

**FORT ZUMWALT SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**FORT ZUMWALT SCHOOL DISTRICT  
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YEAR ENDED JUNE 30, 2011**

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Fort Zumwalt School District  
O'Fallon, Missouri

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fort Zumwalt School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 opinions.

As described in Note 2, the Fort Zumwalt School District prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities and each major fund of the Fort Zumwalt School District at June 30, 2011, and the respective changes in financial position – cash basis, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended, on the basis of accounting described in Note 2.

As discussed in the notes to the financial statements, the Fort Zumwalt School District adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended June 30, 2011. This statement results in the Fort Zumwalt School District reporting restricted and unassigned fund balances in its governmental fund types.

Board of Education  
Fort Zumwalt School District

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, on our consideration of the Fort Zumwalt School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fort Zumwalt School District's basic financial statements. The accompanying supplementary information presented in Schedules 2 through 4 and the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is prepared for purposes of additional analysis as required by local and state agency requirements and is not a required part of the basic financial statements. The supplementary information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Principal Taxpayers, which is the responsibility of management, is of a nonaccounting nature and has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

*Larson Allen LLP*  
**LarsonAllen LLP**

St. Louis, Missouri  
November 4, 2011

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

The discussion and analysis of Fort Zumwalt School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

In total, the School District's financial position increased during fiscal year 2011 as reflected by an increase in total net assets of \$2.0 million. The increase in net assets is represented by an increase in cash and investment balances of \$6.9 million offset by an increase in Checks Written in Excess of Cash in Bank of \$4.9 million. The District's overall financial position remains stable at June 30, 2011 with total unrestricted net assets of \$33.1 million.

General receipts for the year totaled \$185.8 million or 88.4% of all receipts. These general receipts are comprised mainly of local property taxes, which totaled \$114.2 million during fiscal year 2011. Program receipts, which include all grants, tuition and fees totaled \$24.3 million or 11.6% of all receipts. Total disbursements for the year were \$208.1 million of which \$183.8 million were funded by general receipts.

**Using this Other Comprehensive Basis of Accounting Report (OCBOA)**

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Assets and the Statement of Activities are presented on pages 11 and 12. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The fund financial statements also provide more detail about the most significant funds.

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

The analysis of the School District as a whole begins on page 11. This analysis provides answers as to whether the School District is financially stronger or weaker as a result of the year's activities. The Statement of Net Assets and the Statement of Activities report information on the School District as a whole and its activities, which help to provide this answer. These statements include all significant assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

These two statements report the School District's net assets and changes in those assets. The change in net assets is the difference between assets and liabilities and represents one way to measure the School District's financial position and whether it is improving or declining. The relationship between receipts and disbursements indicates the School District's operating results. However, the School District's mission is to provide services to our students, not to generate profits as commercial entities strive to do each year. Non-financial factors, such as the quality of education provided to our students and state and federal mandates, must also be considered to assess the overall health of the School District.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Reporting the School District as a Whole (Continued)**

**Statement of Net Assets and the Statement of Activities (Continued)**

The Statement of Net Assets and the Statement of Activities report the activity for all of the District's programs and services which are classified as governmental activities. Governmental activities are the activities where all of the School District's programs and services are reported including: instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business like activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund, and Capital Projects Fund.

**Governmental Funds**

All of the School District's activities are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year end available for spending in future periods. These statements include all assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The School District's net assets at June 30, 2011 were \$62.5 million. This represents an increase of \$2.0 million from the prior year. Of this amount, \$33.1 million was unrestricted and represents the accumulated results of all past years' operations.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**The School District as a Whole (Continued)**

Table 1 below provides a summary of net assets for fiscal year 2011 compared to fiscal year 2010.

**TABLE 1  
NET ASSETS  
(In Millions)**

	Governmental Activities	
	June 30,	
	2011	2010
<b>ASSETS</b>		
Current and Other Assets	\$ 76.2	\$ 69.3
Total Assets	\$ 76.2	\$ 69.3
<b>LIABILITIES</b>		
Current and Other Liabilities	\$ 13.7	\$ 8.8
Total Liabilities	\$ 13.7	\$ 8.8
<b>NET ASSETS</b>		
Restricted	\$ 29.4	\$ 22.0
Unrestricted	33.1	38.5
Total Net Assets	\$ 62.5	\$ 60.5

Restricted net assets are reported separately to reflect legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. As noted above, restricted net assets total \$29.4 million at June 30, 2011. Of this amount, \$14.1 million was restricted for debt service purposes and \$15.1 million for capital project purposes.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**The School District as a Whole (Continued)**

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 12. This information is summarized below in Table 2.

**TABLE 2  
CHANGE IN NET ASSETS  
(In Millions)**

	Governmental Activities		Total Percentage Change
	June 30,		
	2011	2010	
<b>RECEIPTS</b>			
Charges for Services	\$ 8.9	\$ 8.6	3 %
Operating Grants and Contributions	15.4	20.7	-26
General Receipts:			
Property Taxes	114.2	112.9	1
Grants and Entitlements	52.1	46.4	12
Interest and Investment Earnings	0.8	1.2	-33
Bond Proceeds	18.5	7.0	164
Refunding Bonds	-	1.6	-100
Other	0.2	0.1	100
Total Receipts	<u>210.1</u>	<u>198.5</u>	6
<b>PROGRAM DISBURSEMENTS</b>			
Instruction	111.8	110.7	1
Student Services	13.9	13.5	3
Instructional Staff Support	5.2	5.5	-5
Building Administration	11.3	11.4	-1
General Administration and Central Services	5.4	5.7	-5
Operation of Plant	16.3	16.4	-1
Transportation	9.9	12.4	-20
Food Service	5.6	5.7	-2
Community Services	1.0	1.2	-17
Facility Acquisition and Construction	10.2	6.3	62
Debt Service and Fiscal Charges	17.5	18.6	-6
Total Disbursements	<u>208.1</u>	<u>207.4</u>	0
<b>CHANGE IN NET ASSETS</b>	<u>\$ 2.0</u>	<u>\$ (8.9)</u>	

**Governmental Activities**

The cost of all governmental activities totaled \$208.1 million in fiscal year 2011. The School District's taxpayers funded \$183.8 million or 88.3% of these costs. In addition to taxpayer funding, charges for services funded \$8.9 million or 4.3% of the governmental activities' cost and operating grants funded \$15.4 million or 7.4% of such costs in fiscal year 2011. In total, net assets increased by \$2.0 million during the fiscal year. This increase in net assets is mainly attributed to additional receipts from the sale of bonds.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Governmental Activities (Continued)**

As shown in Table 2 above, total expenses changed very little when compared to 2010. It is worth noting that an increase in construction costs funded by receipts from the sale of bonds was the largest increase in disbursements offset by reductions in other categories. In contrast, the largest reduction in disbursements was related to transportation costs. In 2010 the District purchased 17 Special Education buses with one-time funding that inflated 2010 costs. In 2011, transportation disbursements returned to normal levels.

In the table below, the cost of each of the School District's five largest functions, as well as, each function's net cost (total cost less revenue generated by the activities) is presented. This clearly shows the School District's reliance on local taxpayers.

**TABLE 3**

(In Millions)  
Year Ended June 30,

	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 111.8	\$ 96.2	\$ 110.7	\$ 90.6
Student Services	13.9	13.8	13.5	13.5
Instructional Staff Support	5.2	4.8	5.5	5.0
Building Administration	11.3	11.3	11.4	11.4
General Administration and Central Service	5.4	5.4	5.7	5.7
Operation of Plant	16.3	16.3	16.4	16.4
Transportation	9.9	7.8	12.4	9.2
Food Service	5.6	(0.5)	5.7	0.2
Community Services	1.0	1.0	1.2	1.2
Facility Acquisition and Construction	10.2	10.2	6.3	6.3
Debt Service and Fiscal Charges	17.5	17.5	18.6	18.6
Total Disbursements	<u>\$ 208.1</u>	<u>\$ 183.8</u>	<u>\$ 207.4</u>	<u>\$ 178.1</u>

As shown in Table 3, the District's five largest functions are Instruction, Debt Service, Operation of Plant, Student Services, and Building Administration. Direct Instruction to students is by far the District's largest disbursement at \$111.8 million. The next largest functions are directly related to building, renovating, and maintaining the 25 buildings and grounds throughout the District. Debt Service disbursements totaled \$17.5 million and Operation of Plant totaled \$16.3 million during the 2011 school year. In total, the five largest functions represent \$170.8 million or 82.1% of all disbursements.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**The School District's Funds**

As discussed above, the School District uses different funds to account for a wide range of financial transactions. A review of the funds provides some insight into the School District's financial condition. Information about the School District's major funds starts on page 13. These funds are accounted for using the cash basis of accounting. Receipts and other financing sources for all governmental funds totaled \$210.1 million and disbursements totaled \$208.1 million for the fiscal year. In total, governmental funds had a fund balance of \$62.5 million at June 30, 2011, which represents an overall increase of \$2.0 million compared to prior year. This fund balance increase is attributed to the sale of \$18.5 million in general obligation bonds. The proceeds from this sale were deposited in the Capital Projects Fund to finance ongoing and future construction projects. Excluding activity from bond funds, the District would have realized a \$6.4 million deficit without these additional receipts due to a shortfall in revenue.

**General Fund Budgeting Highlights**

The School District prepares an annual budget in accordance with Missouri law, which requires Board of Education approval no later than June 30. The original budget for fiscal year ending June 30, 2011 was approved by the Board on June 28, 2010. During the year the District revises the budget as it attempts to deal with unexpected changes in revenues and expenditures as additional information becomes available. A schedule showing the District's original and final budget amounts compared with yearend actual amounts for the general fund is provided later in this report.

The final revised budget for general fund receipts totaled \$58.1 million compared to the original budget of \$52.1 million. The \$6.0 million change in general fund receipts was due to a combination of moving budgeted receipts from other funds as needed to cover expenditures and from the addition of new receipts identified after budget approval. During the year, it was noted that not as much revenue was needed in the teacher fund as originally budgeted. Therefore, \$4.0 million of budgeted sales tax receipts were shifted from the teacher fund to the general fund. Also during the year, several new unforeseen revenues were identified. First, the city of St. Peters notified the District a project financed with Tax Increment Financing or TIF funds would be paid off early and should result in \$800,000 of new revenue to the general fund. Second, the Governor released funding for transportation. This revenue had been withheld due to lagging State revenue collections and resulted in a \$299,000 increase in general fund receipts. Lastly, the District was able to identify and capture additional costs that qualify for high needs fund reimbursement increasing revenue by another \$1.5 million. All of these increases were partially offset by further decreases in interest earnings of \$784,000. It was originally thought interest rates may begin to improve and earnings would increase. However, investment returns continued to decline and even deteriorated further during the year which forced the District to reduce its revenue budget.

The final revised budget for general fund disbursements totaled \$59.7 million compared to the original budget of \$60.7 million. The change in budgeted general fund disbursements of \$1.0 million is primarily attributed to reductions in transportation and insurance. The implementation of full day kindergarten significantly reduced the need for midday routes and translated into fewer hours worked for drivers and monitors. In addition, the savings from purchasing 17 special education buses in the prior year reduced lease expense. The other area of change was from savings in premiums for property casualty and worker's compensation insurance. Lower than expected claims resulted in credits being applied from the District's carrier MUSIC which lowered expenses when billed.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Capital Assets**

Although under the cash basis of accounting, the District does not capitalize amounts invested in land, buildings, furniture, equipment, and vehicles in the fiscal 2011 financial statements, the District owns and maintains over 2.5 million square feet of space. It is worth noting, the District's statement of values for insurance purposes values buildings and grounds at \$377.5 million and contents at \$69.8 million for a total of \$447.3 million.

**Debt Administration**

At June 30, 2011, the School District had \$135.1 million in general obligation and capital appreciation bonds due in varying amounts with various rates of interest and maturing in various years through June 30, 2031. The School District also had \$19.4 million in leasehold revenue bonds due in varying annual amounts with various rates of interest maturing in March of 2017. The purpose of all debt was to construct, equip, and renovate District facilities. The table below represents a summary of this outstanding debt. In addition to the debt listed below, the District still has \$23.0 million unissued general obligation bonds authorized by the voters. \$18.5 million is reserved to refinance outstanding leasehold revenue debt and \$4.5 million is reserved to build an elementary school in the Flint Hill area when home building resumes and student enrollment will support the facility.

Additional information concerning debt is available in the notes to basic financial statements note 5.

**OUTSTANDING DEBT**

	June 30,	
	2011	2010
General Obligation Bonds	\$134,930,000	\$125,060,000
Capital Appreciation Bonds	169,997	169,997
Leasehold Revenue Bonds	19,405,000	21,605,000
Capital Leases	744,470	783,330
Other Debt	300,000	-
Total	\$155,549,467	\$147,618,327

**Current Financial Issues and Concerns**

While the District uses its funding wisely, there are numerous factors over which the School District has little or no control. For instance, numerous state revenue sources are still being supplemented with one-time federal stimulus money provided by the American Reinvestment and Recovery Act (ARRA) and the Jobs Bill. While current revenue reports from the State are showing some signs of recovery, it doesn't appear to be enough to replace all the one-time supplemental funding and further cuts to school funding may be on the horizon. One other major concern focuses around revising the current foundation formula. If a compromise is not passed before the 2013 school year, it could cost the District millions in state revenue. At the local level, assessed values have continued to drop during the last two reassessment cycles by \$200.0 million or 9%. While this decline in values seems to be leveling, it seems unlikely values will rebound before the next cycle in 2013. Fortunately, under Missouri law, districts are allowed to adjust their tax rate and recoup some of the loss from these changes in value. This has allowed the District to keep property tax revenue relatively constant. Currently, the Fort Zumwalt School District is financially stable, but with the state of the economy, it is difficult to predict future revenue sources with certainty.

**FORT ZUMWALT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Construction Activities**

Currently, the District is in the middle of various projects throughout Fort Zumwalt's various campuses totaling \$30.0 million funded by bond proceeds approved by voters in April 2009. During this fiscal year, the District substantially completed a 14 classroom addition at West High School, along with a 14 classroom addition and band room expansion at North High School. In addition, the South High renovation project continued and was about 30% complete as of June 30, 2011. Remaining major projects include completing the South High interior and exterior renovations along with a new band room addition at West High.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's financial condition. If you have questions about this report or need additional financial information, contact Jeffrey Orr, Chief Financial Officer, Fort Zumwalt School District, 110 Virgil Street, O'Fallon, MO 63366 or by phone at 636-474-8513.

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS – CASH BASIS  
JUNE 30, 2011**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 15,145,828
Investments	46,973,315
Restricted Assets:	
Cash	7,935,121
Investments	6,186,238
Total Assets	76,240,502
<b>LIABILITIES</b>	
Checks Written In Excess of Cash	13,674,257
Total Liabilities	13,674,257
<b>NET ASSETS</b>	
Restricted for:	
Student Scholarships	218,198
Debt Service	14,121,359
Capital Projects	15,145,828
Unrestricted	33,080,860
Total Net Assets	\$ 62,566,245

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES – CASH BASIS  
YEAR ENDED JUNE 30, 2011**

Functions/Programs	Disbursements	Program Receipts		Net (Disbursements)
		Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
				Government Activities
<b>GOVERNMENTAL ACTIVITIES:</b>				
Instruction	\$ 111,822,178	\$ 4,501,521	\$ 11,137,392	\$ (96,183,265)
Student Services	13,849,021	-	-	(13,849,021)
Instructional Staff Support	5,185,094	-	405,952	(4,779,142)
Building Administration	11,328,680	-	-	(11,328,680)
General Administration and Central Services	5,414,984	-	-	(5,414,984)
Operation of Plant	16,322,527	-	-	(16,322,527)
Transportation	9,892,640	-	2,110,615	(7,782,025)
Food Service	5,594,545	4,393,924	1,739,408	538,787
Community Services	952,045	-	-	(952,045)
Facility Acquisition and Construction	10,152,039	-	-	(10,152,039)
Debt Service and Fiscal Charges	17,543,635	-	-	(17,543,635)
	<u>\$ 208,057,388</u>	<u>\$ 8,895,445</u>	<u>\$ 15,393,367</u>	<u>(183,768,576)</u>

**GENERAL RECEIPTS:**

Taxes	
Property Taxes, Levied for General Purposes	38,643,473
Property Taxes, Levied for Instruction	59,123,253
Property Taxes, Levied for Debt Services	13,138,983
Property Taxes, Levied for Capital Projects	3,303,301
Federal and State Aid Not Restricted to Specific Purposes	
General	52,059,786
Interest and Investment Earnings	801,042
Sale of Bonds	18,500,000
Other	228,021
Subtotal, General Receipts	<u>185,797,859</u>
Change in Net Assets	2,029,283
Net Assets - Beginning	<u>60,536,962</u>
<b>NET ASSETS - ENDING</b>	<u><u>\$ 62,566,245</u></u>

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM  
CASH TRANSACTIONS – GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Governmental Funds</u>				<u>Total</u>
	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<b>ASSETS</b>					
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ 15,145,828	\$ 15,145,828
Investments	46,973,315	-	-	-	46,973,315
Restricted Assets:					
Cash	-	-	7,935,121	-	7,935,121
Investments	-	-	6,186,238	-	6,186,238
Total Assets	<u>\$ 46,973,315</u>	<u>\$ -</u>	<u>\$ 14,121,359</u>	<u>\$ 15,145,828</u>	<u>\$ 76,240,502</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Checks Written in Excess of Cash	\$ 13,674,257	\$ -	\$ -	\$ -	\$ 13,674,257
Total Liabilities	<u>13,674,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,674,257</u>
<b>FUND BALANCE</b>					
Restricted:					
Student Scholarships	218,198	-	-	-	218,198
Debt Service	-	-	14,121,359	-	14,121,359
Capital Projects	-	-	-	15,145,828	15,145,828
Unassigned	33,080,860	-	-	-	33,080,860
Total Fund Balance	<u>33,299,058</u>	<u>-</u>	<u>14,121,359</u>	<u>15,145,828</u>	<u>62,566,245</u>
Total Liabilities and Fund Balance	<u>\$ 46,973,315</u>	<u>\$ -</u>	<u>\$ 14,121,359</u>	<u>\$ 15,145,828</u>	<u>\$ 76,240,502</u>

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE (CASH BASIS)  
TO NET ASSETS (CASH BASIS) OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2011**

Total Fund Balance - Cash Basis - Governmental Funds	\$ 62,566,245
There are no reconciling items	<u>-</u>
Total Net Assets - Governmental Activities	<u><u>\$ 62,566,245</u></u>

*See accompanying Notes to Basic Financial Statements.*

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE – CASH BASIS – GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2011**

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
<b>RECEIPTS</b>					
Local	\$ 47,271,275	\$ 57,606,478	\$ 13,217,781	\$ 3,289,003	\$ 121,384,537
County	836,798	1,582,713	260,673	30,056	2,710,240
State	5,148,951	48,292,500	-	-	53,441,451
Federal	3,555,032	10,456,670	-	-	14,011,702
Other	38,741	-	-	-	38,741
Total Receipts	<u>56,850,797</u>	<u>117,938,361</u>	<u>13,478,454</u>	<u>3,319,059</u>	<u>191,586,671</u>
<b>DISBURSEMENTS</b>					
Instruction	11,652,331	100,106,955	-	62,892	111,822,178
Student Services	4,687,391	9,155,671	-	5,959	13,849,021
Instructional Staff Support	1,836,441	2,767,306	-	581,347	5,185,094
Building Administration	3,766,142	7,555,022	-	7,516	11,328,680
General Administration and Central Services	4,287,894	839,185	-	287,905	5,414,984
Operation of Plant	16,158,826	-	-	163,701	16,322,527
Transportation	9,883,940	-	-	8,700	9,892,640
Food Service	5,559,953	-	-	34,592	5,594,545
Community Services	925,204	26,841	-	-	952,045
Facility Acquisition and Construction	-	-	-	10,152,039	10,152,039
Debt Service and Fiscal Charges	-	-	14,323,524	3,220,111	17,543,635
Total Disbursements	<u>58,758,122</u>	<u>120,450,980</u>	<u>14,323,524</u>	<u>14,524,762</u>	<u>208,057,388</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>	(1,907,325)	(2,512,619)	(845,070)	(11,205,703)	(16,470,717)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from	-	2,267,421	-	1,050,252	3,317,673
Transfer to	(3,317,673)	-	-	-	(3,317,673)
Sale of Bonds	-	-	-	18,500,000	18,500,000
Total Other Financing Sources (Uses)	<u>(3,317,673)</u>	<u>2,267,421</u>	<u>-</u>	<u>19,550,252</u>	<u>18,500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,224,998)	(245,198)	(845,070)	8,344,549	2,029,283
<b>FUND BALANCE - CASH BASIS - JULY 1, 2010</b>	<u>38,524,056</u>	<u>245,198</u>	<u>14,966,429</u>	<u>6,801,279</u>	<u>60,536,962</u>
<b>FUND BALANCE - CASH BASIS - JUNE 30, 2011</b>	<u>\$ 33,299,058</u>	<u>\$ -</u>	<u>\$ 14,121,359</u>	<u>\$ 15,145,828</u>	<u>\$ 62,566,245</u>

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CASH BASIS)  
TO THE STATEMENT OF ACTIVITIES (CASH BASIS)  
YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balance - Cash Basis - Governmental Funds	\$ 2,029,283
There are no reconciling items.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ 2,029,283</u>

*See accompanying Notes to Basic Financial Statements.*

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – GENERAL FUND  
YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>RECEIPTS</b>				
Local	\$ 44,191,414	\$ 48,271,375	\$ 47,271,275	\$ (1,000,100)
County	812,885	812,404	836,798	24,394
State	3,600,813	5,363,891	5,148,951	(214,940)
Federal	3,497,221	3,655,692	3,555,032	(100,660)
Other	19,768	27,675	38,741	11,066
Total Receipts	<u>52,122,101</u>	<u>58,131,037</u>	<u>56,850,797</u>	<u>(1,280,240)</u>
<b>DISBURSEMENTS</b>				
Instruction	11,787,675	11,809,926	11,652,331	(157,595)
Student Services	4,882,154	4,749,103	4,687,391	(61,712)
Instructional Staff Support	1,983,756	2,464,121	1,836,441	(627,680)
Building Administration	3,914,508	3,874,297	3,766,142	(108,155)
General Administration and Central Services	4,345,406	3,830,390	4,287,894	457,504
Operation of Plant	16,320,977	16,354,047	16,158,826	(195,221)
Transportation	11,021,943	9,860,308	9,883,940	23,632
Food Service	5,729,532	5,795,252	5,559,953	(235,299)
Community Services	722,117	959,704	925,204	(34,500)
Total Disbursements	<u>60,708,068</u>	<u>59,697,148</u>	<u>58,758,122</u>	<u>(939,026)</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>	(8,585,967)	(1,566,111)	(1,907,325)	(341,214)
<b>OTHER FINANCING USE</b>				
Transfer to	<u>(370,680)</u>	<u>(3,317,673)</u>	<u>(3,317,673)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,956,647)	(4,883,784)	(5,224,998)	(341,214)
<b>CASH BASIS FUND BALANCE - JULY 1, 2010</b>	<u>38,524,056</u>	<u>38,524,056</u>	<u>38,524,056</u>	<u>-</u>
<b>CASH BASIS FUND BALANCE - JUNE 30, 2011</b>	<u>\$ 29,567,409</u>	<u>\$ 33,640,272</u>	<u>\$ 33,299,058</u>	<u>\$ (341,214)</u>

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>RECEIPTS</b>				
Local	\$ 61,539,669	\$ 58,563,909	\$ 57,606,478	\$ (957,431)
County	1,676,237	1,562,171	1,582,713	20,542
State	52,878,786	47,313,476	48,292,500	979,024
Federal	4,701,288	11,171,222	10,456,670	(714,552)
Total Receipts	<u>120,795,980</u>	<u>118,610,778</u>	<u>117,938,361</u>	<u>(672,417)</u>
<b>DISBURSEMENTS</b>				
Instruction	100,944,880	100,135,696	100,106,955	(28,741)
Student Services	9,138,416	9,162,376	9,155,671	(6,705)
Instructional Staff Support	2,787,837	2,812,480	2,767,306	(45,174)
Building Administration	7,570,832	7,532,484	7,555,022	22,538
General Administration and Central Services	724,695	839,893	839,185	(708)
Community Services	-	53,910	26,841	(27,069)
Total Disbursements	<u>121,166,660</u>	<u>120,536,839</u>	<u>120,450,980</u>	<u>(85,859)</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>	(370,680)	(1,926,061)	(2,512,619)	(586,558)
<b>OTHER FINANCING SOURCE</b>				
Transfer From	<u>125,482</u>	<u>1,680,863</u>	<u>2,267,421</u>	<u>586,558</u>
<b>NET CHANGE IN FUND BALANCE</b>	(245,198)	(245,198)	(245,198)	-
<b>CASH BASIS FUND BALANCE - JULY 1, 2010</b>	<u>245,198</u>	<u>245,198</u>	<u>245,198</u>	<u>-</u>
<b>CASH BASIS FUND BALANCE - JUNE 30, 2011</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Fort Zumwalt School District (the District) was established in 1959 under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162.

The School District, located in St. Charles County serves an area of approximately 125 square miles and is located twelve miles west of the Missouri River along Interstate Highway 70. The Cities of St. Peters and O'Fallon have most of their boundaries located within the District.

Some 1,333 certificated teachers, librarians and counselors with 97 administrators and 1,190 support staff (including secretaries, registered nurses, crisis counselors, therapists, custodians, maintenance staff, cooks, clerks and bus drivers) make the District one of the area's largest employers, providing services to approximately 18,782 students and other community members. The District currently operates 15 elementary schools (K-5), 4 middle schools (6-8), 4 high schools (9-12) and one alternative high school.

For financial reporting purposes, the School District has included all funds, organizations, agencies, board, commissions and authorities. The School District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the School District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set fourth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the School District to impose its will on that organization or (2) the potential for the organization to provide specific benefits or to impose specific financial burdens on the School District. The School District has the following unit which meets the Government Accounting Standards Board Criteria:

**Fort Zumwalt School District Improvement Corporation (the Corporation)**

This component unit was incorporated under Missouri statutes as a not-for-profit organization whose purpose is for acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of public site, buildings, furnishings and equipment for the use of the District for educational purposes.

Due to the nature of the Corporation's purpose, transactional activity, State accounting regulations and that the Building Corporation does not publish financial statements, the Corporation meets the criteria to be shown as a blended component unit in the governmental funds as reported in the capital projects fund.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. For the year ended June 30, 2011, all of the District's activities are classified as governmental type.

**Government-Wide Financial Statements**

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the School District. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

**Fund Financial Statements**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses only the governmental category of funds. All the funds of the District are considered major due in part to an administrative directive from the Missouri Department of Elementary and Secondary Education.

**General (Incidental) Fund:** Accounts for general activities of the District, including student activities, food service, and textbooks, 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 receipts restricted by the state and local tax levy for the payment of teacher salaries and certain employee benefits.

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

**Capital Projects Fund:** Accounts for the proceeds of long-term debt, taxes, and other receipts restricted for acquisition or construction of major capital assets, payment of capital leases, and certain equipment and expenditures designated by Missouri Statute.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

***Government-Wide Financial Statements***

The School District's policy is to prepare its government-wide financial statements on the cash basis of accounting, consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the government-wide financial statements present the net assets and activities of the School District on a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Fund Financial Statements***

The School District's policy is to prepare its fund financial statements on the cash basis of accounting; consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the fund financial statements present the financial position and results of operations of the funds on a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

**Budgetary Data**

The School District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

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 receipts and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated receipts for the year.

Prior to approval of the annual budget by the Board of Education, a public hearing is conducted to obtain taxpayer comments. The budget document is available for public inspection prior to the public hearing.

The budget was legally enacted by the vote of the Board of Education on June 28, 2010. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education.

Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing receipts when collected and expenditures when paid.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Assets**

Restricted cash and investments represent amounts whose use is limited by legal requirements imposed by creditors, contributors, grantors, State or Federal laws or imposed by enabling legislation. Restricted assets consist of \$14,121,359 for debt service purposes on general obligation bonds.

**Cash and Investments**

The District maintains an investment pool that is available for use for all funds except the Debt Service Fund and the bond proceeds portion of the Capital Projects Fund. Debt Service Funds are required by Section 165.011 RSMo to maintain separate cash and investment accounts. The pool consists of interest bearing money market funds, the Missouri Securities Investment Program, an unregulated external investment pool, and the Missouri School District Direct Deposit Program, also an unregulated external investment pool. Participation in the Missouri Securities Investment Program and the Missouri School District Direct Deposit Program are voluntary. In addition, other cash and investments are separately held by the District's funds.

Investments are carried at cost. Investment earnings includes interest income received. Investment income earned in the pooled accounts is allocated to the participating funds in proportion to the average balances in each fund. Other investment income is assigned to the funds with which the related investment asset is associated.

**Compensated Absences**

Vacation time, personal business days, and sick leave are recorded as disbursements in the year paid.

**Teachers' Salaries**

Payroll checks written and dated in June 2011, for July and August 2011 payrolls from 2010–2011 contracts are included in the financial statements as a disbursement paid in the month of June. This practice has been consistently followed in the previous years.

**Postemployment Benefits**

In addition to the pension benefits described in Note 8, the District provides postemployment healthcare benefits to select groups of employees who retire from the District. The District currently provides health insurance coverage for nine years and an annual \$2,000 stipend for six years to certified retirees that meet the ten year service criteria and are eligible to retire under PSRS. Moreover, support staff eligible to retire under PEERS or PSRS are also eligible to receive district-paid health insurance for three years by working as a support staff substitute twenty-four days per fiscal year for the three-year period. In addition, the retired employee may purchase coverage on members of their family and that cost is paid to the District according the current group rates and terms. The District has reserved the right to modify future terms with regard to benefits for retirees. The unfunded portion of postemployment health care coverage is unknown.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Postemployment Benefits (Continued)**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. There is no associated cost to the District under this program.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance**

In the current year, the School District adopted a standard to report fund balances as nonspendable, restricted, committed, assigned and unassigned in its governmental fund types. In the fund financial statements, restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by the Board based on fund placement in the original adopted and later revised budget, as well as by Board resolution. Upon adoption of a budget where fund balance is used as a source to balance the budget, the Chief Financial Officer shall record the amount as Assigned Fund Balance. The Board delegates the authority to assign amounts for specific purposes to the Chief Financial Officer. Unassigned fund balances are considered the remaining amounts. When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

The nature and purposes of the restricted balances are:

Restricted for Student Scholarships: The District has \$218,198 segregated for scholarships.

Restricted for Debt Service: The District has \$14,121,359 of segregated monies for the purpose of future debt service.

Restricted for Capital Projects: The District has \$15,145,828 set aside for purposes of future capital projects through the Capital Projects Fund.

The Board recognizes that the maintenance of fund balances are essential to provide for unforeseen expenses or emergencies and to provide working capital in the first several months of the fiscal year until sufficient revenues are available to fund operations. By maintaining appropriate fund balances, the District can avoid excessive short-term borrowing and interest expense.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

The District will strive to maintain a minimum fund balance in its operating funds no less than a range of 12% - 15% of its prior year operating expenditures. This minimum level is estimated to be sufficient to provide adequate resources to meet operational needs, to allow for emergencies, and to permit necessary adjustments resulting from fluctuations in revenue sources. If fund balances are ever projected to decline below the 12% floor, administration will develop a plan to replenish the fund balance above the minimum level. The classifications of committed, assigned and unassigned will be combined when calculating the minimum operating fund balance.

**Interfund Activity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

**NOTE 3 CASH AND INVESTMENTS**

**Custodial Credit Risk – Deposits**

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District maintains a cash and investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District.) Each fund type's portion of this pool is displayed on the combined statement of assets, and fund balances arising from cash transactions under each fund's caption. In accordance with applicable Missouri Statute, the District maintains deposits at depository banks authorized by the School District's Board.

**Custodial Credit Risk – Repurchase Agreements and Certificates of Deposit**

The District has a custodial credit risk policy for repurchase agreement investments and for certificates of deposit which requires these funds to be collateralized at least 102% or greater of the balance plus any demand deposit with the depository, less any insurance (FDIC or NCUSIF), as applicable. As of June 30, 2011, the District was not exposed to custodial credit risk at year end. Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk – Investments**

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 investment or collateral securities that are in the possession of an outside party. The District has a custodial credit risk policy to minimize credit risk by (1) pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business and (2) diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investments were not exposed to custodial credit risk at year end.

**Deposits**

The District's deposits in banks at June 30, 2011, were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Missouri Statutes.

**Investments**

The District may purchase any investments allowed by the State Treasurer and Repurchase Agreements. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 180 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law and/or board policy.

The District also participates in the Missouri Securities Investment Program (MOSIP). All funds of MOSIP are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a proportionate share of each investment or deposit which is held in the name of the Fund.

The District participates in the Missouri Direct Deposit Program which is a mechanism for public school bond repayments through the Missouri Health and Educational Facilities Authority (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 in this program are classified as restricted investments.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investment Credit Risk**

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- pre-qualifying the institution with which the District will do business.
- diversifying the portfolio so that potential losses on individual securities will be minimized.

A summary of the District's investments, credit risk, and maturities as of June 30, 2011 is as follows:

<u>Type of Investments</u>	<u>S&amp;P Credit Rating</u>	<u>Weighted Maturity</u>	<u>Carrying Amount</u>
Certificate of Deposit	Not Applicable	10.5 Months	\$ 241,056
U.S. Treasury Notes	AAA	13.6 Months	5,106,831
Federal Agency Bonds and Notes	AAA	5.0 Months	41,610,951
External Investment Pools:			
Missouri Securities Investment Program	AAAm	Not Applicable	14,477
Missouri School District Direct Deposit Program	Not Rated	Not Applicable	6,186,238
			<u><u>\$ 53,159,553</u></u>

Investments in the Missouri School District Direct Deposit Program external investment pool are redeemable every six months based on the general obligation bonds principal and interest debt service requirements. The underlying securities in this program are comprised as follows:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Carrying Amount</u>
Wells Fargo Government Money Market Fund	N/A	N/A	\$ 1,320,821
Guaranteed Investment Contracts	4.40% to 5.020%	Thru March 21, 2027	4,865,417
			<u><u>\$ 6,186,238</u></u>

**Investment Interest Rate Risk**

The District has policies in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Investments in banker's acceptances and commercial paper shall mature in no more than 180 days from purchase date and all other investments, with the exception of investments in the Missouri School District Direct Deposit Program, shall mature and become payable in no more than five (5) years from the purchase date. Maturities of investments held at June 30, 2011 are provided in the schedule above.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 4 TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District. The District also receives sales tax collected by the state, remitted based on Weighted Average Daily Attendance (WADA). 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. On April 3, 2001, the patrons of the Fort Zumwalt School District voted to forego this reduction in property taxes, thus earmarking the entire amount for education.

The assessed valuation of the tangible taxable property for the calendar year 2010 for purposes of local taxation was \$2,069,495,040.

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

	Unadjusted	Adjusted
General (Incidental) Fund	\$ 1.6338	\$ 1.6338
Special Revenue (Teachers) Fund	2.3000	2.3000
Debt Service Fund	0.6200	0.6200
Capital Projects Fund	0.0430	0.0430
Total	\$ 4.5968	\$ 4.5968

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2011 aggregated approximately 99.7 percent of the current assessment computed on the basis of the levy as shown above.

**NOTE 5 LONG-TERM LIABILITIES**

Long-term liability balances and activity of the District's Governmental Activities for the year ended June 30, 2011 were as follows:

	Balance			Balance	Amounts Due
	June 30, 2010	Additions	Reductions	June 30, 2011	Within One Year
General Obligation Bonds	\$ 125,060,000	\$ 18,500,000	\$ (8,630,000)	\$ 134,930,000	\$ 8,880,000
Capital Appreciation Bonds	169,997	-	-	169,997	-
Leasehold Revenue Bonds	21,605,000	-	(2,200,000)	19,405,000	2,465,000
Capital Leases	783,330	609,165	(648,025)	744,470	426,657
Other Debt	-	300,000	-	300,000	80,000
Total Long-Term Liabilities	\$ 147,618,327	\$ 19,409,165	\$ (11,478,025)	\$ 155,549,467	\$ 11,771,657

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds**

General obligation bonds payable at June 30, 2011, consist of:

\$1,050,000 school bonds, series 2002, dated August 1, 2002, due in varying annual installments through March 1, 2012, interest at 3.50% to 5.00%.	\$ 50,000
\$15,000,000 school bonds, series 2003C, dated January 1, 2003, due in varying annual installments through March 1, 2012, interest at 2.50% to 5.00%.	250,000
\$6,825,000 current refunding school bonds, series 2003D, dated December 1, 2003, due in varying annual installments through March 1, 2013, interest at 1.05% to 3.57%.	1,755,000
\$4,825,000 advance refunding school bonds, series 2003E, dated December 1, 2003, due in varying annual installments through March 1, 2013, interest at 1.05% to 3.57%.	1,665,000
\$8,850,000 school bonds, series 2004A, dated January 1, 2004, due in varying annual installments through March 1, 2023, interest at 1.20% to 4.50%.	7,275,000
\$16,375,000 refunding bonds, series 2005A, dated January 1, 2005, due in varying annual installments through March 1, 2020, interest at 3.00% to 5.00%.	11,355,000
\$40,000,000 school bonds, series 2006A, dated April 11, 2006, due in varying annual installments through June 30, 2023, interest at 4.25% to 5.00%.	39,730,000
\$48,615,000 school bonds, series 2006B, dated November 13, 2006, due in varying annual installments through March 1, 2022, interest at 3.75% to 5.00%.	44,140,000
\$3,145,000 refunding bonds, series 2009A, dated March 16, 2009, due in varying annual installments through March 1, 2013, interest at 2.50% to 2.75%.	1,760,000
\$1,485,000 refunding bonds, series 2010A, dated March 15, 2010 due in varying annual installments through March 1, 2021, interest at 2.00% to 3.125%.	1,450,000
\$7,000,000 school bonds, series 2010B, dated March 15, 2010, due in varying annual installments through March 1, 2030, interest at 3.80% to 5.625%.	7,000,000
\$11,840,000 school bonds, series 2010C, dated November 30, 2010, due in varying annual installments through March 1, 2026, interest at 5.30%.	11,840,000
\$6,660,000 school bonds, series 2010D, dated November 30, 2010, due in varying annual installments through March 1, 2029, interest at 3.70% to 5.05%.	<u>6,660,000</u>
Total	<u><u>\$ 134,930,000</u></u>

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation Bonds (Continued)**

General obligation bond debt service requirements to maturity are:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 8,800,000	\$ 5,909,329	\$ 14,709,329
2013	8,980,000	5,492,298	14,472,298
2014	9,505,000	5,142,685	14,647,685
2015	9,945,000	4,674,585	14,619,585
2016	10,415,000	4,198,830	14,613,830
2017-2021	49,630,000	13,913,058	63,543,058
2022-2026	29,770,000	3,078,082	32,848,082
2027-2031	7,885,000	326,963	8,211,963
Total	<u>\$ 134,930,000</u>	<u>\$ 42,735,830</u>	<u>\$ 177,665,830</u>

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to fifteen percent of the assessed valuation of a District (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2011.

In November 2010, the District issued \$11,840,000 general obligation bonds series 2010C and \$6,660,000 general obligation bonds series 2010D. Proceeds of the bonds are for constructing building additions to and repairs and renovations of old buildings in the District.

**Capital Appreciation Bonds**

On March 16, 2009, the District issued Capital Appreciation Bonds with an accretion rate of 16.7% and maturity of \$150,000 on March 1, 2013.

On March 15, 2010, the District issued Capital Appreciation Bonds with an accretion rate of 12.1% and maturities of \$110,000 and \$105,000 on March 1, 2017 and 2018, respectively.

**Leasehold Revenue Bonds**

Leasehold revenue bonds payable at June 30, 2011, consists of:

\$29,570,000 Fort Zumwalt School District Improvement Corporation leasehold revenue refunding and improvement bonds, dated January 1, 2005 due in varying annual installments through March 1, 2017, interest at 3.00% to 5.00%.

\$19,405,000

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**Leasehold Revenue Bonds (Continued)**

Leasehold revenue bonds debt service requirements to maturity are:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,465,000	\$ 888,915	\$ 3,353,915
2013	2,745,000	765,665	3,510,665
2014	3,050,000	628,415	3,678,415
2015	3,385,000	475,915	3,860,915
2016	3,735,000	306,665	4,041,665
2017	4,025,000	161,000	4,186,000
Total	<u>\$ 19,405,000</u>	<u>\$ 3,226,575</u>	<u>\$ 22,631,575</u>

**Capital Leases**

The District has capital leases for digital mailing systems and personal computers. During the year ended June 30, 2011, the District entered into lease obligations, classified as capital leases, for certain computer equipment. The present value of the future minimum lease payments under these agreements totaled \$609,165. Under the cash basis of accounting, the District does not reflect the lease obligations in the statement of cash receipts and disbursements. The District records the payments under the lease agreements as disbursements when funds are expended.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2012	\$ 463,542
2013	173,759
2014	171,527
Total minimum lease payments	<u>808,828</u>
Less: Amount representing interest	(64,358)
Present value of future minimum lease payments	<u>\$ 744,470</u>

**Other Debt**

During the year ended June 30, 2011, the District acquired land in exchange for the issuance of the following promissory note. Under the cash basis of accounting, the District does not reflect this transaction in the statement of cash receipts and disbursements. The District records the payments under the promissory note when funds are expended.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

Other debt at June 30, 2011 consists of:

Promissory Note of \$300,000 payable to Thomas R. Hughes and Carolyn Hughes for property, dated March 3, 2011, due in varying installments through March 3, 2016, no stated interest.

\$ 300,000

Other debt service requirements to maturity are:

Year Ended June 30,	Principal
2012	\$ 80,000
2013	55,000
2014	55,000
2015	55,000
2016	55,000
Total	<u>\$ 300,000</u>

**NOTE 6 OPERATING LEASES**

The District's future minimum rental commitments for various leases, accounted for as operating leases at June 30, 2011, are as follows:

Year Ended June 30,	Various Operating Leases
2012	\$ 1,978,266
2013	239,311
2014	121,094
2015	106,306
2016	43,599
Total	<u>\$ 2,488,576</u>

Rent payments for fiscal year ending June 30, 2011 were \$2,207,067 for the District.

**NOTE 7 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2011 consisted of \$2,267,421 transferred to the Special Revenue Fund and \$1,050,252 to the Capital Projects Fund from the General Fund. The transfers were used to move tax, grant, and other revenues required by Statute to be collected by the General Fund to the required fund for expenditure.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 RETIREMENT PLAN**

The Fort Zumwalt School District contributed to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement, disability and death benefits to certificated staff employed for at least 17 hours per week on a regular basis in a position that requires the employee to work at least 600 hours during the school term. Positions covered by the Public School Retirement System are generally 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 14.00% of their annual covered salary and the Fort Zumwalt School District is required to contribute a matching amount. The contribution requirements of members and the Fort Zumwalt School District are established and may be amended by the PSRS Board of Trustees. The school district's contributions to PSRS for the years ending June 30, 2011, 2010 and 2009 were \$12,671,413, \$12,153,541 and \$11,030,763, respectively, equal to the required contributions for each year.

Fort Zumwalt School District also contributes to Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement, disability and death benefits to employees of the District who work 20 or more hours per week on a regular basis in a position that normally required the employee to work at least 600 hours during the school term 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 to the Board of Trustees of the Public Education Employee 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 School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.63% of their annual covered salary and Fort Zumwalt School District is required to contribute a matching amount. The contribution requirements of members and Fort Zumwalt School District are established and may be amended by the Board of Trustees. The school district's contributions to PEERS for the years ending June 30, 2011, 2010 and 2009 were \$2,197,594, \$2,179,244 and \$1,931,533, respectively, equal to the required contributions for each year.

**FORT ZUMWALT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9 PARTICIPATION IN PUBLIC ENTITY RISK POOL - (MUSIC)**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in an insurance trust with approximately 462 other Missouri Public School Districts that form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. By participating in this pool, the District can obtain coverage more economically than if purchased separately.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Federal and State Revenue**

Amounts received from federal or state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**Construction Contracts**

The District has agreements with various contractors for construction throughout the District. At June 30, 2011, the District has construction commitments of approximately \$8.4 million.

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2011**

<u>Federal Grantor/Pass-through Grantor/ Cluster or Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF EDUCATION:			
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
IDEA Cluster:			
IDEA, Part B	84.027	092-087	\$ 3,369,112
IDEA, Part B High Needs Fund	84.027	092-087	153,769
IDEA, Early Childhood Special Education	84.173	092-087	656,094
ARRA - Special Education—Grants to States (IDEA, Part B)	84.391	092-087	150,634
Total IDEA Cluster			<u>4,329,609</u>
State Fiscal Stabilization Fund Cluster:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	092-087	1,777,572
ARRA - State Fiscal Stabilization Government Services Func	84.397	092-087	1,086,778
Total State Fiscal Stabilization Fund Cluster			<u>2,864,350</u>
Title I Grants to Local Educational Agencies	84.010	092-087	1,018,992
Title I School Improvement	84.377	092-087	62,883
Title II, Part A of ESEA	84.367	092-087	400,121
Title II, Part D	84.318X	092-087	983
Title III, Part A of ESEA	84.365	092-087	41,000
Title IV, Part A, Subpart 1 of ESEA	84.186	092-087	6,620
Education Jobs Fund	84.410	092-087	3,249,544
Curriculum Substitute Payment - Title II	84.367	092-087	851
Vocational Education-Carl Perkins	84.048A	092-087	154,193
Total			<u>4,935,187</u>
Total U.S. Department of Education			<u>12,129,146</u>
U.S. DEPARTMENT OF AGRICULTURE:			
<i>Pass-through Missouri Department of Elementary and Secondary Education:</i>			
Child Nutrition Cluster:			
<i>Non Cash Assistance (Commodities):</i>			
National School Lunch Program	10.555	092-087	386,588
<i>Non Cash Assistance Subtotal</i>			<u>386,588</u>
<i>Cash Assistance:</i>			
National School Lunch Program	10.555	092-087	1,488,292
School Breakfast Program	10.553	092-087	216,508
<i>Cash Assistance Subtotal</i>			<u>1,704,800</u>
Total National School Lunch Cluster			<u>2,091,388</u>
Total U.S. Department of Agriculture			<u>2,091,388</u>
Total Federal Financial Assistance			<u>\$14,220,534</u>

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2011**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Fort Zumwalt School District and is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**FORT ZUMWALT SCHOOL DISTRICT  
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL – DEBT SERVICE FUND  
 YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>RECEIPTS</b>				
Local	\$ 13,176,629	\$ 13,479,641	\$ 13,217,781	\$ (261,860)
County	308,193	308,293	260,673	(47,620)
Total Receipts	<u>13,484,822</u>	<u>13,787,934</u>	<u>13,478,454</u>	<u>(309,480)</u>
<b>DISBURSEMENTS</b>				
Debt Service	<u>13,849,282</u>	<u>14,326,043</u>	<u>14,323,524</u>	<u>(2,519)</u>
Total Disbursements	<u>13,849,282</u>	<u>14,326,043</u>	<u>14,323,524</u>	<u>(2,519)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(364,460)	(538,109)	(845,070)	(306,961)
<b>CASH BASIS FUND BALANCE - JULY 1, 2010</b>	<u>14,966,429</u>	<u>14,966,429</u>	<u>14,966,429</u>	<u>-</u>
<b>CASH BASIS FUND BALANCE - JUNE 30, 2011</b>	<u><u>\$ 14,601,969</u></u>	<u><u>\$ 14,428,320</u></u>	<u><u>\$ 14,121,359</u></u>	<u><u>\$ (306,961)</u></u>

**SCHEDULE 2  
(CONTINUED)**

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL – CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>RECEIPTS</b>				
Local	\$ 4,053,008	\$ 3,312,647	\$ 3,289,003	\$ (23,644)
County	21,376	21,384	30,056	8,672
Total Receipts	<u>4,074,384</u>	<u>3,334,031</u>	<u>3,319,059</u>	<u>(14,972)</u>
<b>DISBURSEMENTS</b>				
Instruction	120,106	70,465	62,892	(7,573)
Student Services	3,000	6,000	5,959	(41)
Instructional Staff Support	586,500	586,500	581,347	(5,153)
Building Administration	3,866	9,366	7,516	(1,850)
General Administration and Central Services	259,600	298,173	287,905	(10,268)
Operation of Plant	167,361	205,118	163,701	(41,417)
Transportation	-	8,700	8,700	-
Food Service	101,400	36,400	34,592	(1,808)
Facility Acquisition and Construction	13,737,000	25,124,625	10,152,039	(14,972,586)
Debt Service	3,048,173	3,224,922	3,220,111	(4,811)
Total Disbursements	<u>18,027,006</u>	<u>29,570,269</u>	<u>14,524,762</u>	<u>(15,045,507)</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>	(13,952,622)	(26,236,238)	(11,205,703)	15,030,535
<b>OTHER FINANCING SOURCES</b>				
Transfer From	-	1,050,252	1,050,252	-
Sale of Bonds	7,000,000	18,500,000	18,500,000	-
Total Other Financing Sources	<u>7,000,000</u>	<u>19,550,252</u>	<u>19,550,252</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(6,952,622)	(6,685,986)	8,344,549	15,030,535
<b>CASH BASIS FUND BALANCE - JULY 1, 2010</b>	<u>7,027,000</u>	<u>6,801,279</u>	<u>6,801,279</u>	<u>-</u>
<b>CASH BASIS FUND BALANCE - JUNE 30, 2011</b>	<u>\$ 74,378</u>	<u>\$ 115,293</u>	<u>\$ 15,145,828</u>	<u>\$ 15,030,535</u>

**SCHEDULE 3**

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS BY SOURCE – ALL GOVERNMENTAL FUNDS – CASH BASIS  
YEAR ENDED JUNE 30, 2011**

	<b>Government Funds</b>				<b>Total</b>
	<b>General (Incidental) Fund</b>	<b>Special Revenue (Teachers) Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
<b>LOCAL</b>					
Current Taxes	\$ 30,759,909	\$ 43,302,592	\$ 11,672,880	\$ 809,573	\$ 86,544,954
Delinquent Taxes	2,954,292	4,158,961	1,121,129	77,727	8,312,109
School District Trust Fund	3,870,325	9,766,256	-	-	13,636,581
Financial Institution Taxes	-	-	-	28,917	28,917
M & M Surcharge Tax	-	-	-	2,351,182	2,351,182
In Lieu of Tax	222,149	312,731	84,301	5,846	625,027
Transportation Fees from Patrons	123,205	-	-	-	123,205
Earnings on Investment	379,875	65,938	339,471	15,758	801,042
Food Service Program	2,696,677	-	-	-	2,696,677
Food Service Non-Program	1,697,247	-	-	-	1,697,247
Student Activities	4,339,575	-	-	-	4,339,575
Other Local	228,021	-	-	-	228,021
Total Local	47,271,275	57,606,478	13,217,781	3,289,003	121,384,537
<b>COUNTY</b>					
Fines, etc.	-	418,500	-	-	418,500
State Assessed Utilities	836,798	1,164,213	260,673	30,056	2,291,740
Total County	836,798	1,582,713	260,673	30,056	2,710,240
<b>STATE</b>					
Basic Formula	-	36,600,723	-	-	36,600,723
Transportation	2,110,615	-	-	-	2,110,615
Exceptional Pupil/Gifted Aid	787,313	4,461,438	-	-	5,248,751
Basic Formula: Classroom Trust Fund	-	7,224,588	-	-	7,224,588
Educational Screening Program	281,863	5,751	-	-	287,614
Vocational/Technical Aid	38,064	-	-	-	38,064
Food Service	34,608	-	-	-	34,608
Other State	1,896,488	-	-	-	1,896,488
Total State	5,148,951	48,292,500	-	-	53,441,451

**SCHEDULE 3  
(CONTINUED)**

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS BY SOURCE – ALL GOVERNMENTAL FUNDS – CASH BASIS  
YEAR ENDED JUNE 30, 2011**

	<u>Government Funds</u>				<u>Total</u>
	<u>General (Incidental) Fund</u>	<u>Special Revenue (Teachers) Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<b>FEDERAL</b>					
Medicaid	\$ 224,093	\$ -	\$ -	\$ -	\$ 224,093
Basic Formula - Federal Budget					
Stabilization - ARRA	-	2,864,350	-	-	2,864,350
Vocational Education - Title I, Basic Grant	-	154,193	-	-	154,193
Individuals with Disabilities Ed. Act	802,593	2,686,940	-	-	3,489,533
Early Childhood Special Education	98,414	557,680	-	-	656,094
School Lunch Program	1,488,292	-	-	-	1,488,292
Food Service	216,508	-	-	-	216,508
Title I - ESEA	339,474	721,383	-	-	1,060,857
Title II - Part A, ESEA	308,523	97,429	-	-	405,952
Title II - Part D, ESEA	983	-	-	-	983
Title III - English Language Acquisition	41,781	-	-	-	41,781
Title IV - Drug Free Schools	6,620	-	-	-	6,620
Title VII - Part B - McKinney - Vento					
Homeless Assistance - ARRA	1,043	-	-	-	1,043
IDEA, Part B (611) - ARRA	26,017	124,541	-	-	150,558
IDEA, Part B (619) - ARRA	-	450	-	-	450
Jobs Bill	-	3,249,544	-	-	3,249,544
Other - Federal	691	160	-	-	851
Total Federal	<u>3,555,032</u>	<u>10,456,670</u>	<u>-</u>	<u>-</u>	<u>14,011,702</u>
<b>OTHER</b>					
Contracted Educational Services	38,741	-	-	-	38,741
Total Other	<u>38,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,741</u>
 Total - All Sources	 <u>\$ 56,850,797</u>	 <u>\$ 117,938,361</u>	 <u>\$ 13,478,454</u>	 <u>\$ 3,319,059</u>	 <u>\$ 191,586,671</u>

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF DISBURSEMENTS BY OBJECT  
YEAR ENDED JUNE 30, 2011**

	<b>General (Incidental) Fund</b>	<b>Special Revenue (Teachers) Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
Salaries	\$24,345,410	\$ 87,146,932	\$ -	\$ -	\$ 111,492,342
Employee Benefits	10,266,088	27,455,424	-	-	37,721,512
Purchased Services	9,519,006	5,848,624	-	34,026	15,401,656
Supplies	14,627,618	-	-	-	14,627,618
Capital Outlay	-	-	-	11,270,625	11,270,625
Debt Service and Fiscal Charges	-	-	14,323,524	3,220,111	17,543,635
Total	<u>\$58,758,122</u>	<u>\$120,450,980</u>	<u>\$ 14,323,524</u>	<u>\$ 14,524,762</u>	<u>\$ 208,057,388</u>

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF PRINCIPAL TAXPAYERS  
YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

The following schedule summarizes the top ten taxpayers located within the tax jurisdiction of the School District based on assessed valuation as of December 31, 2010:

Rank	Property Owner	Business	Assessed Valuation	Percentage of Total Assessed Valuation
1	Mid Rivers Mall LLC	Mid Rivers Mall	\$19,692,444	0.95%
2	True and True Inc / Three T's / Six T's	True Manufacturing Co	17,585,038	0.85%
3	DNS Electronic Materials Inc	MEMC Electronic Materials Inc	13,103,265	0.63%
4	Airwick Industries Inc	Reckitt Benckiser	9,593,712	0.46%
5	DP II LLC/Caplaco Five Inc/Caplaco Sixteen	Dierberg Stores	6,840,265	0.33%
6	TR Turnberry Corporation	Apartments	5,961,060	0.29%
7	Mept West 70 Commerce Center LLC	Citi Mortgage Record Center	5,822,512	0.28%
8	THF O'Fallon Development	Developer	5,791,110	0.28%
9	Laclede Gas Co	Utility	5,696,603	0.28%
10	Darlington Enclave At Winghaven UI LLC	Apartments	5,149,110	0.25%
Total			<u>\$ 95,235,119</u>	<u>4.60%</u>
	Total Assessed Valuation, December 31, 2010		<u>\$ 2,069,495,040</u>	

## 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  
Fort Zumwalt School District  
O'Fallon, Missouri

We have audited the financial statements of the governmental activities, and each major fund of Fort Zumwalt School District, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2011. As described in our report on the financial statements, the Fort Zumwalt School District prepares its financial statements on the cash basis of accounting. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Fort Zumwalt School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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

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

This report is intended solely for the information and use of management, Board of Education, Missouri Department of Elementary and Secondary Education, 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.

*LarsonAllen LLP*  
**LarsonAllen LLP**

St. Louis, Missouri  
November 4, 2011

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

Board of Education  
Fort Zumwalt School District  
O'Fallon, Missouri

### **Compliance**

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

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

In our opinion, Fort Zumwalt School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

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

**Internal Control Over Compliance (Continued)**

*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 would not necessarily 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 the use of the administration, management, Board of Education, Missouri Department of Elementary and Secondary Education, federal awarding agencies and other pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*LarsonAllen LLP*  
**LarsonAllen LLP**

St. Louis, Missouri  
November 4, 2011

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**Section I – Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Significant deficiency identified that is not considered to be a material weakness?  
Noncompliance material to financial statements noted?  Yes  None Reported
- Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness identified?  Yes  No
- Significant deficiency identified that is not considered to be a material weakness?  
 Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes  No

Identification of major programs?

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.367	Title II, Part A	\$ 400,121
84.410	Education Jobs Fund	3,249,544
84.394, 84.397	State Fiscal Stabilization Cluster	2,864,350
	Total	<u>\$ 6,514,015</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 426,616

Auditee qualified as low-risk auditee?  Yes  No

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2011**

**Section II – Financial Statement Findings**

The audit did not disclose any noncompliance which is material to the financial statements of the District.

**Section III – Federal Awards Findings and Questioned Costs**

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the year ended June 30, 2011.

**FORT ZUMWALT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2011**

**Financial Statement Findings**

The audit did not disclose any noncompliance which is material to the financial statements of the district for the year ended June 30, 2010.

**Federal Award Findings and Questioned Costs**

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

## REPORT ON TRANSPORTATION COSTS PAID ELIGIBLE FOR STATE AID

Board of Education  
Fort Zumwalt School District  
O'Fallon, Missouri

We have audited the financial statements of the governmental activities and each major fund of Fort Zumwalt School District, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 4, 2011. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on the basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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.

Our audit was conducted for the purpose of forming opinions on the financial statements of Fort Zumwalt School District, taken as a whole. The accompanying Schedule of Transportation Costs Paid Eligible for State Aid is presented for purposes of additional analysis and is not a required part of the financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

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

*LarsonAllen LLP*  
**LarsonAllen LLP**

St. Louis, Missouri  
November 4, 2011

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF TRANSPORTATION DISBURSEMENTS  
YEAR ENDED JUNE 30, 2011**

	<b>Pupil Contracted</b>	<b>Pupil District Owned</b>	<b>Handicapped Contracted</b>	<b>Handicapped District Owned</b>	<b>Non- Allowable</b>	<b>School Choice</b>	<b>Early Childhood Special Edu.</b>	<b>Total</b>
Non-Certified Salaries	\$ -	\$ 3,289,748	\$ -	\$ 675,353	\$ -	\$143,000	\$ 399,809	\$ 4,507,910
Fringe Benefits	-	1,545,104	-	365,323	-	55,000	212,097	2,177,524
Purchased Services	52,348	1,390,809	330,009	83,695	-	-	255,359	2,112,220
Supplies	-	813,388	-	177,258	2,672	-	92,968	1,086,286
Capital Outlay	-	-	-	-	8,700	-	-	8,700
<b>Total</b>	<b>\$ 52,348</b>	<b>\$7,039,049</b>	<b>\$ 330,009</b>	<b>\$ 1,301,629</b>	<b>\$ 11,372</b>	<b>\$198,000</b>	<b>\$ 960,233</b>	<b>\$ 9,892,640</b>

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education  
Fort Zumwalt School District  
O'Fallon, Missouri

We have examined management's assertions, included in its representation letter dated November 4, 2011, that Fort Zumwalt School District did comply with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, attendance and pupil transportation records and other statutory requirements as listed in the Schedule of Selected Statistics. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination 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 examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, management's assertions that Fort Zumwalt School District complied with the aforementioned requirements for the year ended June 30, 2011, are fairly stated, in all material respects.

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

*LarsonAllen LLP*  
**LarsonAllen LLP**

St. Louis, Missouri  
November 4, 2011

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011**

**Single Audit - Year ended June 30, 2011**

**Calendar (Sections 160.041 and 171.031, RSMo)**

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

<u>Grades</u>	<u>Hours</u>
K-8	1,109
9-12	1,090

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

<u>Grades</u>	<u>Days</u>
K-8	174
9-12	177

**Average Daily Attendance (ADA)**

	<u>Full &amp; Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
Regular Term	17,529.73	-	17,529.73
	<u>Resident</u>	<u>Deseg In</u>	
Summer School	120.32	-	<u>120.32</u>
			<u>17,650.05</u>
			<u>Regular Term Plus Summer School ADA</u>

**September Membership**

	<u>Full &amp; Part- Time</u>	<u>Deseg In</u>	<u>Total</u>
September Membership FTE Count	18,635.36	-	18,635.36

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011**

**Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)**

	<u>Full &amp; Part- Time</u>	<u>Deseg In</u>	<u>Total</u>
Free FTE	2,770.87	-	2,770.87
Reduced FTE	768.25	-	768.25
Total	<u>3,539.12</u>	<u>-</u>	<u>3,539.12</u>

**Finance**

As required by Section 162.401, RSMo, a bond was purchased for the district's treasurer in the total amount of: **\$25,000**

The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. **True**

The district maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. **True**

The district issued the following type(s) of general obligation refunding bonds in the current year.

<b>Current</b>	<b>N/A</b>
<b>Advanced-Defeased</b>	<b>N/A</b>
<b>Advanced-Crossover</b>	<b>N/A</b>

The district has appropriately included all current and prior year crossover refunding bonds in the financial statements. **N/A**

The district has a school improvement plan. **True**

The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. **True**

The amount spent for approved professional development committee plan activities was: **\$284,265**

The district did not use state-funded grant monies to supplant existing salaries. **True**

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

If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. **True**

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011**

**Finance (Continued)**

The district took action prior to October 31 to cause the current year's audit to be performed. **True**

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

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

Finding #: **N/A**

Management Letter Comment #: **N/A**

**Transportation (Section 163.161, RSMo)**

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

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

Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

<b>Eligible ADT</b>	<b>11,970</b>
<b>Ineligible ADT</b>	<b>1,138</b>

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

Actual odometer records show the total district-operated and contracted mileage for the year was: **1,962,089**

Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

▪ <b>Eligible Miles</b>	<b>1,786,375</b>
▪ <b>Ineligible Miles (Non-Route/Disapproved)</b>	<b>175,714</b>

Number of days the district operated the school transportation system during the regular school year: **177**

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

Finding #: **N/A**

Management Letter Comment #: **N/A**

**FORT ZUMWALT SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011**

**Missouri School Improvement Program (MSIP)**

The district has adequate procedures that allow for the proper recording and reporting of hours of absence. **True**

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 and on the June Cycle of Core Data. **True**

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. **True**

The district has a set of procedures that ensure advanced courses and career courses (approved by the state) are properly identified and reported according to Core Data standards. **True**

All above "False" answers must be supported by a finding or management letter comment.  
Finding #: **N/A**  
Management Letter Comment #: **N/A**