

**BRENTWOOD SCHOOL DISTRICT**  
**ST. LOUIS COUNTY, MISSOURI**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**BRENTWOOD SCHOOL DISTRICT  
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## **FINANCIAL SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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INDEPENDENT AUDITOR'S REPORT

Board of Education  
Brentwood School District

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis, of the governmental activities, the aggregate blended component unit, and each major fund of the Brentwood School District, as of June 30, 2011, and the respective changes in financial position – modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2011 on our consideration of Brentwood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 14 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America as applicable to the modified cash basis of accounting. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

The budgetary comparison information on pages 35 through 36 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as applicable to the modified cash basis of accounting. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brentwood School District's basic financial statements. The accompanying additional supplementary information and state compliance section on pages 39 through 41 and pages 42 through 45 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The additional supplementary information and state compliance section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Daniel Jones & Associates*

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

October 4, 2011

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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

**Financial Highlights**

Key financial highlights for FY2011 are as follows:

- In total, net assets decreased \$1,057,138 or 28% from 2010.
- General revenues accounted for \$13,938,030 in revenue or 91.12% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,357,586 or 8.88% of total revenues of \$15,295,616.
- The School District had \$15,789,238 in expenses; only \$ 1,357,586 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,938,030 were not adequate to provide for these programs. The district had approximately \$428,000 of uncollected taxes as of June 30, 2010
- Among major funds, the General Fund had \$12,873,984 in revenues and \$5,976,852 in expenditures. The General Fund's balance decreased \$1,408,591 from 2010.

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

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the Brentwood School District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all significant assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Missouri, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business like activities.

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

**Fund Financial Statements**

The analysis of the School District's major funds begins on page 17. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund, and Capital Projects Fund. The School District uses the zero balance transfer to cover monthly expenditures in the Teachers' Fund. For FY2011 the district transferred a total of \$8,305,729 from the General Fund to the Teachers' Fund

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Governmental Funds**

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

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2011:

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current and Restricted Assets	\$ 2,659,267	\$ 3,716,405
Total Assets	<u>\$ 2,659,267</u>	<u>\$ 3,716,405</u>
<b>NET ASSETS</b>		
Restricted	\$ 976,893	\$ 624,434
Unrestricted	\$ 1,682,374	\$ 3,091,971
Total Net Assets	<u>\$ 2,659,267</u>	<u>\$ 3,716,405</u>

Total assets of governmental activities decreased by \$1,057,138 as cash and cash equivalents decreased by \$1,942,216. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District decreased by \$1,409,597.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

**PROGRAM REVENUES**

	2011	2010
Charges for Services	\$ 705,221	\$ 829,532
Operating Grants and Contributions	652,365	772,464
Capital Grants and Contributions		
General Revenues:		
Property Taxes	13,161,936	12,148,490
Grants Entitlements	9,702	11,248
Interest and Investment Earnings	14,012	56,835
Miscellaneous	752,380	422,716
Total Revenues	15,295,616	14,241,285

**PROGRAM EXPENSES**

Instruction	7,942,751	7,924,079
Student Services	1,077,588	1,051,314
Instructional Staff Support	78	14,802
Building Administration	1,366,683	1,320,220
General Administration and Central Services	1,716,553	1,624,478
Operation of Plant	2,375,826	1,697,936
Transportation	19,594	9,377
Food Services	277,100	252,494
Community Services	563,516	279,170
Capital Outlay, Bonds	495,000	3,636,262
Interest and Fiscal Charges	518,565	492,547
Total Expenses	16,352,754	18,274,522

<b>INCREASE (DECREASE) IN NET ASSETS</b>	\$ (1,057,138)	\$ (4,033,238)
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**Governmental Activities**

Revenues for the District's governmental activities increased by 7.40% (\$1,054,331) while total expenses decreased by 10.52% (\$1,921,768). The increase in revenue is due to increased collections of property taxes as the result of the completion of a TIF. The decrease in expenses is due to the one-time spending of bond proceeds in 2010 on various construction projects.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Governmental Activities (Continued)**

Instruction comprises 48.57% of district expenses while support services expenses make up 45.23% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal years 2011 and 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 7,942,751	\$ (7,148,415)	\$ 7,924,080	\$ (6,662,716)
Student Services	1,077,588	(1,054,767)	1,051,314	(1,029,829)
Instructional Staff Support	78	(78)	14,802	(14,802)
Building Administration	1,366,683	(1,366,683)	1,320,220	(1,320,220)
General Administration and Central Services	1,716,053	(1,716,053)	1,624,478	(1,624,478)
Operation of Plant	2,375,826	(2,375,826)	1,697,936	(1,697,936)
Transportation	19,594	(19,594)	9,377	(9,377)
Food Service	277,100	(24,231)	252,494	27,804
Community Services	563,516	(275,955)	279,170	(240,319)
Interest and Fiscal Charges	518,565	(518,565)	492,547	(492,547)
Capital Outlay-Bond Proceeds	495,000	(495,000)	3,636,262	(3,636,262)
Total Expenses	<u>\$ 16,352,754</u>	<u>\$ (14,995,167)</u>	<u>\$ 18,274,522</u>	<u>\$ (16,672,526)</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student Services includes guidance, health services, improvement of instruction for staff and library services.

Instructional Staff Support includes the activities involved with assisting staff with the content and process of teaching to pupils.

Building Administration includes building principals, assistant principles, and office staff necessary to keep the buildings running efficiently and smoothly.

General Administration and Central Services includes expenses associated with administrative and financial supervision of the district. It also includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Governmental Activities (Continued)**

Operation of Plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food Services include the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

Community Services includes expense related to activities concerned with providing community services to the community as a whole or for some segment of the community.

Facility Acquisition and Construction includes renovations, HVAC work and additions to buildings necessary to the adjusting student enrollment and staff needs.

Interest and Fiscal Charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. Over 89% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is almost 92%. The community, as a whole, is the primary support for the Brentwood School District.

**The School District's Funds**

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified cash basis of accounting. All governmental funds had total revenues of \$15,295,616 and expenditures of \$16,352,754. The net change in fund balance for the year was significant in the General Fund which had a decrease of \$1,408,597. This is due in large part to the district receiving \$358,000 less revenue for the collaborative school, uncollected taxes of \$428,000, and additional transfers of \$ 345,000 to the Special Revenue Fund.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2011 year, the School District amended its General Fund budget numerous times, which resulted in appropriations increasing by 7.7%. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. Prior to year-end, the School District passed appropriations to match expenditures plus encumbrances.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**General Fund Budgeting Highlights (Concluded)**

For the General Fund, the final budget basis revenue and other financing sources estimate was \$14,390,291. The original budgeted estimate was \$13,744,916.

**Capital Assets**

The District has chosen to exclude monies invested in land, buildings, furniture and equipment, and vehicles in the Fiscal 2011 financial statements.

**Current Financial Issues and Concerns**

The Brentwood School District is financially stable. The School District is proud of its community support of the public schools.

A concern that remains in the forefront of the minds of the administration and Board of Education surrounds the potential ramifications of taxpayers protesting their assessed valuation, state budget cuts and the financial status of the Voluntary Transfer System. Assessed valuations have decreased and the passage of SB711 limits us in the amount of new revenue the District can realize. At the same time, the District must keep on track with neighboring school districts with comparable teacher salaries and affording students the same educational opportunities.

In comparison to other school districts in the state, the Brentwood School District would not be considered a School District suffering with low wealth. Therefore, the Brentwood School District has not anticipated any meaningful growth in State revenue. With 86% of the School District's wealth coming from property taxes, this could have a significant negative impact on the School District's taxpayers.

Both scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the Brentwood School District has committed itself to financial excellence for many years. In addition, the School District's system of financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Continuing Disclosures :**

**Enrollment**

Listed below are the District's actual enrollment figures for the school years 2006-2007 through 2010-2011.

<u>School Year</u>	<u>Elementary Schools</u>	<u>Middle School</u>	<u>High School</u>	<u>Total</u>
2006-2007	332	209	245	786
2007-2008	316	204	272	792
2008-2009	348	218	285	851
2009-2010	337	190	276	803
2010-2011	356	180	267	803

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Historic Assessed Valuation**

The table below shows the assessed valuation of property in the District as of January 1, as adjusted through December 31, for each of the years shown:

<u>Year</u>	<u>Real Estate Residential</u>	<u>Real Estate Commercial<sup>(1)</sup></u>	<u>Personal Property<sup>(1)</sup></u>	<u>Less TIF Valuation</u>	<u>Total Assessed Valuation<sup>(2)</sup></u>	<u>Percentage Change</u>
2010	\$150,137,560	\$132,032,130	\$39,589,120	\$32,916,850	\$288,841,960	+2.5%
2009	150,024,900	132,001,770	42,448,740	42,588,300	281,887,110	-5.2
2008	158,288,380	134,470,120	44,355,590	39,648,710	297,465,380	-0.7
2007	156,344,250	132,013,650	45,890,900	34,636,310	299,612,490	+15.8
2006	128,889,210	102,139,160	44,824,210	23,686,710	252,165,870	N/A

Source: Assessor's Office of St. Louis County.

<sup>(1)</sup> Includes locally assessed Railroad and Utility.

<sup>(2)</sup> Net of TIF district valuation.

**Tax Rates**

**Tax Rates – By Property Classification.** Section 137.073, Revised Statutes of Missouri, as amended, requires separate tax rates to be calculated and levied for each class and subclass of property: residential, commercial and agricultural real estate, and personal property. If the separate levy process reduces revenues to a political subdivision, it may adjust the levy to produce the same amount of revenue as would have been produced under a single levy process. Under current law, the assessed valuation of all subclasses of real property and personal property are combined to calculate one levy to be applied to all classes of property equally.

Any required rollback of taxes pursuant to a “Hancock rollback” is required to be applied within each class or subclass of property.

Section 137.073.6(1), RSMo, as amended, provides a formula to be used by school districts to determine a “blended rate”, which is to be used for purposes of calculating state aid for public schools pursuant to section 163.031, RSMo. The blended rate is to be calculated by first determining the total tax revenue of the property within the school district, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of property within the school district, and then multiplying the resulting quotient by a factor of 100.

The following table shows the District's adjusted tax rates (per \$100 of assessed valuation) levied against each class and subclass of property for the current year and the last four fiscal years:

**Tax Rates by Property Classification**

<u>Fiscal Year Ended June 30</u>	<u>Real Estate Residential</u>	<u>Real Estate Commercial</u>	<u>Personal Property</u>	<u>Agricultural Property</u>	<u>Blended Rate</u>
2011	\$3.4333	\$3.9282	\$3.5253	\$0.0000	\$3.1488
2010	2.9769	3.5776	3.5169	0.0000	2.9064
2009	2.7565	3.5342	3.5109	0.0000	2.8154
2008	2.7424	3.2515	3.5139	0.0000	3.1576
2007	3.1426	3.7183	3.4368	0.0000	3.2108

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Operating Levy.** The operating levy (consisting of all ad valorem tax levied except the debt service levy) cannot exceed the “tax rate ceiling” for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly-received assessed valuation of the District for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1984 or the most recent voter-approved tax rate. The tax levy for debt service on the District’s general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the District’s operating levy above \$6.00 must be approved by two-thirds of the voters voting on the proposition.

**Debt Service Levy.** The District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to the rate or amount, at the level required to make such payments. Section 137.073.6(2), RSMo, provides that the amount of the debt service levy will be *prima facie* valid if, after making the payment for which the tax is levied, general obligation bonds remain outstanding and the amount remaining in the Debt Service Fund does not exceed the following year’s payments.

**Tax Rates – Allocation by Fund.** The following table shows the District’s adjusted tax levies (per \$100 of assessed valuation) for the current fiscal year and each of the last four fiscal years:

Fiscal Year <u>Ended June 30</u>	General (Incidental) <u>Fund</u>	Special Revenue (Teachers’) <u>Fund</u>	Debt Service <u>Fund</u>	Capital Projects (Building) <u>Fund</u>	Total <u>Levy</u>
2011	\$3.2943	\$0.0000	\$0.2100	\$0.1200	\$3.6243
2010	2.9388	0.0000	0.2100	0.1200	3.2688
2009	2.7864	0.0000	0.2100	0.1200	3.1164
2008	2.7500	0.0000	0.2100	0.0654	3.0254
2007	2.9916	0.0000	0.2100	0.1700	3.3716

Source: District’s Annual Secretary of the Board Reports (2005 through 2008) and Department of Elementary and Secondary Education (2010).

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**Tax Collection Record.** The following table sets forth tax collection information for the District for the current fiscal year and each of the last four fiscal years:

Fiscal Year	Total Adjusted Levy <sup>(1)</sup>	Assessed Valuation <sup>(2)</sup>	Total Taxes Levied	Current Taxes Collected <sup>(3)</sup>		Total Current and Delinquent Taxes Collected <sup>(3)</sup>	
				Amount Collected	% of Taxes Levied	Amount Collected	% of Taxes Levied <sup>(4)</sup>
2010-11	\$3.6243	\$288,841,960	\$10,468,499	\$10,081,316	96.3%	\$10,371,749	99.1%
2009-10	3.2688	281,887,110	9,214,32	8,803,538	95.5	9,070,455	98.4
2008-09	3.1164	297,465,380	9,270,21	8,908,015	96.1	9,037,454	97.5
2007-08	3.0254	299,612,490	9,064,47	8,761,848	96.7	9,055,924	100.0
2006-07	3.3716	252,165,870	8,502,02	8,087,302	95.1	8,198,637	96.4

Source: District's Annual Secretary of the Board Report; County Clerk of St. Louis County (Assessed Valuations).

(1) Per \$100 of assessed valuation.

(2) Excludes assessed valuation attributable to TIF districts located within the District.

(3) The District contracts with the St. Louis County Collector and the St. Louis County Assessor to assist in the collection of the District's taxes. The taxes collections shown are net of both fees.

(4) Delinquent taxes are shown in the year payment is actually received.

**Major Taxpayers.** The ten largest taxpayers according to their 2010 assessed valuations are listed below. These taxpayers represent 16.79% of the District's 2010 assessed valuation of \$321,758,810<sup>(1)</sup>.

	Taxpayer	Type of Business	2010 Assessed VALUATION <sup>(1)</sup>	% of Total Assessed Valuation
1.	GS Brentwood LLC	Office Building	\$10,264,770	3.19%
2.	St. Louis Brentwood Associates Ltd.	Office Building	7,153,860	2.22
3.	Eager Road Associates West LLC	Retail Development	6,722,400	2.09
4.	Eager Road Associates North LLC	Retail Development	6,168,600	1.92
5.	Pace Brentwood Partners LLC	Retail Development	6,062,620	1.88
6.	Eager Road Associates LLC	Retail Development	4,375,800	1.36
7.	DP Brentwood LLC	Office Building	4,010,720	1.25
8.	Center 40 LLC	Retail Development	3,984,220	1.24
9.	Home Depot USA Inc.	Retail Hardware	2,896,800	0.90
10.	Ice Cream Specialties Inc	Manufacturing	2,379,960	0.74

Source: St. Louis County Department of Revenue.

(1) Includes taxpayers located in TIF districts within the District.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
Fiscal Years Ended June 30**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>General (Incidental) Fund</u></b>			
Balance--Beginning of Year	\$3,837,672.93	\$4,149,453.51	\$3,119,353.28
Cash Receipts	12,927,813.22	12,045,600.17	12,597,466.89
Cash Disbursement	(5,442,569.07)	(5,749,563.29)	(5,976,852.19)
Other Financing Sources (Uses)	<u>(7,173,463.57)</u>	<u>(7,326,137.11)</u>	<u>(8,029,211.85)</u>
Balance--End of Year	<u>\$4,149,453.51</u>	<u>\$3,119,353.28</u>	<u>\$1,710,756.13</u>
<b><u>Special Revenue (Teachers) Fund</u></b>			
Balance--Beginning of Year	\$ 0.00	\$ 0.00	\$ 0.00
Cash Receipts	285,773.59	265,097.10	246,791.10
Cash Disbursement	(7,930,569.29)	(8,225,900.56)	(8,552,520.20)
Other Financing Sources (Uses)	<u>7,644,795.70</u>	<u>7,960,803.46</u>	<u>8,305,729.10</u>
Balance--End of Year	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<b><u>Debt Service Fund</u></b>			
Balance--Beginning of Year	\$676,839.18	\$541,414.40	\$472,462.27
Cash Receipts	1,442,126.36	644,746.86	635,754.25
Cash Disbursement	(1,577,551.14)	(713,698.99)	(773,124.28)
Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance--End of Year	<u>\$541,414.40</u>	<u>\$472,462.27</u>	<u>\$335,092.24</u>
<b><u>Capital Projects (Building) Fund</u></b>			
Balance--Beginning of Year	\$234,112.47	\$3,058,774.57	\$124,589.01
Cash Receipts	6,400,865.93	651,174.09	1,254,500.31
Cash Disbursement	(3,576,203.83)	(3,585,359.65)	(1,050,256.83)
Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>284,586.14</u>
Balance--End of Year	<u>\$3,058,774.57</u>	<u>\$124,589.01</u>	<u>\$613,418.63</u>
<b><u>Total Funds</u></b>			
Balance--Beginning of Year	\$4,748,624.58	\$7,749,642.48	\$3,716,404.56
Cash Receipts	21,056,579.10	13,606,618.22	14,734,512.55
Cash Disbursement	(18,526,893.33)	(18,274,522.49)	(16,352,753.50)
Other Financing Sources (Uses)	<u>471,332.13</u>	<u>634,666.35</u>	<u>561,103.39</u>
Balance--End of Year	<u>\$7,749,642.48</u>	<u>\$3,716,404.56</u>	<u>\$2,659,267.00</u>

Source: District's Audited Financial Statements.

**BRENTWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

**DEBT STRUCTURE OF THE DISTRICT**

**Debt Ratios and Related Information**

District Population, 2007	8,217
Assessed Valuation, 2010 <sup>(1)</sup>	\$321,758,810.00
Estimated Actual Value, 2010 <sup>(1)</sup>	\$1,433,792,563.00
Outstanding General Obligation Direct Debt	\$9,459,899.60
Overlapping General Obligation Debt	\$612,688.00
Total Direct and Overlapping General Obligation Debt	\$10,072,587.60
Per Capita Direct Debt	\$1,151.26
Per Capita Direct and Overlapping General Obligation Debt	\$1,225.82
Ratio of Direct Debt to Assessed Valuation	2.94%
Ratio of Direct Debt to Estimated Actual Value	0.66%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation	3.13%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value	0.70%

<sup>(1)</sup> Includes taxpayers located in TIF districts within the District.

**Overlapping or Underlying Indebtedness**

(As of June 30, 2011)

<u>Taxing Body</u>	<u>General Obligation Debt</u>	<u>Approx. Percent Applicable</u>	<u>Amount of Overlapping Debt</u>
St. Louis County	\$26,565,000	1.29%	\$ 342,688
City of Brentwood	<u>270,000</u>	100.00	<u>270,000</u>
<b>TOTAL</b>	<b><u>\$26,835,000</u></b>		<b><u>\$ 612,688</u></b>

Source: Taxing jurisdiction's records and telephone survey.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact John Stewart, Director of Accounting and Business Services at Brentwood School District, (314) 962-4507.

## **FINANCIAL STATEMENTS**

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Net Assets - Modified Cash Basis**  
**As of June 30, 2011**

	<b>Governmental Activities</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents (Note II)	\$ 1,682,373.73
Investments	-
Total current assets	<b>1,682,373.73</b>
<b>Restricted assets:</b>	
Student Scholarships	
Cash	28,382.40
Debt Service	
Cash	281,704.24
Investments	53,388.00
Capital Projects	
Cash	613,418.63
Total Restricted assets	976,893.27
<b>Total assets</b>	<b>\$ 2,659,267.00</b>
 <b>Net Assets</b>	
Restricted for:	
Construction	281,269.70
Capital Projects	332,148.93
Student Scholarships	28,382.40
Debt Service	335,092.24
<b>Unrestricted</b>	1,682,373.73
<b>Total net assets</b>	<b>\$ 2,659,267.00</b>

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

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 7,942,751.14	\$ 276,517.25	\$ 517,819.01		\$ (7,148,414.88)
Attendance	-				-
Guidance	545,918.13				(545,918.13)
Health, Psych Speech and Audio	135,615.21				(135,615.21)
Improvement of Instruction	166,255.92		22,821.00		(143,434.92)
Professional Development	77.88				(77.88)
Media Services (Library)	229,798.79				(229,798.79)
Board of Education Services	93,520.15				(93,520.15)
Executive Administration	983,181.13				(983,181.13)
Building Level Administration	1,366,682.55				(1,366,682.55)
Business Central Service	-				-
Operation of Plant	2,375,825.81				(2,375,825.81)
Security Services	-				-
Pupil Transportation	19,594.30	-	-		(19,594.30)
Food Services	277,099.78	141,143.72	111,725.05		(24,231.01)
Central Office Support Services	629,037.86				(629,037.86)
Other Supporting Services	10,314.12				(10,314.12)
Adult Education	-				-
Community Services	563,515.87	287,560.27			(275,955.60)
Capital Outlay	-				-
Debt Service:					
Principal Retirement	495,000.00				(495,000.00)
Interest and Fiscal Charges	518,564.86				(518,564.86)
Total Governmental activities	<u>16,352,753.50</u>	<u>705,221.24</u>	<u>652,365.06</u>	<u>-</u>	<u>(14,995,167.20)</u>
<b>Totals</b>	<b><u>\$ 16,352,753.50</u></b>	<b><u>\$ 705,221.24</u></b>	<b><u>\$ 652,365.06</u></b>	<b><u>\$ -</u></b>	<b><u>(14,995,167.20)</u></b>

**General revenues:**

Property taxes, levied for general purposes	11,021,394.64
Property taxes, levied for debt service	604,622.40
Other taxes	1,028,038.55
Prop C - Sales tax	507,880.68
Federal, State and County aid not restricted to specific purposes	9,701.89
Interest and investment earnings	14,012.29
Bond Proceeds	-
Refunding Bonds Proceeds	-
Miscellaneous	752,379.19
<b>Subtotal, general revenues</b>	<b><u>13,938,029.64</u></b>

**Changes in net assets**

	<b>(1,057,137.56)</b>
Net assets July 1, 2010	<u>3,716,404.56</u>
Net assets June 30, 2011	<b><u>\$ 2,659,267.00</u></b>

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

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Assets, Liabilities & Fund Balance - Modified Cash Basis**  
**All Governmental Funds**  
**As of June 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents (Note II)	\$ 1,682,373.73	\$ -	\$ 281,704.24	\$ 613,418.63	\$ 2,577,496.60
Investments	-	-	-	-	-
Investments - Amount Held in Escrow	-	-	53,388.00	-	53,388.00
Cash - Scholarships	28,382.40	-	-	-	28,382.40
<b>Total Assets</b>	<b><u>\$ 1,710,756.13</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 335,092.24</u></b>	<b><u>\$ 613,418.63</u></b>	<b><u>\$ 2,659,267.00</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Total Liabilities:</b>	-	-	-	-	-
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Debt Service	-	-	335,092.24	-	335,092.24
<b>Committed for:</b>					
Stabilization Reserve	-	-	-	-	-
<b>Assigned to:</b>					
Student Scholarships	28,382.40	-	-	-	28,382.40
Capital Outlay	-	-	-	281,269.70	281,269.70
Capital Projects	-	-	-	332,148.93	332,148.93
<b>Unassigned</b>	1,682,373.73	-	-	-	1,682,373.73
<b>Total Fund Balances</b>	<b><u>1,710,756.13</u></b>	<b><u>-</u></b>	<b><u>335,092.24</u></b>	<b><u>613,418.63</u></b>	<b><u>2,659,267.00</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,710,756.13</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 335,092.24</u></b>	<b><u>\$ 613,418.63</u></b>	<b><u>\$ 2,659,267.00</u></b>

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

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis**  
**All Government Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues Collected</b>					
Local Sources	\$ 11,915,172.79	\$ 192,417.66	\$ 625,786.54	\$ 1,250,467.36	\$ 13,983,844.35
County Sources	64,258.15	10,342.44	9,967.71	4,032.95	88,601.25
State Sources	295,775.46	44,031.00	-	-	339,806.46
Federal Sources	322,260.49	-	-	-	322,260.49
<b>TOTAL REVENUES</b>	<b>12,597,466.89</b>	<b>246,791.10</b>	<b>635,754.25</b>	<b>1,254,500.31</b>	<b>14,734,512.55</b>
<b>Expenditures Paid</b>					
<b>Current</b>					
Regular Instruction	1,599,694.28	6,289,820.09	-	53,236.77	7,942,751.14
Attendance	-	-	-	-	-
Guidance	167,847.23	378,070.90	-	-	545,918.13
Health, Psych Speech & Audio	134,089.21	-	-	1,526.00	135,615.21
Improvement of Instruction	163,830.31	2,425.61	-	-	166,255.92
Professional Development	77.88	-	-	-	77.88
Media Services	70,238.93	159,559.86	-	-	229,798.79
Board of Education Services	93,520.15	-	-	-	93,520.15
Executive Administration	472,117.66	491,632.33	-	19,431.14	983,181.13
Building Level Administration	483,939.62	874,152.08	-	8,590.85	1,366,682.55
Business Central Services	-	-	-	-	-
Operation of Plant	1,803,922.85	-	-	571,902.96	2,375,825.81
Security Services	-	-	-	-	-
Pupil Transportation	19,594.30	-	-	-	19,594.30
Food Service	275,388.78	-	-	1,711.00	277,099.78
Central Office Support Services	377,783.25	95,372.50	-	155,882.11	629,037.86
Other Supporting Services	10,314.12	-	-	-	10,314.12
Community Services	302,029.04	261,486.83	-	-	563,515.87
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	375,000.00	120,000.00	495,000.00
Interest and Charges	2,464.58	-	398,124.28	117,976.00	518,564.86
<b>Total Support Services</b>	<b>5,976,852.19</b>	<b>8,552,520.20</b>	<b>773,124.28</b>	<b>1,050,256.83</b>	<b>16,352,753.50</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,620,614.70</b>	<b>(8,305,729.10)</b>	<b>(137,370.03)</b>	<b>204,243.48</b>	<b>(1,618,240.95)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers	(8,305,729.10)	8,305,729.10	-	-	-
Sale of Bonds	-	-	-	-	-
Net Insurance Recovery	-	-	-	-	-
Sale of School Buses	-	-	-	-	-
Sale of Other Property	-	-	-	284,586.14	284,586.14
Refunding Bonds	-	-	-	-	-
Tuition from other Districts	-	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-	-
Contracted Educational Services	276,517.25	-	-	-	276,517.25
Trans from other LEAS Non-Handi	-	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(8,029,211.85)</b>	<b>8,305,729.10</b>	<b>-</b>	<b>284,586.14</b>	<b>561,103.39</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,408,597.15)</b>	<b>-</b>	<b>(137,370.03)</b>	<b>488,829.62</b>	<b>(1,057,137.56)</b>
Fund Balance July 1, 2010	3,119,353.28	-	472,462.27	124,589.01	3,716,404.56
Fund Balance June 30, 2011	<b>\$ 1,710,756.13</b>	<b>\$ -</b>	<b>\$ 335,092.24</b>	<b>\$ 613,418.63</b>	<b>\$ 2,659,267.00</b>

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

**BRENTWOOD SCHOOL DISTRICT**  
**Reconciliation of the District Fund Balance Sheet**  
**with the Statement of Net Assets - Modified Cash Basis**  
**June 30, 2011**

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

Total Fund Balance - Governmental Funds	\$ 2,659,267.00
There are no items of reconciliation	<u>-</u>
Total Net Assets - Governmental Activities	<u>\$ 2,659,267.00</u>

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

**BRENTWOOD SCHOOL DISTRICT**  
**Reconciliation of the District Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances with the District-Wide Statement of Activities - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

Total net change in fund balances - governmental funds	\$ (1,057,137.56)
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u><u>\$ (1,057,137.56)</u></u>

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

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Brentwood 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.

As discussed further in Note 1, 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 all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Principles Determining the Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

Additionally, while the parent-teacher organizations of the District's schools are organizations that provide financial support exclusively to the District, they are not required to be included as a component unit because the amount of financial support provided is of a de minimis nature.

Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses on the modified cash basis of accounting. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Fund

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund.

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Special Revenue Fund:* A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

*Debt Service Fund:* This fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

*Capital Projects Fund:* This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Brentwood School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent of the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes the School District has the following component unit.

**Blended Component Unit**

The Brentwood Public School Building Corporation was incorporated as a not for profit organization whose stated purpose is to operate exclusively for the benefit of the Brentwood School District. Although the District is not legally responsible for the debt of the building corporation, the corporation's sole service of revenue is from lease payments from the district.

Due to the nature of the Authority's business, the District has elected not to present the component unit separately, rather report it in the Governmental Activities.

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The District's financial statements are prepared in accordance with the cash basis of accounting, which is a comprehensive basis of accounting (OCBOA) other than generally accepted accounting principles (GAAP). The Governmental Accounting Standards (GASB) Board is responsible for establishing GAAP for state and local governments through its pronouncements. (Statements and pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basis of Presentation

*Government-wide Financial Statements*

The statement of net assets and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. 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 (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements*

The fund financial statements provide information about the District's funds. A balance sheet and statement of revenues, expenditures, and changes in fund balances are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. The District considers each of its funds to be major.

Basis of Accounting

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

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

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentally obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested. In addition, see Note II, Cash and Investments.

Restricted Cash

Restricted cash represent amounts whose use is limited by legal requirements and consist of amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program as discussed in Note II and Note III.

Fund Balance Reserves

The District reserves those portions of fund equity legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

Net Assets

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

- Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact. The District did not have any nonspendable resources as of June 30, 2011.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District held bonds and are restricted through debt covenants.

BRENTWOOD SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.
- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

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

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

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ -	\$ -	\$ 28,382.40
Special Revenue (Teachers) Fund	-	-	-	-
Debt Service Fund	-	335,092.24	-	-
Capital Projects Fund	-	-	-	613,418.63
<b>Total</b>	<b>\$ -</b>	<b>\$ 335,092.24</b>	<b>\$ -</b>	<b>\$ 641,801.03</b>

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

BRENTWOOD SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Inventories

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

Compensated Absences

Vacation time is considered an expenditure in the year paid. Amounts that are unpaid and which are vested in the employee are paid at termination. Total vested and unpaid vacation at June 30, 2011 amounted to approximately \$4,659.20. Total unpaid sick leave at June 30, 2011 amounted to approximately \$9,224.78. These estimates have not been subjected to auditing procedures.

Teachers Salaries

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

**II. DEPOSITS AND INVESTMENTS**

The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Funds be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the combined statement of assets, liabilities and fund balances arising from cash transactions as "Cash and Cash Equivalents and Investments" under each fund's caption.

The Deposits held at June 30, 2011 and reported at cost, are as follows:

**BALANCE AT JUNE 30, 2011**

	Maturity Date	Cost
Restricted Deposits and Investments:		
Deposits Restricted for Scholarships	N/A	\$ 28,382.40
Deposits Restricted for Debt service	N/A	281,704.24
MOHEFA Restricted for Debt Service	03/01/21	3,548.00
MOHEFA Restricted for Debt Service	03/01/27	49,840.00
Deposits Restricted for Capital Projects	N/A	613,418.63
Total Restricted Deposits and Investments		\$ 976,893.27

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**II. DEPOSITS AND INVESTMENTS (CONCLUDED)**

Unrestricted Deposits and Investments:			
Demand Deposits and Petty Cash	N/A	\$	1,682,373.73
U.S. Treasury Notes	N/A		-
Total Unrestricted Deposits and Investments		\$	1,682,373.73
Total Deposits and Investments			\$ 2,659,267.00

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s investment policy does not include custodial credit risk requirements. The District’s deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

The District has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Maturities of investment held at June 30, 2011 are provided in the schedule above.

Investment Credit Risk

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

At June 30, 2011, all of the investments of the District were rated AAA.

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.

At June 30, 2011, 100% of the District’s investments were guaranteed by the U.S. Government.

**BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

**III. TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The county collects the property tax and remits it to the District. The District also receives sales tax collected by the State and remitted based on a prior year weighted average attendance. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible taxable property for the calendar year 2010 for purposes of local taxation was \$ 288,841,960.

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

	Unadjusted	Adjusted
General (Incidental) Fund	\$ 3.3705	\$ 3.2943
Special Revenue Fund	0.0000	0.0000
Debt Service Fund	0.2100	0.2100
Capital Project Fund	0.1200	0.1200
Total	\$ 3.3705	\$ 3.6243

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2011, aggregated approximately 99.07 percent of the current assessment computed on the basis of the levy as shown above.

**IV. LONG-TERM LIABILITIES**

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

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts Due Within One Year
General Obligation Bonds	\$ 9,834,899.60	\$ -	\$ (375,000.00)	\$ 9,459,899.60	\$ 410,000.00
Leasehold Revenue Bonds	2,630,000.00	-	(120,000.00)	2,510,000.00	140,000.00
Total Long-Term Liabilities	\$ 12,464,899.60	\$ -	\$ (495,000.00)	\$ 11,969,899.60	\$ 550,000.00

General Obligation Bonds

The following is a summary of general obligation bond transactions for the year ended June 30, 2011:

Bonds Payable, July 1, 2010	\$ 9,834,899.60
Bonds Added	-
Bonds Retired	(375,000.00)
Bonds Payable, June 30, 2011	\$ 9,459,899.60

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**IV. LONG-TERM LIABILITIES (CONTINUED)**

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

On April 7, 2009 Brentwood School District refunded a portion of their 2001 General Obligation Bond and Issued new bond money for a new early childhood center, details are as follows: \$6,780,000.00 Brentwood School District General Obligation Improvement and Refunding Bonds, \$6,000,000.00 was for improvements and \$780,000.00 was for refunding a portion of the 2001 General Obligation Bonds. The payments are due in semiannual principal installments through March 1, 2029. Interest rate is variable from 2.500% to 4.500% and is due semiannually on September 1 and March 1 each year.

\$ 6,110,000.00

On February 20, 2007 Brentwood School District refunded a portion of their 2001 General Obligation Bond and the details are as follows: \$ 3,034,899.60 Brentwood School District General Obligation Refunding Bond Series 2007, due in semiannual principal installments through March 1, 2021. Interest rate is variable from 4.000% to 9.200% and is due semiannually on September 1 and March 1 each year.

2,689,899.60

\$6,000,000.00 Brentwood School District General Obligation Bond Series 2001, due in semiannual principal installments through March 1, 2014. Interest rate is variable from 4.050% to 5.375% and is due semiannually on September 1 and March 1 each year.

660,000.00

\$ 9,459,899.60

Debt service requirements to maturity are:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	410,000.00	374,668.76	784,668.76
2013	445,000.00	363,562.50	808,562.50
2014	500,000.00	343,006.26	843,006.26
2015	324,899.60	319,825.00	644,724.60
2016	570,000.00	316,231.26	886,231.26
2017-2021	3,230,000.00	11,300,277.50	14,530,277.50
2022-2026	2,335,000.00	670,425.00	3,005,425.00
2027-2031	1,645,000.00	149,095.00	1,794,095.00
Totals	<u>\$ 9,459,899.60</u>	<u>\$ 13,837,091.28</u>	<u>\$ 23,296,990.88</u>

On April 7, 2009 , the District defeased a portion of the series 2001 bonds that was maturing in the years 2010 through 2012 aggregating the principal amount of \$780,000.00.

BRENTWOOD SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011

**IV. LONG-TERM LIABILITIES (CONCLUDED)**

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district (including state-assessed railroad and utilities). The District did not exceed the legal debt margin at June 30, 2011.

Leasehold Revenue Bonds

The following is a summary of lease transactions for the year ended June 30, 2011:

Leases Payable, July 1, 2010	\$ 2,630,000
Principal Payments	(120,000)
Leases Payable, June 30, 2011	\$ 2,510,000

On October 31, 2002, the District issued \$1,190,000 in District Building Lease Certificates of Participation, Series 2003 with interest rates ranging from 3.75% to 4.75% for the purpose of finishing the Bond Issue for HVAC, and renovating the athletic field and buildings.

On February 1, 2005, the District issued \$1,860,000 in Building Lease Certificates of Participation, Series 2005 with interest rates ranging from 2.50% to 4.25% for the purpose of refinancing the Series 2000 Certificates of Participation that were issued on July 4, 2000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	140,000.00	112,438.75	252,438.75
2013	155,000.00	107,470.00	262,470.00
2014	170,000.00	101,648.13	271,648.13
2015	195,000.00	95,056.26	290,056.26
2016	215,000.00	87,200.01	302,200.01
2017-2021	1,450,000.00	268,215.67	1,718,215.67
2022	185,000.00	13,912.50	198,912.50
Totals	\$ 2,510,000.00	\$ 785,941.32	\$ 3,295,941.32

Tax Anticipation Notes

On November 2, 2010 the District borrowed \$750,000.00 in Tax Anticipation Notes in order to pay bills out of the General Fund. The Tax Anticipation Notes were paid off before the end of December 2010. The interest rate was 3.25% and the District paid a total of \$2,464.58 in interest for the year ended June 30, 2011.

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**V. RETIREMENT PLAN**

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

PSRS members are required to contribute 14.00% of their annual covered salary and the Brentwood School District is required to contribute a matching amount. The contribution requirements of members and the Brentwood School District are established and may be amended by the PSRS Board of Trustees. The school district's contribution to PSRS for the year ending June 30, 2011 was \$1,010,614.98, equal to the required contribution.

The Brentwood School District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 17 or more hours per week and who do not contribute to The Public School Retirement System of Missouri. Positions covered by The Public Education Employee Retirement System of Missouri are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of The Public School Retirement System of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P. O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.63% of their annual covered salary and the Brentwood School District is required to contribute a matching amount. The contribution requirements of members and the Brentwood School District are established and may be amended by the Board of Trustees. The School District's contributions to PEERS for the year ending June 30, 2011 were \$ 155,477.13, equal to the required contributions.

**VI. PARTICIPATION IN PUBLIC ENTITY RISK POOL – (MUSIC)**

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable and therefore joined together with approximately 405 other Missouri Public School District to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

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

BRENTWOOD SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011

**VII. REVENUE BOND ESCROW**

Under the terms of the Revenue Bond/Lease Agreements, \$ 53,388.00 of the proceeds are held by the trustee, for the account of the District, as an escrow fund to be used to prepay on the District's General Obligation Series 2001 and 2007. The trustee invests reserve fund monies and earnings from such investments are used to reduce interest expense payments as they come due. As the reserve fund is restricted as to purpose and not currently available to the District, such monies are shown as restricted assets and reserved fund balance in the financial statements.

**VIII. BUDGETARY REPORTING**

The District's actual year end Revenues in the General, Debt Service and Capital Projects Funds were less favorable than had been anticipated through the Final Budget as a result of amendments made throughout the year. Expenditures were adequately budgeted, but the revenues received during the year were smaller than budgeted for the above mentioned funds. Actual revenues received under that budgeted per fund equals \$ 1,489,824.11 (General), and \$47,754.25 (Debt Service).

**IX. LITIGATION**

The District is not involved in any lawsuits at this time.

**X. INTERFUND TRANSFERS**

Transfers between funds for the year ended June 30, 2011 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 8,305,729.10
Special Revenue	8,305,729.10	-
<b>Total</b>	<b>\$ 8,305,729.10</b>	<b>\$ 8,305,729.10</b>

Funds were transferred out of the General fund to pay for teacher's salaries in the special revenue fund for the year ended June 30, 2011.

**XI. BLENDED COMPONENT UNIT**

As discussed in Note I, Brentwood School District is involved in The Brentwood Public School Building Corporation which was incorporated as a not for profit organization whose stated purpose is to operate exclusively for the benefit of the Brentwood School District. The Blended Component Unit is included in the Capital Projects Fund and the reconciliation is as follows:

BRENTWOOD SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011

**XI. BLENDED COMPONENT UNIT (CONCLUDED)**

	Total Amount Included In Capital Projects Fund	Less Amount Pertaining To Capital Projects Fund	Amount Pertaining to Blended Component Unit
Principal	120,000.00	-	120,000.00
Interest	116,095.00	-	116,095.00
Total	236,095.00	-	236,095.00

**XII. ST. LOUIS DESEGREGATION PROGRAM**

The District was a party to, and bound by, the terms of the Settlement Agreement negotiated in 1983 regarding the St. Louis desegregation case. On October 1, 1991, the District filed a motion for final judgment notifying the court that it met the required plan ration in September 1991. On November 4, 1991, the District received a final judgment from the U.S. District Court stating that the District had satisfied its inter-district pupil desegregation obligations. The District remains under a voluntary obligation to comply with all terms of the new settlement agreement negotiated in 1999. The Voluntary Inter-district Choice Corporation currently administers the St. Louis voluntary inter-district transfer plan. Desegregation aid received for the year ended June 30, 2011 was approximately \$755,565.10.

**XIII. POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note V, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan. During the year, approximately 52 retirees participated in the District's insurance plans and paid premiums totaling \$216,454.30. The District has 2 former employees that participate in Cobra as of June 30, 2011.

**XIV. CHANGE IN ACCOUNTING PRINCIPLE**

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

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011

**XV. SUBSEQUENT EVENTS**

On August 15, 2011 the district signed a Tax Anticipation Note agreement with PNC bank for up to \$3,000,000 for instances where the District may need to temporarily borrow funds until tax revenue comes in. The interest rate is variable equal to 1-month LIBOR + 150 bps. Interest is to be calculated on a 30 day month/360 day calendar year.

The District is currently working on refinancing their 2002 Certificates of Participation (COPS) with the 2011 COPS. The District is doing so in order to realize a savings in interest.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual**  
**General Fund - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Modified Cash Basis	Over (Under)
	Original	Final	Actual	Final Budget
<b>Revenues Collected</b>				
Local Sources	\$ 13,218,616.00	\$ 13,327,166.00	\$ 11,915,172.79	\$ (1,411,993.21)
County Sources	75,000.00	75,000.00	64,258.15	(10,741.85)
State Sources	336,700.00	336,700.00	295,775.46	(40,924.54)
Federal Sources	114,600.00	348,425.00	322,260.49	(26,164.51)
<b>TOTAL REVENUES</b>	<b>13,744,916.00</b>	<b>14,087,291.00</b>	<b>12,597,466.89</b>	<b>(1,489,824.11)</b>
<b>Expenditures Paid</b>				
<b>Current</b>				
Instruction	1,280,286.00	1,642,775.00	1,599,694.28	(43,080.72)
Attendance	-	-	-	-
Guidance	143,360.00	143,360.00	167,847.23	24,487.23
Health, Psych Speech & Audio	139,110.00	125,110.00	134,089.21	8,979.21
Improvement of Instruction	160,345.00	176,116.00	163,830.31	(12,285.69)
Professional Development	2,200.00	2,200.00	77.88	(2,122.12)
Media Services	76,517.00	76,567.00	70,238.93	(6,328.07)
Board of Education Services	118,100.00	111,600.00	93,520.15	(18,079.85)
Executive Administration	520,825.00	471,825.00	472,117.66	292.66
Building Level Administration	499,240.00	498,415.00	483,939.62	(14,475.38)
Business Central Services	-	-	-	-
Operation of Plant	1,829,535.00	1,826,985.00	1,803,922.85	(23,062.15)
Security Services	-	-	-	-
Pupil Transportation	10,000.00	20,000.00	19,594.30	(405.70)
Food Service	271,500.00	276,500.00	275,388.78	(1,111.22)
Central Office Support Services	288,200.00	336,200.00	377,783.25	41,583.25
Other Supporting Services	20,600.00	25,600.00	10,314.12	(15,285.88)
Community Services	14,700.00	56,976.00	302,029.04	245,053.04
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	2,464.58	2,464.58
<b>Total Expenditures</b>	<b>5,374,518.00</b>	<b>5,790,229.00</b>	<b>5,976,852.19</b>	<b>186,623.19</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>8,370,398.00</b>	<b>8,297,062.00</b>	<b>6,620,614.70</b>	<b>(1,676,447.30)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	(8,136,950.00)	(8,367,850.00)	(8,305,729.10)	62,120.90
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	303,000.00	276,517.25	(26,482.75)
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(8,136,950.00)</b>	<b>(8,064,850.00)</b>	<b>(8,029,211.85)</b>	<b>35,638.15</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>233,448.00</b>	<b>232,212.00</b>	<b>(1,408,597.15)</b>	<b>(1,640,809.15)</b>
Fund Balance July 1, 2010	3,119,353.28	3,119,353.28	3,119,353.28	-
<b>Fund Balance June 30, 2011</b>	<b>\$ 3,352,801.28</b>	<b>\$ 3,351,565.28</b>	<b>\$ 1,710,756.13</b>	<b>\$ (1,640,809.15)</b>

The notes to the required supplementary information are an integral part of this statement.

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual**  
**Special Revenue Fund - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Modified Cash Basis Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenues Collected</b>				
Local Sources	\$ 188,000.00	\$ 188,000.00	\$ 192,417.66	\$ 4,417.66
County Sources	11,000.00	11,000.00	10,342.44	(657.56)
State Sources	6,000.00	6,000.00	44,031.00	38,031.00
Federal Sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>205,000.00</b>	<b>205,000.00</b>	<b>246,791.10</b>	<b>41,791.10</b>
<b>Expenditures Paid</b>				
<b>Current</b>				
Instruction	6,194,700.00	6,348,400.00	6,289,820.09	(58,579.91)
Attendance	-	-	-	-
Guidance	416,350.00	412,350.00	378,070.90	(34,279.10)
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	29,150.00	10,150.00	2,425.61	(7,724.39)
Professional Development	-	-	-	-
Media Services	169,800.00	169,800.00	159,559.86	(10,240.14)
Board of Education Services	-	-	-	-
Executive Administration	501,750.00	501,750.00	491,632.33	(10,117.67)
Building Level Administration	873,700.00	873,700.00	874,152.08	452.08
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	20,325.00	130,325.00	95,372.50	(34,952.50)
Other Supporting Services	-	-	-	-
Community Services	136,175.00	126,375.00	261,486.83	135,111.83
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
<b>Total Support Services</b>	<b>8,341,950.00</b>	<b>8,572,850.00</b>	<b>8,552,520.20</b>	<b>(20,329.80)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	(8,136,950.00)	(8,367,850.00)	(8,305,729.10)	62,120.90
<b>Other Financing Sources (Uses):</b>				
Transfers	8,136,950.00	8,367,850.00	8,305,729.10	(62,120.90)
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>8,136,950.00</b>	<b>8,367,850.00</b>	<b>8,305,729.10</b>	<b>(62,120.90)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance July 1, 2010	-	-	-	-
<b>Fund Balance June 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The notes to the required supplementary information are an integral part of this statement.

BRENTWOOD SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2011

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 June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted on June 29, 2010 and are as finally amended by the Board of Education on June 28, 2011.

6. Budgets are adopted on the modified cash basis of accounting for all Governmental Funds.

BRENTWOOD SCHOOL DISTRICT  
OTHER POST EMPLOYMENT BENEFITS  
YEAR ENDED JUNE 30, 2011

**POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note V, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand alone financial report is not available for the plan. During the year, approximately 52 retirees participated in the District's insurance plans and paid premiums totaling \$216,454.30. The District has 2 former employees that participate in Cobra as of June 30, 2011.

## **SUPPLEMENTARY INFORMATION**

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual**  
**Debt Service Fund - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Cash Basis	Over (Under)
	Original	Final	Actual	Final Budget
<b>Revenues Collected</b>				
Local Sources	\$ 634,000.00	\$ 672,000.00	\$ 625,786.54	\$ (46,213.46)
County Sources	11,000.00	11,000.00	9,967.71	(1,032.29)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>645,000.00</b>	<b>683,000.00</b>	<b>635,754.25</b>	<b>(47,245.75)</b>
<b>Expenditures Paid</b>				
<b>Current</b>				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	453,335.00	377,985.00	375,000.00	(2,985.00)
Interest and Charges	387,795.00	398,345.00	398,124.28	(220.72)
<b>Total Expenditures</b>	<b>841,130.00</b>	<b>776,330.00</b>	<b>773,124.28</b>	<b>(3,205.72)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>(196,130.00)</b>	<b>(93,330.00)</b>	<b>(137,370.03)</b>	<b>(44,040.03)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	-	-
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(196,130.00)</b>	<b>(93,330.00)</b>	<b>(137,370.03)</b>	<b>(44,040.03)</b>
Fund Balance July 1, 2010	472,462.27	472,462.27	472,462.27	-
<b>Fund Balance June 30, 2011</b>	<b>\$ 276,332.27</b>	<b>\$ 379,132.27</b>	<b>\$ 335,092.24</b>	<b>\$ (44,040.03)</b>

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual**  
**Capital Projects Fund - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Modified Cash Basis Actual	Over (Under) Final Budget
	Original	Final		
<b>Revenues Collected</b>				
Local Sources	\$ 821,000.00	\$ 821,000.00	\$ 1,250,467.36	\$ 429,467.36
County Sources	7,000.00	7,000.00	4,032.95	(2,967.05)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>828,000.00</b>	<b>828,000.00</b>	<b>1,254,500.31</b>	<b>426,500.31</b>
<b>Expenditures Paid</b>				
<b>Current</b>				
Instruction	55,575.00	53,692.00	53,236.77	(455.23)
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	1,600.00	1,600.00	1,526.00	(74.00)
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	21,500.00	21,500.00	19,431.14	(2,068.86)
Building Level Administration	12,140.00	9,940.00	8,590.85	(1,349.15)
Business Central Services	-	-	-	-
Operation of Plant	223,500.00	598,975.00	571,902.96	(27,072.04)
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	10,000.00	2,400.00	1,711.00	(689.00)
Central Office Support Services	133,000.00	133,000.00	155,882.11	22,882.11
Other Supporting Services	-	-	-	-
Community Services	2,000.00	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	120,000.00	120,000.00	120,000.00	-
Interest and Charges	118,060.00	116,060.00	117,976.00	1,916.00
<b>Total Support Services</b>	<b>697,375.00</b>	<b>1,057,167.00</b>	<b>1,050,256.83</b>	<b>(6,910.17)</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>130,625.00</b>	<b>(229,167.00)</b>	<b>204,243.48</b>	<b>433,410.48</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	284,586.14	284,586.14
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>284,586.14</b>	<b>284,586.14</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>130,625.00</b>	<b>(229,167.00)</b>	<b>488,829.62</b>	<b>717,996.62</b>
Fund Balance July 1, 2010	124,589.01	124,589.01	124,589.01	-
<b>Fund Balance June 30, 2011</b>	<b>\$ 255,214.01</b>	<b>\$ (104,577.99)</b>	<b>\$ 613,418.63</b>	<b>\$ 717,996.62</b>

**BRENTWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Non-GAAP Budget Basis and Actual**  
**All Governmental Funds - Modified Cash Basis**  
**For the Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Modified Cash Basis</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues Collected</b>				
Local Sources	\$ 14,861,616.00	\$ 15,008,166.00	\$ 13,983,844.35	\$ (1,024,321.65)
County Sources	104,000.00	104,000.00	88,601.25	(15,398.75)
State Sources	342,700.00	342,700.00	339,806.46	(2,893.54)
Federal Sources	114,600.00	348,425.00	322,260.49	(26,164.51)
<b>TOTAL REVENUES</b>	<b>15,422,916.00</b>	<b>15,803,291.00</b>	<b>14,734,512.55</b>	<b>(1,068,778.45)</b>
<b>Expenditures Paid</b>				
<b>Current</b>		-		
Instruction	7,530,561.00	8,044,867.00	7,942,751.14	(102,115.86)
Attendance	-	-	-	-
Guidance	559,710.00	555,710.00	545,918.13	(9,791.87)
Health, Psych Speech & Audio	140,710.00	126,710.00	135,615.21	8,905.21
Improvement of Instruction	189,495.00	186,266.00	166,255.92	(20,010.08)
Professional Development	2,200.00	2,200.00	77.88	(2,122.12)
Media Services	246,317.00	246,367.00	229,798.79	(16,568.21)
Board of Education Services	118,100.00	111,600.00	93,520.15	(18,079.85)
Executive Administration	1,044,075.00	995,075.00	983,181.13	(11,893.87)
Building Level Administration	1,385,080.00	1,382,055.00	1,366,682.55	(15,372.45)
Business Central Services	-	-	-	-
Operation of Plant	2,053,035.00	2,425,960.00	2,375,825.81	(50,134.19)
Security Services	-	-	-	-
Pupil Transportation	10,000.00	20,000.00	19,594.30	(405.70)
Food Service	281,500.00	278,900.00	277,099.78	(1,800.22)
Central Office Support Services	441,525.00	599,525.00	629,037.86	29,512.86
Other Support Services	20,600.00	25,600.00	10,314.12	(15,285.88)
Community Services	152,875.00	183,351.00	563,515.87	380,164.87
Capital Outlay	-	-	-	-
Debt Service:				
Principal	573,335.00	497,985.00	495,000.00	(2,985.00)
Interest and Charges	505,855.00	514,405.00	518,564.86	4,159.86
<b>Total Expenditures</b>	<b>15,254,973.00</b>	<b>16,196,576.00</b>	<b>16,352,753.50</b>	<b>156,177.50</b>
<b>Revenues Collected Over (Under)</b>				
<b>Expenditures Paid</b>	<b>167,943.00</b>	<b>(393,285.00)</b>	<b>(1,618,240.95)</b>	<b>(1,224,955.95)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Sale of School Buses	-	-	-	-
Sale of Other Property	-	-	284,586.14	284,586.14
Refunding Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-
Contracted Educational Services	-	303,000.00	276,517.25	(26,482.75)
Trans from other LEAS Non-Handi	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>303,000.00</b>	<b>561,103.39</b>	<b>258,103.39</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>167,943.00</b>	<b>(90,285.00)</b>	<b>(1,057,137.56)</b>	<b>(966,852.56)</b>
Fund Balance July 1, 2010	3,716,404.56	3,716,404.56	3,716,404.56	-
<b>Fund Balance June 30, 2011</b>	<b>\$ 3,884,347.56</b>	<b>\$ 3,626,119.56</b>	<b>\$ 2,659,267.00</b>	<b>\$ (966,852.56)</b>

## **STATE COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Members of the  
Board of Education  
Brentwood School District

We have audited the basic financial statements of the Brentwood School District (the "District") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 4, 2011.

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

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

In our opinion, the District's budgetary and disbursements procedures were in compliance, in all material respects, with the budgetary statute (Chapter 67 RSMo) for the year ended June 30, 2011. It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance; resident membership on the last Wednesday of September; average number of students transported on a regular basis; and mileage and allowable cost for pupil transportation in compliance with state law and administrative rules for the year ended June 30, 2011.

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

*Daniel Jones & Associates*

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

October 4, 2011

BRENTWOOD SCHOOL DISTRICT  
COUNTY DISTRICT NUMBER 096-101  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011

**I. CALENDAR**

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

Grades K – 5.	1,121.13	Hours
Grades 6 - 8	1,098.38	Hours
Grades 9-12	1,083.70	Hours

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

Grades K - 5	178	Days
Grades 6 - 8	178	Days
Grades 9 - 12	178	Days

**II. AVERAGE DAILY ATTENDANCE (ADA)**

<u>Regular Year</u>	<u>Resident</u>	<u>Desegregation</u>		<u>Deseg Out</u>
		<u>In</u>	<u>Total</u>	
Grades K-5	293.3261	54.1231	347.4492	-
Grades 6-8	140.0518	20.2680	160.3198	-
Grades 9-12	198.0031	36.8746	234.8777	-
Subtotal Regular Year	627.7205	11.2657	742.6467	
SUMMER SCHOOL ADA	4.7126	1.6044	6.3170	-
TOTAL ADA	632.4331	12.8701	748.9637	-

**III. SEPTEMBER MEMBERSHIP FTE COUNT**

September Resident Membership	667.22	115.48	782.70	3.00
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**IV. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMo)**

Free	120.52	76.76	197.28	
Reduced	27.57	8.00	35.57	
Total	148.09	84.76	232.85	-

BRENTWOOD SCHOOL DISTRICT  
COUNTY DISTRICT NUMBER 096-101  
SCHEDULE OF SELECTED STATISTICS  
YEAR ENDED JUNE 30, 2011

**V. FINANCE**

- |    |  |                    |
|----|--|--------------------|
| A. | As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of .....   | \$ 25,000<br><hr/> |
| B. | The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo .....   | TRUE<br><hr/>      |
| C. | the District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo .....   | TRUE<br><hr/>      |
| D. | Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records .....   | TRUE<br><hr/>      |
| E. | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken ..... | TRUE<br><hr/>      |
| F. | The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo .....   | TRUE<br><hr/>      |

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

- |    |  |               |
|----|--|---------------|
| A. | The school District does not operate a Transportation system due to its coverage area. | TRUE<br><hr/> |
|----|--|---------------|

BRENTWOOD SCHOOL DISTRICT  
SCHEDULE OF STATE FINDINGS  
YEAR ENDED JUNE 30, 2011

**I. CHAPTER 67 RSMO (BUDGET STATUE)**

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopt an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

It appears that the School District has deficit budgeted the Capital Projects Fund by \$104,577.99 for the year ended June 30, 2011.

## **FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Members of  
The Board of Education  
Brentwood School District

We have audited the governmental activities, the blended component unit and each major fund of Brentwood School District as of and for the year ended June, 30, 2011, and have issued our report thereon dated October 4, 2011, which was modified because the District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

### Internal Control Over Financial Reporting (Concluded)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brentwood 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*.

We noted certain matters that we reported to management of the District in a separate letter dated October 4, 2011.

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

*Daniel Jones & Associates*

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

October 4, 2011

BRENTWOOD SCHOOL DISTRICT  
COMBINED SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2011

**I. SUMMARY OF AUDITOR'S RESULTS**

A. Financial Statements

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

**II. FINANCIAL FINDINGS**

There were no findings required to be reported under GAGAS for the year ended June 30, 2011.

BRENTWOOD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011

**III. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR**

There were no findings required to be reported under GAGAS for the year ended June 30, 2010.