so maintained as to accurately disclose all material respects the average number of regular riders transported.
- C. Based on the ridership records, the average number of students (non-disabled K-12, career education, and K-12 students with disabilities) transported on a regular basis (ADT) eligible for state transportation aid was 3,041 and the average number of students transported on a regular basis (ADT) ineligible to be counted for state transportation aid was -0-.
- 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.

JOPLIN SCHOOLS
SCHEDULE OF SELECTED STATISTICS - CONTINUED
YEAR ENDED JUNE 30, 2012

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

- E. Actual odometer records show the total District operated mileage for the year was 964,961. Of this total, the eligible non-disabled and students with disabilities route miles were 844,463 and the ineligible non-route and disapproved miles combined were 120,498.
- F. The District operated the school transportation system for 174 days during this school year.
- G. There were no findings noted above.

7. Missouri School Improvement Program (MSIP)

- A. The District has adequate procedures that allow for the proper recording and reporting of hours of absence.
- B. The District has adequate procedures that allow for the identification and recording of dropouts as defined in the Core Data Manual (Exhibit 6) and the subsequent reporting of those students to the Adult Literacy Hotline on the June Cycle of Core Data.
- C. The District has a set of adequate procedures for following up on the College and Career Placement of all of the previous year's graduates 180 days after graduation.
- D. The District has a set of procedures that ensures Advanced Courses and Career Courses (approved by the State) are properly identified and reported according to Core Data standards.
- E. There were no findings noted above.

JOPLIN SCHOOLS
SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
YEAR ENDED JUNE 30, 2012

	District Owned	Disabled Transportation District Owned	Total
Non-certified salaries	\$ 1,014,912	\$ 523,083	\$ 1,537,995
Employee benefits	99,666	48,314	147,980
Purchased services	246,573	13,305	259,878
Supplies	382,233	160,789	543,022
Depreciation	407,020	-	407,020
	<u>\$ 2,150,404</u>	<u>\$ 745,491</u>	<u>\$ 2,895,895</u>
School buses purchased	<u>\$ 477,595</u>		

APPENDIX C

SUMMARY OF THE CONTINUING DISCLOSURE UNDERTAKING

The following is a summary of certain provisions of the Continuing Disclosure Undertaking. The following is not a comprehensive description, however and is qualified in its entirety by reference to the Continuing Disclosure Undertaking for a full recital of the provisions thereof.

Definitions

In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in the Continuing Disclosure Undertaking unless otherwise defined below, the following capitalized terms have the following meanings:

“Annual Report” means any Annual Report provided by the District pursuant to, and as described in, the Continuing Disclosure Undertaking.

“Beneficial Owner” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures.

“Material Events” means any of the events listed in the Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” means the MSRB.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Reports

(a) The District shall, not later than six months after each June 30, the final day of the District’s fiscal year (i.e., not later than December 31 each year), provide to the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):

(1) The audited financial statements of the District for the prior fiscal year prepared in accordance with the accounting principles described in the notes to the financial statements included as part of the Official Statement for the Bonds and audited by its independent auditors (or if not available as of such date, the unaudited financial statements of the District and as soon thereafter as available such audited financial statements of the District); and

(2) Updates as of the end of the fiscal year of the financial information and operating data contained in the final Official Statement in substantially the scope and form contained in the Official Statement with respect to the Bonds in the tables labeled or identified as follows:

GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT:

History of Enrollment

FINANCIAL INFORMATION CONCERNING THE DISTRICT:

Sources of Revenue

DEBT STRUCTURE OF THE DISTRICT:

Current Long-Term General Obligation Indebtedness

History of General Obligation Indebtedness

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:

Property Valuations:

Current Assessed Valuation

History of Property Valuations

Tax Rates:

History of Tax Levies

Tax Collection Record

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the District is an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and is available through EMMA or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event

Reporting of Material Events

(a) Pursuant to the provisions of the Continuing Disclosure Undertaking, the District shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if material (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

If the District has not submitted the Annual Report to the MSRB by the date required above, the District shall send a notice to the MSRB of the failure of the District to file on a timely basis the Annual Report.

Termination of Reporting Obligation

The District's obligations under the Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the District's obligations under the Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with the Continuing Disclosure Undertaking in the same manner as if it were the District, and the District shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the District shall give notice of such termination or substitution in the same manner as for a Material Event.

Designated Agents

The District may, from time to time, appoint or designate one or more agents (each, a "designated agent") to submit Annual Reports, Material Event notices, and other notices or reports with the MSRB.

Amendment; Waiver

Notwithstanding any other provision of the Continuing Disclosure Undertaking, the District may amend the Continuing Disclosure Undertaking and any provision of the Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in United States securities law matters provides the District with its written opinion that the undertaking of the District contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Undertaking, the District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information

Nothing in the Continuing Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by the Continuing Disclosure

Undertaking. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by the Continuing Disclosure Undertaking, the District shall have no obligation under the Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Default

If the District fails to comply with any provision of the Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Undertaking. A default under the Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under the Continuing Disclosure Undertaking in the event of any failure of the District to comply with the Continuing Disclosure Undertaking shall be an action to compel performance.

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the District believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the District, the Paying Agent or the Underwriter. The District, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the **"Book-Entry Only System"**) maintained by The Depository Trust Company (**"DTC"**), New York, New York. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry Only System, as described below.

DTC and its Participants. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**"DTCC"**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the **"Beneficial Owner"**) is, in turn, to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Payments of principal of or redemption price and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of or redemption price and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the District or the Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered as described in the Bond Ordinance.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to

Beneficial Owners in the manner described herein under the caption **“Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.”**

None of the Underwriter, the Paying Agent nor the District will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Ordinance to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

(THIS PAGE LEFT BLANK INTENTIONALLY)