

**FOX C-6 SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**June 30, 2019**

# FOX C-6 SCHOOL DISTRICT

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# FOX C-6 SCHOOL DISTRICT

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## **Independent Auditors' Report**

Board of Education  
Fox C-6 School District

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Fox C-6 School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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



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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, supplementary information, and schedule of selected statistics are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The management's discussion and analysis, supplementary information, and schedule of selected statistics, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The schedule of expenditures of federal awards as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing standards applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Keiser, Eck & Braeckel LLP.*

St. Louis, Missouri  
December 12, 2019

# **FOX C-6 SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

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The Management's Discussion and Analysis (MD&A) of the Fox C-6 School District ("District") provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2019. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the financial section and the notes thereto to enhance their understanding of the District's modified cash basis financial performance.

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

The MD&A is voluntarily provided additional information provided by the District which is specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in 1999. Certain comparative information between the current year, 2018-2019 (FY19), and the prior year, FY18, is required to be presented in the MD&A.

### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2019, include the following:

- The governmental activities net position (modified cash basis) were \$21,942,973 as compared to \$23,712,641 the previous year. The governmental funds ending fund balances (modified cash basis) were \$21,353,812 as compared to \$21,482,386 the previous year.
- Program revenues collected made up 15.7% of the total revenues collected for the year ended June 30, 2019, as compared to 14.8% the previous year. These program revenues collected covered 15.7% of the program expenditures paid leaving 84.3%, to be covered by general revenues collected and fund balances, as compared to 14.8% of the program expenditures paid leaving 85.2%, to be covered by general revenues collected and fund balances the previous year.

# FOX C-6 SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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### Using the Basic Financial Statements

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

The government-wide financial statements, consisting of the Statement of Net Position (modified cash basis) and the Statement of Activities (modified cash basis), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District's modified cash basis financial condition. They present an aggregate view of the District's modified cash basis finances. These statements seek to answer the question, "How did the District do financially during the 2018-2019 fiscal year?" In short, is the District better financially this year, or is it worse than the prior year? These statements include all cash and investments using the modified cash basis of accounting.

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is presented on a modified cash basis which is consistent with the other funds of the District.

# FOX C-6 SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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### Government-Wide Financial Analysis

Net position of the District at June 30, 2019, of \$21,942,973 reflect the District's total assets of cash and investments net of payroll liabilities as compared to June 30, 2018, of \$23,712,641. Net position of the District consists of the following as of June 30,:

	<u>2019</u>	<u>2018</u>
Restricted	\$ 5,796,323	\$ 6,984,659
Unrestricted	<u>16,146,650</u>	<u>16,727,982</u>
Total net position	<u>\$21,942,973</u>	<u>\$23,712,641</u>

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

# FOX C-6 SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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### Governmental Activities

A net position of \$21,942,973 as of June 30, 2019, reflects a decrease of \$1,769,668 from the net position balance of \$23,712,641 at June 30, 2018. Key elements of this decrease consist of the following:

CHANGES IN NET POSITION		
Years ended June 30,		
	2019	2018
Program revenues		
Charges for services	\$ 8,824,106	\$ 8,394,744
Operating grants and contributions	12,147,738	11,323,178
General revenues		
Taxes	55,652,090	54,562,665
Federal, state and county aid not restricted to specific purposes	2,895,701	3,249,792
State aid	51,067,697	50,735,201
Interest and investment earnings	976,479	2,670,990
Other	182,145	251,367
Total revenues	131,745,956	131,187,937
Function/program expenses		
Instruction	71,572,375	73,472,440
Capital outlay	7,185,164	4,478,868
Debt service		
Principal	5,280,690	6,797,687
Interest and other charges	2,113,972	3,673,558
Other	47,363,423	44,329,587
Total functional/program expenses	133,515,624	132,752,140
Change in net position	(1,769,668)	(1,564,203)
Net position at beginning of year	23,712,641	25,276,844
Net position at end of year	<u>\$ 21,942,973</u>	<u>\$ 23,712,641</u>

## FOX C-6 SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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As reflected above the expenses paid of the District's governmental activities for the years ended June 30, 2019 and 2018, of \$133,515,624 and \$132,752,140, respectively, are not all borne by the taxpayers of the District. Of these amounts \$8,824,106 and \$8,394,744 were paid by those who benefited from the services rendered (e.g., charges for school lunches) and \$12,147,738 and \$11,323,178 were paid through federal and state operating grants and contributions. For the year ended June 30, 2019, no portion of revenue was used to fund capital expenditures.

Consequently, the net costs of \$112,543,780 and \$113,034,218, after taking into consideration these fees and grants, were paid from other general revenues, which include property taxes paid by the taxpayers of the District as well as other taxes, additional state funding and fund balances.

The next table shows the total cost of programs and the net cost of these programs (after deducting charges for services and grants and contributions revenue collected of the various categories of expenses paid for the years ended June 30, 2019 and 2018. The net cost presentation allows the taxpayers of the District to determine the remaining cost of the various categories which were borne by them or paid from other general revenues and fund balances, and allows them the opportunity to assess the cost of these functions in comparison to the benefits received.

	2019		2018	
	Total cost of programs	Net cost of programs	Total cost of programs	Net cost of programs
Instruction	\$ 71,572,375	\$ 62,884,150	\$ 73,472,440	\$ 65,318,153
Guidance/attendance	2,503,743	2,503,743	2,495,290	2,495,290
Health, psych, speech and audio	4,491,668	4,491,668	998,447	998,447
Improvement of instruction	1,816,248	1,816,248	1,534,350	1,534,350
Professional development	498,542	498,542	461,299	461,299
Media services	3,352,543	3,352,543	3,204,472	3,204,472
Board of education services	287,536	287,536	292,426	292,426
Executive administration	2,719,007	2,719,007	977,088	977,088
Building administration	7,654,302	7,654,302	7,360,627	7,360,627
Business central services	1,491,222	1,491,222	1,464,546	1,464,546
Operation of plant	8,884,288	8,884,288	9,582,822	9,582,822
Security services	402,882	402,882	263,648	263,648
Pupil transportation	4,972,014	3,697,908	5,095,386	4,093,514
Food services	4,349,877	210,477	4,122,423	70,644
Student activities	2,029,046	(2,020,311)	4,788,980	619,855
Community services	1,910,505	(910,251)	1,687,783	(653,076)
Facilities acquisition and construction	7,185,164	7,185,164	4,478,868	4,478,868
Debt service				
Principal	5,280,690	5,280,690	6,797,687	6,797,687
Interest and other charges	2,113,972	2,113,972	3,673,558	3,673,558
Total	<u>\$ 133,515,624</u>	<u>\$ 112,543,780</u>	<u>\$ 132,752,140</u>	<u>\$ 113,034,218</u>



# **FOX C-6 SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

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### **Governmental Funds Financial Analysis**

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

These statements also allow the reader to obtain more insight into the modified cash basis financial workings of the District and assess further the District's modified cash basis financial health. The District completed the fiscal year ended June 30, 2019 with a combined modified cash basis fund balance for Governmental funds (as presented in the Statement of Assets, Liabilities and Fund Balances (Modified cash basis)) of \$21,353,812 as compared to a combined fund balance of \$21,482,386, a decrease of \$128,574.

The fund balance of the operating funds (General and Special Revenue) was increased by \$40,920 as compared to a decrease of \$69,963 the previous year. Transfers were made to the Capital Projects Fund during 2018-2019 in the amount of \$5,038,431.

The fund balance of the Debt Service Fund increased by \$452,758 as compared to a decrease of \$144,861 from the previous year.

The fund balance of the Capital Fund decreased by \$622,252 as compared to a decrease of \$1,504,324 from the previous year.

The \$5,207,162 balance of the Debt Service Fund is legally restricted for payment of bond principal, interest and related fees.

The major source of revenue for operations and debt service is local property taxes amounting to \$42,556,927. This is derived from the District's operating levy of \$4.1371 and the debt service levy of \$0.3901 for a total levy of \$4.5272. Other significant local revenues are \$1,332,615 from delinquent local taxes, \$11,472,559 from sales tax through Prop-C funding, \$1,953,993 from food service, \$2,022,146 from community services and \$4,715,805 from student activities.

County revenues of \$2,586,007 are derived from state assessed utility property of \$2,464,758 and county fines of \$121,249.

## FOX C-6 SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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State funding which makes up 43.2% of total revenues collected which increased from the previous year by \$905,260 to \$56,871,356. The State Foundation Formula for Basic State Aid was \$46,527,378, an increase of \$369,293 from the prior year. Significant state revenues collected are:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Basic formula and classroom trust	\$ 51,067,697	\$ 50,735,201
Transportation	1,274,106	1,001,872
Early childhood education	3,940,143	3,667,275
Other	<u>589,410</u>	<u>561,748</u>
Total state revenue	<u>\$ 56,871,356</u>	<u>\$ 55,966,096</u>

Federal funding which makes up 5.2% of total revenues collected was increased to \$6,833,630 from \$6,689,832 the previous year. Significant federal revenues collected are:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Medicaid	\$ 293,573	\$ 432,550
Individuals with disabilities	2,322,143	2,063,893
Early childhood special education	259,571	503,437
School lunch and breakfast	2,152,855	2,132,463
Title I	1,440,168	1,191,649
Title II A	317,806	342,567
Other	<u>47,514</u>	<u>23,273</u>
Total federal revenue	<u>\$ 6,833,630</u>	<u>\$ 6,689,832</u>

Total governmental fund expenditures paid were \$131,863,236 for the year compared to \$147,566,131 the previous year. The General Fund accounts for \$40,359,637 or 30.6% of the total expenditures. The Special Revenue (Teachers) Fund accounts for \$76,808,292 or 58.2% of total expenditures and consists of certificated teacher salaries and insurance benefits. Debt Service Fund expenditures of \$3,691,181 or 2.8% of total expenditures are for principal and interest on general obligation bonds. Capital Fund expenditures of \$11,004,126 or 8.3% of total expenditures are for payments on capital leases, construction projects, facility repairs and equipment.

# FOX C-6 SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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

	REVENUES			
	Years ended June 30,			
	2019	%	2018	%
Local	\$ 65,443,669	49.7%	\$ 63,745,549	49.3%
County	2,586,007	2.0%	2,809,065	2.2%
State	56,871,356	43.2%	55,966,096	43.3%
Federal	6,833,630	5.1%	6,689,832	5.2%
Total revenues collected	<u>\$ 131,734,662</u>	<u>100.0%</u>	<u>\$129,210,542</u>	<u>100.0%</u>

	EXPENDITURES			
	Years ended June 30,			
	2019	%	2018	%
Instruction	\$ 72,578,869	55.0%	\$ 78,353,783	59.4%
Support services	42,820,583	32.5%	38,448,874	29.1%
Debt services	7,394,662	5.6%	9,028,427	6.8%
Facilities acquisition and construction	7,185,162	5.5%	4,478,868	3.4%
Community services and other	1,883,960	1.4%	1,689,775	1.3%
Total expenditures	<u>\$ 131,863,236</u>	<u>100.0%</u>	<u>\$131,999,727</u>	<u>100.0%</u>

### Budgetary Highlights

Over the course of the year, the Board of Education made a final revision on June 18, 2019, District's budget to take into consideration final differences in revenues collected or expenditures paid as compared to the original budget. Missouri statutes for public school finance, Section 67.010, RSMo. require a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 19, 2018.

Statements comparing fund modified cash basis revenues and expenditures to the original and final budgets are provided in the auditor's report. General revenues were less than the original budgets reflecting the less than anticipated local revenues, state revenues and Federal revenues. Total expenditures were less than the original budgets primarily due to expenditures being reduced as a result of the uncertainties in state funding and the warnings of further reductions projected for the next few years.

# FOX C-6 SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

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### Capital Assets and Debt Administration

#### *Capital Assets*

The District operates under the modified cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements. Increases in capital expenditure were primarily due to capital projects related to bond issuances for building and technology improvements.

#### *Long-Term Obligations*

At June 30, 2019, the District had outstanding general obligation bonds of \$29,269,963 reflecting principal payments of \$2,500,000.00 and interest payments of \$1,181,881 made during the year.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The debt limitation is \$145,748,119 at June 30, 2019, is based on the December 31, 2018 assessed values.

The District has capital leases with outstanding future lease payments of \$20,749,449 at June 30, 2019, after principal payments of \$2,772,400 were made during the year and interest paid in the amount of \$921,712.

The District holds an energy loan with the Department of Natural Resources (DNR) with an outstanding balance of \$77,979. Principal payments were made during the year in the amount of \$8,290 along with interest payments of \$1,078.

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

#### **Economic Factors**

The District initially adopted a deficit budget for the 2018-2019 fiscal year with the expectation that the administrative team would investigate all opportunities to balance the budget throughout the fiscal year. Budget controls were successfully enforced to balance the budget in addition to total revenues exceeding initial expectations for funding. The District ended the 2018-2019 fiscal year at a relatively similar fund balance as the previous fiscal year.

District average daily attendance appears to be stagnant and therefore state revenues sources are somewhat limited to the growth passed on by Missouri's availability of funding. Attempts are in progress to increase revenue opportunities through community outreach programming for the 2018-2019 fiscal year. Overall opportunities for revenue growth are limited.

# **FOX C-6 SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

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The 2019-2020 budget was passed as a deficit budget. The District administration will investigate all opportunities to attempt to close the deficit as the 2019-2020 year progresses and cost controls are identified. This has been accomplished with consideration to appropriate building improvements and continued development of curriculum. Attempting to work within budget restraints is necessary to avoid using fund balance unless absolutely necessary to maintain facilities and avoid detriment to student achievement.

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

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of Fox C-6 School District finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report, please contact Mr. John Brazeal, Chief Financial Officer at 636-296-8000.

### **Description of the School District and Reporting Entity**

Fox C-6 School District (the District) was established in 1948 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 172.

The School District located in Jefferson County, Missouri serves an area of approximately 75 square miles. The district is staffed by 678 non-certificated employees, 798 certificated full-time teaching personnel, and 70 administrative employees who provide services to nearly 11,300 students and other community members. The School District currently operates eleven (11) elementary (K-5), four (4) middle schools (6-8) and two (2) high schools (9-12).

# FOX C-6 SCHOOL DISTRICT

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2019

	<u>Governmental activities</u>
ASSETS	
Cash and investments	\$ 19,995,696
Restricted cash and investments	<u>5,796,323</u>
Total assets	<u><u>\$ 25,792,019</u></u>
LIABILITIES	
Payroll withholdings	\$ 3,849,046
NET POSITION	
Restricted for:	
Debt service	5,207,162
Future medical claims	589,161
Unrestricted	<u>16,146,650</u>
Total net position	<u>21,942,973</u>
Total liabilities and net position	<u><u>\$ 25,792,019</u></u>

See notes to financial statements.

**FOX C-6 SCHOOL DISTRICT**
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**Year ended June 30, 2019**

Function/Program	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental activities					
Instruction	\$ 71,572,375	\$ -	\$ 8,688,225	\$ -	\$ (62,884,150)
Attendance	64,152	-	-	-	(64,152)
Guidance	2,439,591	-	-	-	(2,439,591)
Health, psych, speech and audio	4,491,668	-	-	-	(4,491,668)
Improvement of instruction	1,816,248	-	-	-	(1,816,248)
Professional development	498,542	-	-	-	(498,542)
Media services	3,352,543	-	-	-	(3,352,543)
Board of education services	287,536	-	-	-	(287,536)
Executive administration	2,719,007	-	-	-	(2,719,007)
Building level administration	7,654,302	-	-	-	(7,654,302)
Business central service	1,491,222	-	-	-	(1,491,222)
Operation of plant	8,884,288	-	-	-	(8,884,288)
Security services	402,882	-	-	-	(402,882)
Pupil transportation	4,972,014	-	1,274,106	-	(3,697,908)
Food services	4,349,877	1,953,993	2,185,407	-	(210,477)
Student activities	2,029,046	4,049,357	-	-	2,020,311
Community services	1,910,505	2,820,756	-	-	910,251
Facilities acquisition and construction	7,185,164	-	-	-	(7,185,164)
Debt service:					
Principal	5,280,690	-	-	-	(5,280,690)
Interest and other charges	2,113,972	-	-	-	(2,113,972)
Total governmental activities	<u>\$ 133,515,624</u>	<u>\$ 8,824,106</u>	<u>\$ 12,147,738</u>	<u>\$ -</u>	(112,543,780)
General revenues					
Taxes					
Property taxes, levied for general purposes					35,294,866
Property taxes, levied for debt service					3,775,142
Property taxes, levied for capital projects					5,109,523
Prop C - sales tax					11,472,559
State aid					51,067,697
Federal, state and county aid not restricted to specific purposes					2,895,701
Interest and investment earnings					976,479
Miscellaneous					182,145
Total general revenues					<u>110,774,112</u>
CHANGE IN NET POSITION					(1,769,668)
Net position at July 1, 2018					<u>23,712,641</u>
Net position at June 30, 2019					<u>\$ 21,942,973</u>

See notes to financial statements.



# FOX C-6 SCHOOL DISTRICT

## BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 15,977,875	\$ 3,512,092	\$ -	\$ 505,729	\$ 19,995,696
Restricted cash and investments	-	-	5,207,162	-	5,207,162
Total assets	<u>\$ 15,977,875</u>	<u>\$ 3,512,092</u>	<u>\$ 5,207,162</u>	<u>\$ 505,729</u>	<u>\$ 25,202,858</u>
<b>LIABILITIES</b>					
Payroll withholdings	\$ 336,954	\$ 3,512,092	\$ -	\$ -	\$ 3,849,046
<b>FUND BALANCES</b>					
Restricted for:					
Debt service	-	-	5,207,162	-	5,207,162
Assigned:					
Student activities	1,759,145	-	-	-	1,759,145
Capital projects	-	-	-	505,729	505,729
Unassigned	<u>13,881,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,881,776</u>
Total fund balances	<u>15,640,921</u>	<u>-</u>	<u>5,207,162</u>	<u>505,729</u>	<u>21,353,812</u>
Total liabilities and fund balances	<u>\$ 15,977,875</u>	<u>\$ 3,512,092</u>	<u>\$ 5,207,162</u>	<u>\$ 505,729</u>	<u>\$ 25,202,858</u>

### Reconciliation to Statement of Net Position

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances of governmental funds	\$ 21,353,812
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The net position of the internal service fund is included in governmental activities in the Statement of Net Position.	<u>589,161</u>
Net position of governmental activities	<u>\$ 21,942,973</u>

See notes to financial statements.

# FOX C-6 SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS Year ended June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources	\$ 50,579,419	\$ 5,757,690	\$ 3,869,193	\$ 5,237,367	\$ 65,443,669
County sources	2,083,936	121,249	274,746	106,076	2,586,007
State sources	8,178,281	48,693,075	-	-	56,871,356
Federal sources	2,968,854	3,864,776	-	-	6,833,630
Total revenues	63,810,490	58,436,790	4,143,939	5,343,443	131,734,662
Expenditures					
Instruction	9,493,567	63,085,302	-	-	72,578,869
Attendance	63,261	-	-	-	63,261
Guidance	413,077	1,992,620	-	-	2,405,697
Health, psych, speech and audio	1,797,329	2,631,936	-	-	4,429,265
Improvement of instruction	1,492,277	298,738	-	-	1,791,015
Professional development	222,663	268,952	-	-	491,615
Media services	1,693,923	1,612,044	-	-	3,305,967
Board of education services	283,541	-	-	-	283,541
Executive administration	2,090,971	590,261	-	-	2,681,232
Building level administration	1,604,083	5,943,878	-	-	7,547,961
Business central services	1,297,379	173,125	-	-	1,470,504
Operation of plant	8,748,423	-	-	12,435	8,760,858
Security services	294,238	-	-	103,048	397,286
Pupil transportation	4,902,937	-	-	-	4,902,937
Food service	4,289,444	-	-	-	4,289,444
Community services	1,672,524	211,436	-	-	1,883,960
Facilities acquisition and construction	-	-	-	7,185,162	7,185,162
Debt service:					
Principal	-	-	2,500,000	2,780,690	5,280,690
Interest and other charges	-	-	1,191,181	922,791	2,113,972
Total expenditures	40,359,637	76,808,292	3,691,181	11,004,126	131,863,236
Revenues over (under) expenditures	23,450,853	(18,371,502)	452,758	(5,660,683)	(128,574)
Other financing sources (uses)					
Transfers	(23,409,933)	18,371,502	-	5,038,431	-
NET CHANGE IN FUND BALANCES	40,920	-	452,758	(622,252)	(128,574)
Fund balance at July 1, 2018	15,600,001	-	4,754,404	1,127,981	21,482,386
Fund balance at June 30, 2019	\$ 15,640,921	\$ -	\$ 5,207,162	\$ 505,729	\$ 21,353,812
Reconciliation to Statement of Activities					
Amounts reported for governmental activities in the Statement of Activities are different because:					
Net change in fund balances for governmental funds					\$ (128,574)
Internal service funds are used by the District to charge the cost of insurance					(1,641,094)
Change in net position of governmental activities					\$ (1,769,668)

See notes to financial statements.

# FOX C-6 SCHOOL DISTRICT

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND

June 30, 2019

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	Governmental Activities - Internal Service Fund
ASSETS	
Restricted cash and investments	<u>\$      589,161</u>
NET POSITION	
Restricted for:	
Future medical claims	<u>\$      589,161</u>

See notes to financial statements.

## FOX C-6 SCHOOL DISTRICT

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS - PROPRIETARY FUND Year ended June 30, 2019

	Governmental Activities - Internal Service Fund
Revenues	
Insurance premiums	\$ 11,457,661
Interest income	<u>11,293</u>
Total revenues	11,468,954
Operating expenses	
Medical claims	11,597,474
Administration fees	<u>1,512,574</u>
Total operating expenses	<u>13,110,048</u>
CHANGE IN NET POSITION	(1,641,094)
Net position at July 1, 2018	<u>2,230,255</u>
Net position at June 30, 2019	<u><u>\$ 589,161</u></u>

See notes to financial statements.

## FOX C-6 SCHOOL DISTRICT

### STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS

June 30, 2019

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	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$      208,543</u>
NET POSITION	
Restricted for:	
Flex spending	<u>\$      208,543</u>

See notes to financial statements.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fox C-6 School District (the District) operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

These financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### **Principles Determining the Scope of Reporting Entity**

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities that should be presented with the District.

While parent-teacher organizations of the District's schools provide financial support exclusively to the District, they are not included as a component unit because the amount of financial support provided is of a de minimus nature.

#### **Basis of Presentation**

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

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include charges paid by the students for goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

### **Governmental Funds**

#### **General Fund**

The General Fund is the primary operating fund of the District and is used to account for expenditures for noncertified employees, pupil transportation, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

#### **Special Revenue Fund**

The Special Revenue Fund is used to account for specific revenue sources that are restricted, committed, or assigned for the payment of salaries and certain employee benefits for certified personnel.

#### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned for the periodic payment of principal, interest and fiscal charges on general long-term debt.

#### **Capital Projects Fund**

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### **Proprietary Fund**

#### **Internal Service Fund**

The Internal Service Fund accounts for premiums collected for the payment of claims associated with the District's self insurance activities (primarily medical benefits). Expenses consist of medical claims paid.



# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **Fiduciary Fund**

#### **Agency Fund**

The Fiduciary Fund is used to account for assets held by the District in a trustee capacity to pay for flex spending claims and contributions deducted from employees' paychecks. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

### **Basis of Accounting**

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

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, general obligation bonds payable and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the governmental fund financial statements would use the modified accrual basis of accounting, while the government-wide, proprietary fund and fiduciary fund financial statements would be presented on the accrual basis of accounting.

### **Cash and Investments**

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments which is managed by the District's Chief Financial Officer. State law requires that all deposits of the Debt Service Fund be kept separate from all other funds of the District. Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit and A1-P1 commercial paper.

# FOX C-6 SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

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### **Restricted Assets**

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets consist of amounts held for future general obligation bond principal and interest payments and amounts held for future medical claims payments.

### **Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

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

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned for those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The District has not reported any nonspendable or committed fund balances.

The details of the fund balances are included in the Governmental Funds Balance Sheet.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **Net Position**

In the government-wide, proprietary fund and fiduciary fund financial statements, equity is classified as net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

### **Interfund Activity**

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year the District transferred \$18,371,502 from the General Fund to the Special Revenue Fund. Transfers are made to the Special Revenue Fund in order to achieve a zero balance in this Fund. The District also transferred \$5,038,431 from the General Fund to the Capital Projects Fund. This transfer was to facilitate certain building improvements and purchases of equipment.

### **Teachers' Salaries**

The salary payment schedule of the District for the year ended June 30, 2019 requires the payment of salaries over a twelve-month period. Consequently, the July and August 2019 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

## **NOTE 2 – CASH AND INVESTMENTS**

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

The District has investments managed by BOK Financial in conjunction with the Missouri Direct Deposit Program. These investments are restricted for payment of interest and retirement of general obligation bonds issued through the MOHEFA Bond Program. The District also participates in the Missouri Security Investment Program (MoSIP). All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a pro rata share of each investment or deposit which is held in the name of the Fund. The District had \$1,466,797 and \$144 invested through MOHEFA and MoSIP at June 30, 2019, respectively.

## FOX C-6 SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

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The deposits and investments held at June 30, 2019 and reported at cost are as follows:

	Cost	Investment maturities 0 to 1 year
Deposits		
Cash on hand	\$ 300	N/A
Demand deposits	24,533,763	N/A
Total deposits	24,534,063	
Investments - external investment pools		
Missouri Direct Deposit Program	1,466,653	\$ 1,466,653
Missouri Security Investment Program		
Money market funds	144	144
Total investments	1,466,797	\$ 1,466,797
Total deposits and investments	\$26,000,860	
Governmental activities	\$25,792,019	
Agency fund	208,543	
Total deposits and investments	\$26,000,562	

#### Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All of the District's deposits were covered by federal depository insurance or collateral held by the District or by its agent in the name of the District.

#### 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 does not have a policy for custodial credit risk for deposits. The District's deposits were not exposed to custodial credit risk at year end.

# FOX C-6 SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

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### **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. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the district or its agent, but not in the government's name. The District does not have a policy for custodial credit risk for investments. The District's investments were not exposed to custodial credit risk at year end.

### **Investment Interest Rate Risk**

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

### **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 and by diversifying the portfolio so that potential losses on individual securities will be minimized.

The credit ratings of the District's investments at June 30, 2019 are summarized in the schedule below.

	<u>Cost</u>	<u>Rating</u>
Missouri Direct Deposit Program	\$ 1,466,653	Unrated
Missouri Security Investment Program		
Money market funds	<u>144</u>	AAAm
Total investments	<u>\$ 1,466,797</u>	

### **Concentration of Investment Credit Risk**

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

# FOX C-6 SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

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### NOTE 3 – TAXES

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

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2018 for the purposes of local taxation was:

Real estate	
Residential	\$ 653,230,400
Agricultural	633,000
Commercial	152,600,798
Personal property	<u>201,569,967</u>
Total	<u><u>\$ 1,008,034,165</u></u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year 2019 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 3.6341	\$ 3.6341
Special Revenue Fund	-	-
Debt Service Fund	0.3901	0.3901
Capital Projects Fund	<u>0.5033</u>	<u>0.5033</u>
Total	<u><u>\$ 4.5275</u></u>	<u><u>\$ 4.5275</u></u>

The receipts of current property taxes during the fiscal year ended June 30, 2019, aggregated approximately 93 percent of the current assessment computed on the basis of the levy as shown above.

# FOX C-6 SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

### NOTE 4 – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts due within one year
Bonds payable	\$ 31,769,963	\$ -	\$ (2,500,000)	\$ 29,269,963	\$ 2,600,000
DNR energy loans	86,269	-	(8,290)	77,979	16,893
Obligation under capital leases	23,521,849	-	(2,772,400)	20,749,449	2,783,559
Total long-term obligations	<u>\$ 55,378,081</u>	<u>\$ -</u>	<u>\$ (5,280,690)</u>	<u>\$ 50,097,391</u>	<u>\$ 5,400,452</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. The obligation under the capital leases and DNR energy loan are paid by the Capital Projects Fund.

Bonds payable consists of the following at June 30, 2019:

	Original issue amount	Maturity date	Interest rates	Balance at June 30, 2018
Series 2010	\$ 8,650,000	2020	2% - 2.5%	\$ 2,275,000
Series 2013A	4,820,000	2032	2%	3,670,000
Series 2013B	8,750,000	2033	4% - 5%	8,750,000
Series 2017	4,925,000	2025	4%	4,925,000
Series 2017A	9,749,963	2032	2% - 4%	9,649,963
Total bonds payable	<u>\$ 36,894,963</u>			<u>\$ 29,269,963</u>



## FOX C-6 SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

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The annual requirements to amortize general obligation bonds are as follows at June 30, 2019:

Year ending June 30,	Principal	Interest	Total
2020	\$ 2,600,000	\$ 1,066,563	\$ 3,666,563
2021	1,500,000	1,003,188	2,503,188
2022	3,320,000	949,688	4,269,688
2023	1,300,000	883,288	2,183,288
2024	1,350,000	833,288	2,183,288
2025-2029	9,584,963	3,324,088	12,909,051
2030-2033	9,615,000	940,300	10,555,300
Total	<u>\$ 29,269,963</u>	<u>\$ 9,000,403</u>	<u>\$ 38,270,366</u>

#### Advance Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and liability for defeased bonds are not included in the District's financial statements. At June 30, 2019, \$9,750,000 of bonds outstanding are considered defeased.

#### Capital Lease

The District obtained a capital lease for the purchase of computers and associated equipment. The District also has separate lease agreements funded by lease participation certificates. The proceeds in prior years were used to acquire a new school building, fund certain building improvements, purchase equipment, acquire new school buses and other vehicles.

## FOX C-6 SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

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The following is a summary of the future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of June 30, 2019:

Year ending June 30,	
2020	\$ 3,610,657
2021	3,148,882
2022	2,835,032
2023	2,771,721
2024	2,718,214
2025-2028	<u>9,327,141</u>
Total future minimum lease payments	24,411,647
Less amount representing interest	<u>(3,662,198)</u>
Present value of future minimum lease payments	<u><u>\$20,749,449</u></u>

#### Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including state-assessed railroad and utilities). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2019, was:

Constitutional debt limit	\$ 151,205,125
General obligation bonds payable	(29,269,963)
Amount available in Debt Service Fund	<u>5,207,162</u>
Legal debt margin	<u><u>\$ 127,142,324</u></u>

#### NOTE 5 – PENSION PLANS

The District contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by The Public School Retirement System are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010-.141 of the Missouri Revised Statutes.

The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: PSRS, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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PSRS members are required to contribute 14.5% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ending June 30, 2019, 2018 and 2017 were \$9,408,610, \$9,392,784 and \$9,049,737, respectively, equal to the required contributions.

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

PEERS members are required to contribute 6.86% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ending June 30, 2019, 2018 and 2017 were \$1,181,743, \$1,170,179 and \$1,122,308 respectively, equal to the required contributions.

### **NOTE 6 – CONTINGENCIES**

#### **Grant Audits**

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

#### **Litigation**

Various claims and lawsuits are pending against the District. In the opinion of District management and legal counsel, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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### **NOTE 7 – DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. In accordance with IRC Section 457, the deferred compensation is put in accounts under the participating employee's name. The plan is administered by independent plan administrators through administrative service agreements. The District's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. The assets will not be diverted for any other purpose. Therefore, the financial activity of these plans is not reported in the District's agency fund.

### **NOTE 8 – SELF-INSURED AND POST EMPLOYMENT BENEFITS**

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

The District permits its retirees to participate in the medical insurance programs offered to current employees, including the District's self-insurance program. Retirees pay 100% of the insurance premiums or applicable contributory amounts in the case of the self-insurance program. The amount of medical benefits paid through the self-insurance program during 2019 for retirees, in excess of their contributions, is not readily determinable.

### **NOTE 9 – TAX ABATEMENTS**

The City of Arnold authorized the following tax abatement through Chapter 100 bonds during December 2012 and December 2015, in the amounts of \$88,000,000 and \$150,000,000 for the purpose of supporting the local industry which is Metal Container Corporation a subsidiary of A-B InBev. This abatement was to provide financing to support two expansions of the can plant operated by Metal Container Corporation. As the assessment of the value of this abatement is not within the scope of the Jefferson County Assessor's office, it is undetermined the amount which is abated through this issuance.

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - over (under)
	Original	Final		Final to actual
Revenues				
Local sources	\$ 48,721,956	\$ 50,579,419	\$ 50,579,419	\$ -
County sources	2,131,980	2,083,936	2,083,936	-
State sources	7,312,204	8,178,281	8,178,281	-
Federal sources	3,677,030	2,968,854	2,968,854	-
Total revenues	61,843,170	63,810,490	63,810,490	-
Expenditures				
Current:				
Instruction	13,054,787	9,493,567	9,493,567	-
Attendance	82,365	63,261	63,261	-
Guidance	558,100	413,077	413,077	-
Health, psych, speech and audio	1,016,304	1,797,329	1,797,329	-
Improvement of instruction	1,061,827	1,492,277	1,492,277	-
Professional development	185,420	222,663	222,663	-
Media services	1,001,734	1,693,923	1,693,923	-
Board of education services	193,500	283,541	283,541	-
Executive administration	550,483	2,090,971	2,090,971	-
Building level administration	1,552,031	1,604,083	1,604,083	-
Business central services	1,342,994	1,297,379	1,297,379	-
Operation of plant	9,115,653	8,748,423	8,748,423	-
Security services	197,622	294,238	294,238	-
Pupil transportation	4,815,626	4,902,937	4,902,937	-
Food service	3,859,585	4,289,444	4,289,444	-
Community services	1,932,640	1,672,524	1,672,524	-
Total expenditures	40,520,671	40,359,637	40,359,637	-
Revenues over expenditures	21,322,499	23,450,853	23,450,853	-
Other financing uses				
Transfers	(25,910,251)	(23,409,933)	(23,409,933)	-
NET CHANGE IN FUND BALANCE	<u>\$ (4,587,752)</u>	<u>\$ 40,920</u>	40,920	<u>\$ -</u>
Fund balance at July 1, 2018			15,600,001	
Fund balance at June 30, 2019			<u>\$ 15,640,921</u>	

See notes to supplementary information.

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET TO ACTUAL - SPECIAL REVENUE FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts			Variances - over (under)
	Original	Final	Actual	Final to actual
Revenues				
Local sources	\$ 5,648,967	\$ 5,757,690	\$ 5,757,690	\$ -
County sources	140,000	121,249	121,249	-
State sources	47,885,691	48,693,075	48,693,075	-
Federal sources	2,577,359	3,864,776	3,864,776	-
Total revenues	56,252,017	58,436,790	58,436,790	-
Expenditures				
Current:				
Instruction	65,945,553	63,085,302	63,085,302	-
Guidance	2,018,041	1,992,620	1,992,620	-
Health, psych, speech and audio	-	2,631,936	2,631,936	-
Improvement of instruction	510,453	298,738	298,738	-
Professional development	277,436	268,952	268,952	-
Media services	1,599,328	1,612,044	1,612,044	-
Executive administration	573,853	590,261	590,261	-
Building level administration	5,971,542	5,943,878	5,943,878	-
Business central services	173,171	173,125	173,125	-
Community services	192,890	211,436	211,436	-
Total expenditures	77,262,267	76,808,292	76,808,292	-
Revenues under expenditures	(21,010,250)	(18,371,502)	(18,371,502)	-
Other financing sources				
Transfers	21,010,250	18,371,502	18,371,502	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
Fund balance at July 1, 2018			-	
Fund balance at June 30, 2019			\$ -	

See notes to supplementary information.

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET TO ACTUAL - DEBT SERVICE FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts			Variances - over (under)
	Original	Final	Actual	Final to actual
Revenues				
Local sources	\$ 3,483,858	\$ 3,869,193	\$ 3,869,193	\$ -
County sources	191,176	274,746	274,746	-
Total revenues	3,675,034	4,143,939	4,143,939	-
Expenditures				
Debt service:				
Principal	2,500,000	2,500,000	2,500,000	-
Interest and other charges	1,197,882	1,191,181	1,191,181	-
Total expenditures	3,697,882	3,691,181	3,691,181	-
Revenues under expenditures	(22,848)	452,758	452,758	-
NET CHANGE IN FUND BALANCE	\$ (22,848)	\$ 452,758	452,758	\$ -
Fund balance at July 1, 2018			4,754,404	
Fund balance at June 30, 2019			\$ 5,207,162	

See notes to supplementary information.

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET TO ACTUAL - CAPITAL PROJECTS FUND - UNAUDITED Year ended June 30, 2019

	Budgeted amounts			Variances - over (under)
	Original	Final	Actual	Final to actual
Revenues				
Local sources	\$ 5,243,197	\$ 5,237,367	\$ 5,237,367	\$ -
County sources	278,844	106,076	106,076	-
Total revenues	5,522,041	5,343,443	5,343,443	-
Expenditures				
Instruction	110,000	-	-	-
Media service	716,993	-	-	-
Operation of plant	-	12,435	12,435	-
Security services	104,500	103,048	103,048	-
Pupil transportation	28,000	-	-	-
Food service	280,000	-	-	-
Capital outlay	5,440,000	7,185,162	7,185,162	-
Debt service:				
Principal	2,879,044	2,780,690	2,780,690	-
Interest and other charges	1,255,069	922,791	922,791	-
Total expenditures	10,813,606	11,004,126	11,004,126	-
Revenues under expenditures	(5,291,565)	(5,660,683)	(5,660,683)	-
Other financing sources				
Transfers	4,900,000	5,038,431	5,038,431	-
NET CHANGE IN FUND BALANCE	\$ (391,565)	\$ (622,252)	(622,252)	\$ -
Fund balance at July 1, 2018			1,127,981	
Fund balance at June 30, 2019			\$ 505,729	

See notes to supplementary information.



# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET TO ACTUAL - ALL GOVERNMENTAL FUNDS - UNAUDITED Year ended June 30, 2019

	Budgeted amounts		Actual	Variances - over (under)
	Original	Final		Final to actual
Revenues				
Local sources	\$ 63,097,978	\$ 65,443,669	\$ 65,443,669	\$ -
County sources	2,742,000	2,586,007	2,586,007	-
State sources	55,197,895	56,871,356	56,871,356	-
Federal sources	6,254,389	6,833,630	6,833,630	-
Total revenues	127,292,262	131,734,662	131,734,662	-
Expenditures				
Instruction	79,110,340	72,578,869	72,578,869	-
Attendance	82,365	63,261	63,261	-
Guidance	2,576,141	2,405,697	2,405,697	-
Health, psych, speech and audio	1,016,304	4,429,265	4,429,265	-
Improvement of instruction	1,572,280	1,791,015	1,791,015	-
Professional development	462,856	491,615	491,615	-
Media services	3,318,055	3,305,967	3,305,967	-
Board of education services	193,500	283,541	283,541	-
Executive administration	1,124,336	2,681,232	2,681,232	-
Building level administration	7,523,573	7,547,961	7,547,961	-
Business central services	1,516,165	1,470,504	1,470,504	-
Operation of plant	9,115,653	8,760,858	8,760,858	-
Security services	302,122	397,286	397,286	-
Pupil transportation	4,843,626	4,902,937	4,902,937	-
Food service	4,139,585	4,289,444	4,289,444	-
Community services	2,125,530	1,883,960	1,883,960	-
Capital outlay	5,440,000	7,185,162	7,185,162	-
Debt service:				
Principal	5,379,044	5,280,690	5,280,690	-
Interest and other charges	2,452,951	2,113,972	2,113,972	-
Total expenditures	132,294,426	131,863,236	131,863,236	-
Revenues under expenditures	(5,002,164)	(128,574)	(128,574)	-
NET CHANGE IN FUND BALANCE	<u>\$ (5,002,164)</u>	<u>\$ (128,574)</u>	<u>(128,574)</u>	<u>\$ -</u>
Fund balance at July 1, 2018			<u>21,482,386</u>	
Fund balance at June 30, 2019			<u>\$21,353,812</u>	

See notes to supplementary information.

# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO SUPPLEMENTARY INFORMATION**

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### **NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board.
6. Budgets are adopted on the modified cash basis of accounting for all governmental funds.
7. Capital outlay acquired through capital lease obligations are netted and not reported as an expenditure and the proceeds are not reported as an other financing source for budgetary purposes.



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**Independent Accountants' Report on  
Compliance with Specified Requirements of  
Missouri Laws and Regulations**

Board of Education  
Fox C-6 School District

We have examined the Fox C-6 School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the Fox C-6 School District's records of average daily attendance and average daily transportation of pupils and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2019. Management of Fox C-6 School District is responsible for Fox C-6 School District's compliance with the specified requirements. Our responsibility is to express an opinion on Fox C-6 School District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Fox C-6 School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Fox C-6 School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Fox C-6 School District's compliance with specified requirements.

In our opinion, Fox C-6 School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

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

*Kerber, Eck & Braeckel LLP.*

St. Louis, Missouri  
December 12, 2019

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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District Number: 050-012

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4010	K	5	-	6.5000	171	1,109.00
4020	K	5	-	6.5000	170	1,102.50
4030	K	5	-	6.5000	171	1,109.00
4040	K	5	-	6.5000	171	1,109.00
4050	K	5	-	6.5000	171	1,109.00
4060	K	5	-	6.5000	171	1,109.00
4070	K	5	-	6.5000	171	1,109.00
4080	K	5	-	6.5000	171	1,109.00
4090	K	5	-	6.5000	171	1,109.00
5000	K	5	-	6.5000	171	1,109.00
5010	K	5	-	6.5000	171	1,109.00
2050	6	8	-	6.5000	170	1,102.50
2100	6	8	-	6.5000	171	1,109.00
2150	6	8	-	6.5000	171	1,109.00
2200	6	8	-	6.5000	171	1,109.00
1050	9	12	-	6.5000	170	1,102.50
1070	9	12	-	6.5000	171	1,109.00

## FOX C-6 SCHOOL DISTRICT

### SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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#### 2. Average Daily Attendance (ADA)

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4010	K-5	509.4670	0.0000	0.0000	0.0000	0.0000	509.4670
4020	K-5	438.2274	0.4442	0.0000	0.0000	0.0000	438.6716
4030	K-5	416.4124	0.0000	0.0000	0.0000	38.7913	455.2037
4040	K-5	435.2030	0.0000	0.0000	0.0000	43.3106	478.5136
4050	K-5	406.4400	0.0000	0.0000	12.6642	0.0000	419.1042
4060	K-5	523.5137	0.9707	0.0000	0.0000	0.0000	524.4844
4070	K-5	347.2085	0.0000	0.0000	0.0000	0.0000	347.2085
4080	K-5	494.9485	0.0000	0.0000	0.0000	57.1775	552.1260
4090	K-5	533.8371	1.0059	0.0000	0.0000	82.5192	617.3622
5000	K-5	391.4758	0.0000	0.0000	0.0000	0.0000	391.4758
5010	K-5	341.6222	1.6795	0.0000	0.0000	0.0000	343.3017
2050	6-8	666.0714	1.1382	0.0000	0.0000	0.0000	667.2096
2100	6-8	610.6151	1.3605	0.0000	0.0000	20.3250	632.3006
2150	6-8	778.2685	1.1417	0.0000	3.1277	22.3047	804.8426
2200	6-8	509.2564	0.0000	0.0000	0.0000	0.0000	509.2564
1050	9-12	1,551.1600	1.3935	0.0000	0.0000	0.0000	1,552.5535
1070	9-12	1,540.0896	0.0000	0.0000	4.7210	58.6583	1,603.4689
Total		10,493.8166	9.1342	0.0000	20.5129	323.0866	10,846.5503

## FOX C-6 SCHOOL DISTRICT

### SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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#### 3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4010	K-5	531.00	-	-	531.00
4020	K-5	474.00	-	-	474.00
4030	K-5	448.00	-	-	448.00
4040	K-5	453.00	-	-	453.00
4050	K-5	429.00	-	-	429.00
4060	K-5	546.00	0.14	-	546.14
4070	K-5	363.00	-	-	363.00
4080	K-5	519.00	-	-	519.00
4090	K-5	556.00	0.13	-	556.13
5000	K-5	413.00	-	-	413.00
5010	K-5	350.00	1.82	-	351.82
2050	6-8	705.00	0.14	-	705.14
2100	6-8	652.00	-	-	652.00
2150	6-8	809.00	1.67	-	810.67
2200	6-8	534.00	-	-	534.00
1050	9-12	1,716.00	-	-	1,716.00
1070	9-12	1,683.00	-	-	1,683.00
Total		11,181.00	3.90	-	11,184.90

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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### 4. Free and Reduced Priced Lunch FTE Count

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4010	100.00	32.00	-	-	132.00
4020	155.00	26.00	-	-	181.00
4030	182.00	23.00	-	-	205.00
4040	149.00	34.00	-	-	183.00
4050	93.00	37.00	-	-	130.00
4060	234.00	40.00	-	-	274.00
4070	72.00	30.00	-	-	102.00
4080	129.00	24.00	-	-	153.00
4090	54.13	28.00	-	-	82.13
5000	130.00	41.00	-	-	171.00
5010	92.00	22.00	-	-	114.00
2050	207.00	42.00	-	-	249.00
2100	200.00	42.00	-	-	242.00
2150	123.00	37.80	-	-	160.80
2200	158.00	33.00	-	-	191.00
1050	405.50	82.00	-	-	487.50
1070	281.00	71.00	-	-	352.00
Total	2,764.63	644.80	-	-	3,409.43

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

### 5. Finance

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	TRUE
	Dual enrollment	TRUE
	Homebound instruction	TRUE
	Missouri Options	TRUE
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	TRUE
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the state FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
5.5	As required by Section 162.401, RSMo, a bond was purchased for the schools' treasurer in the total amount of:	\$ 50,000
5.6	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	TRUE
5.7	The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo.	TRUE



## FOX C-6 SCHOOL DISTRICT

### SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	<u>TRUE</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected date for the projects to be undertaken.	<u>N/A</u>
5.10	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.	<u>TRUE</u>
5.11	The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$491,615</u>

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

Findings #: N/A

Management Letter Comment #: N/A

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF SELECTED STATISTICS – UNAUDITED

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<u>True</u>
6.2	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.	<u>True</u>
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was: <ul style="list-style-type: none"><li>▪ Eligible ADT</li></ul>	<u>7,297</u>
	<ul style="list-style-type: none"><li>▪ Ineligible ADT</li></ul>	<u>780</u>
6.4	The district's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<u>True</u>
6.5	Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was:	<u>1,347,082</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was: <ul style="list-style-type: none"><li>▪ Eligible Miles</li></ul>	<u>1,202,229</u>
	<ul style="list-style-type: none"><li>▪ Ineligible Miles (Non-Route/Disapproved)</li></ul>	<u>144,853</u>
6.7	Number of days the district operated the school transportation system during the regular school year:	<u>171</u>

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

Findings #: N/A

Management Letter Comment #: N/A

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Board of Education  
Fox C-6 School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Fox C-6 School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fox C-6 School District's basic financial statements, and have issued our report thereon dated December 12, 2019. Our report on the basic financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fox C-6 School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fox C-6 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fox C-6 School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fox C-6 School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fox C-6 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fox C-6 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fox C-6 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kerber, Eck & Broeckel LLP.

St. Louis, Missouri  
December 12, 2019



**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control over Compliance Required by the Uniform  
Guidance and on the Schedule of Expenditures of Federal Awards**

Board of Education  
Fox C-6 School District

**Report on Compliance for Each Major Federal Program**

We have audited the Fox C-6 School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Fox C-6 School District's major federal programs for the year ended June 30, 2019. The Fox C-6 School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Fox C-6 School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Fox C-6 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Fox C-6 School District's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the Fox C-6 School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## **Report on Internal Control over Compliance**

Management of the Fox C-6 School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fox C-6 School District's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fox C-6 School District's internal control over compliance.

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fox C-6 School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Fox C-6 School District's basic financial statements. We issued our report thereon dated December 12, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*Keiter, Eck & Braeckel LLP.*

St. Louis, Missouri  
December 12, 2019

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Expenditures</u>
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies	84.010	050-012	\$ 1,420,728
Improving Teacher Quality State Grants	84.367	050-012	297,535
English Language Acquisition Grants	84.365	050-012	18,282
Student Support and Academic Enrichment	84.424	050-012	37,934
Special Education Cluster			
Special Education - Grants to States	84.027	050-012	2,521,251
Special Education Preschool Grant	84.173	050-012	65,250
Total Special Education Cluster			<u>2,586,501</u>
Total U.S. Department of Education			4,360,980
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	050-012	563,703
National School Lunch Program	10.555	050-012	
Cash Assistance			1,589,153
Non-cash Assistance (Food Distribution)			<u>300,488</u>
Total National School Lunch Program			<u>1,889,641</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>2,453,344</u>
Total expenditures of federal awards			<u>\$ 6,814,324</u>

The accompanying notes are an integral part of this schedule.



# **FOX C-6 SCHOOL DISTRICT**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Fox C-6 School District (the District) under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District and is reported on the modified cash basis of accounting, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowable or are limited as to reimbursement.

### **NOTE 3 – INDIRECT COST RATE**

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### **NOTE 4 – SUBRECIPIENTS**

There have been no awards passed through to subrecipients.

# FOX C-6 SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to the financial statements noted? No

#### Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported under section CFR 200 of OMB Uniform Guidance? No

The programs tested as a major program are as follows:

<u>CFDA Number(s)</u>	<u>Name of Program or Cluster</u>
84.367A 10.553, 10.555	Title II-A, ESEA - Teacher & Principal Quality Child Nutrition Cluster

The dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? No

# **FOX C-6 SCHOOL DISTRICT**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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### **SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings which are required to be reported in accordance with generally accepted auditing standards.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings and questioned costs related to Federal awards.