Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2004

Southeast Polk
COMMUNITY SCHOOL DISTRICT
8379 NE University Ave. Runnells, Iowa 50237

COMPREHENSIVE ANNUAL FINANCIAL REPORT of the

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

Runnells, Iowa

For the fiscal year ended June 30, 2004

OFFICIAL ISSUING REPORT

Robert M. Hamilton — **Director of Finance**

OFFICE ISSUING REPORT

Business Office

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

Southeast Polk
Community School District

SEP District Office
Thomas J. Downs – Superintendent

8379 NE University Ave.
Runnells, Iowa 50237

www.se-polk.k12.ia.us

Phone: 515/967-4294
Fax: 515/967-4257

December 22, 2004

Mr. Jack Scrignoli, President
And Members of the Board of
Education and Citizens of
Southeast Polk Community School District
Runnells, Iowa

The Comprehensive Annual Financial Report for the Southeast Polk Community School District for the fiscal year ended June 30, 2004 is submitted herewith. Responsibility for the accuracy of data presented and the completeness and fairness of the presentation, including all disclosures, rests with the district finance office. We believe the data is presented in a manner designed to fairly set forth the financial position and results of operations of the district, as measured by the financial activity of the various funds; that all disclosures necessary to enable the reader to gain the maximum understanding of the district's financial activity have been included; and are accurate in all material respects.

The financial statements and schedules presented in this comprehensive annual financial report (CAFR) include all the funds of the District in accordance with standards set by the Governmental Accounting Standards Board (GASB).

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School Board's organizational chart, a list of the district's consultants and principal officials, a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The financial section includes the independent auditor's report, the basic financial statements, management's discussion and analysis, required supplementary information and other supplementary information. The statistical section includes selected financial and demographic data for up to a ten-year period. The single audit section includes the schedules and various independent auditors' reports required by the Single Audit Amendment of 1996, along with comments required by the Iowa Auditor of State.

The report presents the financial information of the District accurately and concisely. It is designed to be comprehensive, yet easily readable and accessible. The current Comprehensive Annual Financial Report will be submitted to the Association of School business Officials International (ASBO) for review for the ASBO Certificate of Excellence and to the Government Finance Officers Association of the United States and Canada (GFOA) for the GFOA Certificate of Achievement.

This letter of transmittal is designed to compliment the Management's Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

Basis of Accounting and Accounting System

The Southeast Polk Community School District's accounting records for individual governmental fund types are maintained on a modified accrual basis, with the revenue being accrued when available and measurable. Expenditures are recorded when the services or goods are received and the liabilities are incurred. Accounting records for the district's nutrition and store programs and internal service fund are maintained on the full accrual basis. All the District's funds and account groups are presented in this report and have been audited by the district's independent certified public accountants, Nolte, Cornman & Johnson, P. C.

The chart of accounts used by the District is in conformance with the Iowa Department of Education's Uniform Accounting System for Iowa Schools and Area Education Agencies, which became effective as of July 1, 1993 and was revised and updated as of December 2002. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

In developing and evaluating the accounting system of the school, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the internal accounting controls of the school district adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Reporting Entity And Its Services

The Southeast Polk Community School District was organized in May of 1961. The District is supported financially by state aid, property taxes, state and federal grants for special projects and local revenue received in the form of tuition and other miscellaneous income items. The District is governed by a seven-member board of education. The elections are held annually in September. Two and three positions are up for election on alternate years. All board members are elected at large.

The District provides a full range of educational services for residents of the Southeast Polk School District appropriate to students in early childhood and grades kindergarten through twelve. These services include basic, regular and enriched academic education, special education for handicapped children, vocational education and many individualized programs such as specialized instruction for students at-risk and students whose primary language is not English.

The financial statements include all funds, agencies, boards and commissions. The District has also considered all actual and potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The criteria considered in determining financial accountability include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Southeast Polk Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

Fund Accounting

A recap of the various funds used by the district is shown in the schedule that follows. These funds have been established in accordance with the requirements of the Department of Education and all

funds of the district are included in this report. The funds, their general purpose, and source of their support are shown.

Funds	Purpose	Major Source of Revenue
Governmental Fund Types		
General Fund	To support all instructional aspects of running the schools, including salaries and teaching supplies.	Local taxes, state and federal aid, and interest
Debt Service Fund	To account for the payment of interest and principal on the District's general long-term debt.	Local tax and interest
Capital Project Funds	To account for finacnial resources used to acquire or construct major capital facilities.	Bond issue proceeds Sales and use tax
Special Revenue Funds		
Management	To pay premiums for insurance coverage on liability claims. To pay unemployment claims assessed. To pay for certain costs attributable to employee early retirement incentives.	Local taxes and interest
Activity	To account for all funds collected and expended for school related co-curricular and extra-curricular student activities.	Student activities
Physical Plant and Equipment	To purchase grounds, building and equipment, and finance construction, remodeling, improving or expanding schoolhouse buildings.	Local taxes and interest
Trust	To account for all funds collected and expended for school related trust funds.	Scholarships
Proprietary Fund Types		
Enterprise Funds		
School Nutrition	To account for all transactions related to the operation of the nutrition program.	Sales to students and faculty, federal and state assistance.
School Store	To account for sale of items.	Sales to students and faculty
Internal Service Fund		
Health Insurance Fund	To account for the revenue and expenses related to the district's self-insurance plan for health insurance.	Charges to General Fund operations.
Fiduciary Fund Type		
Agency Fund	To account for assets held as an agent for individuals, private organizations, other governmental units, and/or other funds.	

Debt Administration

As of June 30, 2004 the District had $3,440,000 of general obligation bond indebtedness and $8,875,000 of revenue bans outstanding, leaving the district with a bonding capacity of $24,651,347. The district bonds were issued with a AAA bond rating. The purpose of the bonds is for construction of classroom space.

Cash Management

The district invests in only those securities allowed by the Code of Iowa, Chapter 12C. Because of the timing of the state aid payments, a portion of the available cash must be kept in very liquid accounts.

Cash temporarily idle during the year was invested in certificates of deposit representing 1.38 % of all district investments, money market checking accounts equaling 59.68 % of all district investments and in the Iowa Schools Joint Investment Trust or 38.94 % of all district investments. District investments averaged $6,631,071 monthly and had a 0.71 % average return for the FY 2003-04. This rate of return is down from the 2002-03 rate of 1.14 %.

The Southeast Polk Community School District invested in the Iowa Schools Joint Investment Trust diversified portfolio liquid account. The Trust is a common law trust established under Iowa Law pursuant to Chapter 28E and Section 279.29, Iowa Code (1985), as amended which authorized Iowa schools to jointly invest monies pursuant to a joint investment agreement. The objective of the liquid account is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa schools under Iowa law. Money may be withdrawn at any time.

Risk Management

The district currently covers property, liability, and workers' compensation losses with traditional insurance coverage through the Blaney-Childs Insurance Agency and Employers' Mutual Insurance Company.

The group health, prescription drugs, and dental plans are partially self-funded with stop loss policies purchased for both specific and group aggregate limits. First Administrators is the third party administrator for the health and prescription drug insurances. The Iowa Association of School Boards is the third party administrator for the district's dental coverage, which is a part of the Delta Dental Plan network. Employee life insurance and long-term disability insurance are with National Insurance Services of Wisconsin, Inc.

Budgeting

The District's Board of Education annually adopts a budget and approves the related appropriations for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Expendable Trust Funds in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets and financial statements for the governmental fund types and the expendable trust fund are prepare on a modified accrual basis, and the budget and financial statements for the Enterprise Fund is prepared on the accrual basis. A statement comparing the original and amended budget to actual revenues and expenditures is included as required supplementary information. The notes to financial statements include a schedule on the aggregate level to demonstrate budgetary legal compliance.

For management control, the budget is reviewed on a line item basis for up to a 10% variance. However, since a budget is a plan, overages on a line item basis are allowed if sufficient funds are available on a major function basis.

Major Initiatives and Achievements

A major event occurred during the 1999-2000 school year that created a tremendous opportunity for the Southeast Polk Community school District. That event was the passage of the Local Option Sales Tax* referendum by the voters of Polk County on November 23, 1999. This event created a new source of revenue for the school districts in Polk County that will enable the districts affected to move ahead with their respective long-range plans for the improvement of their facilities.

Southeast Polk immediately began to implement its ten-year facility plan with the construction of classroom additions at the Centennial and Four Mile Elementary Schools. These additions brought much needed space to these two locations to accommodate the ever increasing need for classroom space as the district struggles to keep pace with the increasing demands placed on district resources with its rapid and consistent student growth. Both additions were completed in the early fall of 2000 and were immediately put to use once construction was completed. Additionally, a new Runnells Elementary was constructed to replace the original facility during the 2001-02 school year along with a playground addition at the Willowbrook Elementary, the completion of a new warehouse and bus garage facility and the completion of a room addition at Delaware Elementary School. During the 2002-03 budget year construction began on an addition at Mitchellville Elementary for a new gym, media center, and new classrooms. In the 2003-04 budget year, construction began on the gym, kitchen, and classroom additions at the Four Mile and Centennial Elementary schools.

The district also revised its ten year plan during the 2003-04 school year to adapt to the rapid student growth the district is experiencing. The revision of the plan was the result the efforts of the district's long range planning committee and its facility sub committee. The revised plan now includes an addition at Altoona Elementary School, which will begin this spring and a bond referendum for a new high school in the year 2007.

Economic Condition and Outlook

The over all economic condition for eastern Polk county, where the Southeast Polk Community School District is situated, still looks bright in spite of nation wide trends. Major business investments were made in Pleasant Hill with the addition of uniform dry cleaning business with a valuation of between $8-10 million dollars that will employ over 100 personnel. Additionally, Mid American Energy is completing the construction of a new gas fired electric generating station in the town of Pleasant Hill. The plant is expected to add approximately $100,000,000 in new assessed valuation to the district and the town of Pleasant Hill.

Additional economic activity includes a new cold storage and food-processing center for Altoona's Gateway East Industrial park. Work has and is currently progressing on motel locations for Pleasant Hill and for breakfast type restaurants for Altoona and Pleasant Hill. Just this fall, the following stores opened in Altoona: Target, Staples Office Supply and a Lowes Lawn and Garden store.

The school district's financial condition appears to be good in spite of the State's budgetary woes. Regular program enrollment grew by 186.5 students and the district's cost per pupil grew by $93. As a result of these two positive events, the district's regular program budget grew $1,319,557 or an increase of 6.06 % for the 2004-05 school year. Considering that a large majority of the State's districts did not grow, our circumstances are far better than most.

*Local Option Sales Tax –Established during the 1998 legislature, this tax could be voted upon by the residents of each county in the state in order to levy an additional one-cent sales tax on specific goods and services. The revenues must then be used exclusively for infrastructure needs of the school districts within the county passing the tax to include: paying off long term debt, new construction, equipment, reconstruction and repair and remodeling.

As in 2003-04, the School District must operate in the most efficient manner during 2004-05 to help ensure adequate funding for staff, services and supplies for the 2005-06 school year.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence to the District for their comprehensive annual financial report for the fiscal year ended June 30, 2003. This is the second year that the District has received these prestigious awards. In order to be awarded these Certificates, the District must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. We believe our current report continues to conform to these Certificate of Achievement Programs' requirements and are submitting it to GFOA and ASBO to determine its eligibility for another certificate from both organizations.

Other Matters

Also included in this report is a statistical section, which will give the reader a better understanding of the school system with background and additional financial data. The background information includes the following:

1. Comparative tax revenue and levies;
2. Expenditures by program and/or function;
3. Computation of direct and overlapping debt;
4. Analysis of facilities, classroom and staffing;
5. Staffing levels for a ten (10) year period;
6. Miscellaneous demographic statistics;
7. Summary of building construction;
8. Major taxpayers of the district;
9. Major employers of the district;
10. Enrollments by grade level;
11. Operating cost per pupil;
12. Schedule of insurance coverage;
13. Financial solvency ratio;
14. Legal debt margin calculation

We wish to take this opportunity to thank the administrative office staff that assisted in obtaining and organizing data, the County Auditor and Treasurer offices and the city and town officials who provided much needed information. Without all of the above groups' efforts, the report could not have been completed.

In summary, we hope that this comprehensive annual financial report will give the public we serve a better understanding of our financial condition.

Very truly yours

Robert M. Hamilton
Business Manager/Board Secretary RSBO

Thomas J. Downs
Superintendent of Schools

Composite

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

William R Fell
President

Executive Director

P:\A\ASBO\2004\275-296.CDR
Fri Jul 16 09:20:01 2004

Certificate of Achievement for Excellence in Financial Reporting

Presented to

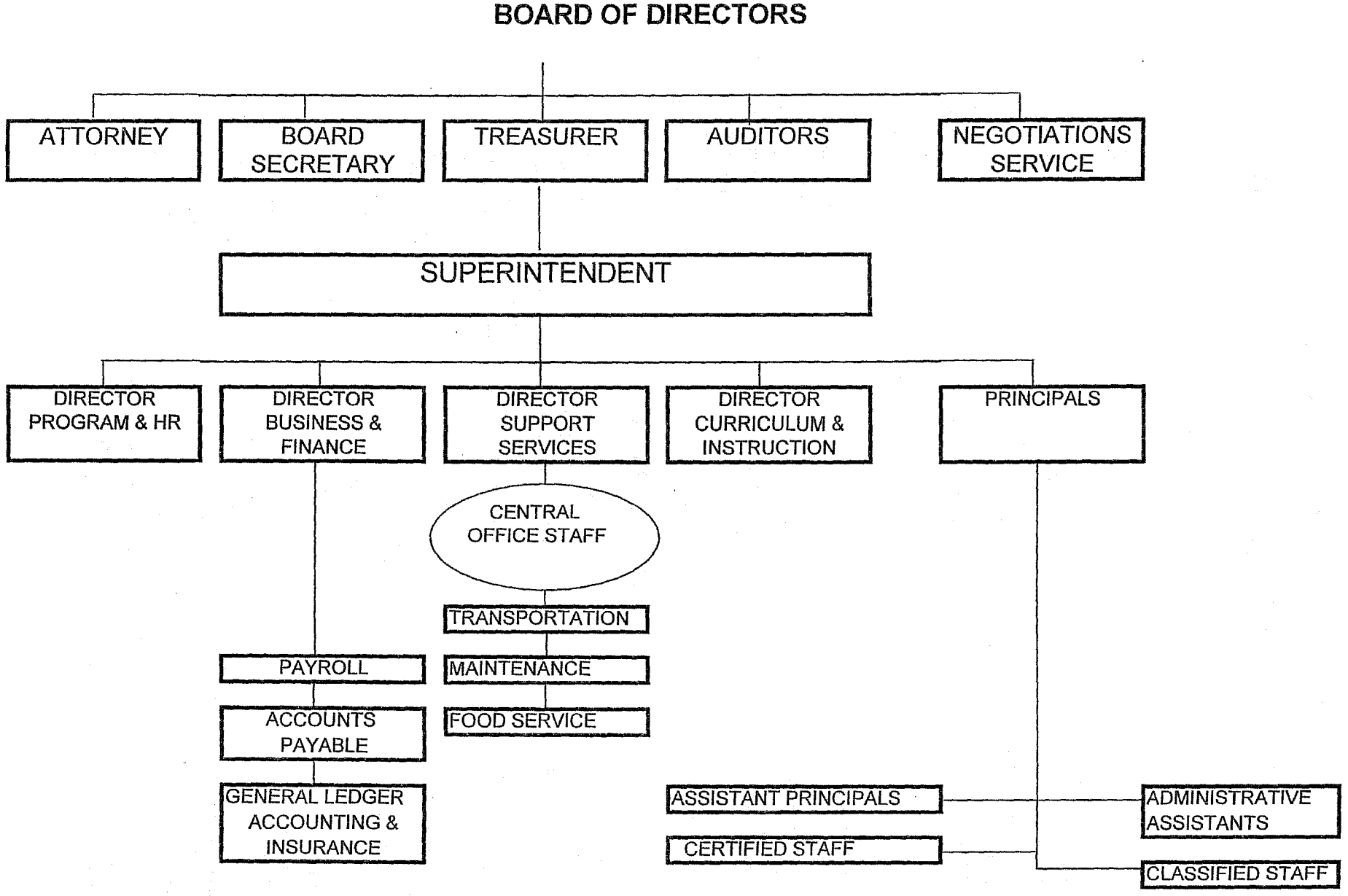
Southeast Polk Community School District, Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


BOARD OF DIRECTORS
ATTORNEY
BOARD SECRETARY
TREASURER
AUDITORS
NEGOTIATIONS SERVICE
SUPERINTENDENT
DIRECTOR PROGRAM & HR
DIRECTOR BUSINESS & FINANCE
DIRECTOR SUPPORT SERVICES
DIRECTOR CURRICULUM & INSTRUCTION
PRINCIPALS
CENTRAL OFFICE STAFF
TRANSPORTATION
MAINTENANCE
FOOD SERVICE
PAYROLL
ACCOUNTS PAYABLE
GENERAL LEDGER ACCOUNTING & INSURANCE
ASSISTANT PRINCIPALS
CERTIFIED STAFF
ADMINISTRATIVE ASSISTANTS
CLASSIFIED STAFF

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION AND SCHOOL DISTRICT ADMINISTRATION
Year Ended June 30, 2004

Board of Education

	Title	Term/Contract Expires
Before September, 2003 Election		
Katie Temple	President	September, 2004
Doug Workman	Vice President	September, 2003
Gwen Seward Lewis	Member	September, 2003
Pat Staggs	Member	September, 2004
Steve Hanson	Member	September, 2005
Jack Scrignoli	Member	September, 2005
Brad Skinner	Member	September, 2005
After September, 2003 Election		
Doug Workman	President	September, 2006
Katie Temple	Vice President	September, 2004
Gwen Seward Lewis	Member	September, 2006
Pat Staggs	Member	September, 2004
Steve Hanson	Member	September, 2005
Jack Scrignoli	Member	September, 2005
Brad Skinner	Member	September, 2005

School District Administration

Thomas Downs	Superintendent	July, 2004
Dan Janssen	Director of Support Services	July, 2004
Dr. Stephen N. Miller	Director of Programs/Human Resources	July, 2004
Dr. Kristine Condon	Director of Curriculum/Instruction	July, 2004
R. Michael Hamilton	Board Secretary/Business Manager	July, 2004
Earl Freel	Treasurer	July, 2004
Marti Kline	Community Relations	July, 2004
Steve Oberto	Classified Personnel	July, 2004
Steve Stotts	Principal	July, 2004
Sharon Cummings	Principal	July, 2004
Steve Bass	Principal	July, 2004
Steve Flynn	Principal	July, 2004
Jeri Sanburn	Principal	July, 2004
Kevin Walker	Principal	July, 2004
Dennis O'Lear	Principal	July, 2004
Robin Norris	Principal	July, 2004
Glenn Dietzenbach	Principal	July, 2004
Jeff Burchfield	Principal	July, 2004
David Dirksen	Principal	July, 2004
Edward Flynn	Director of Student Services	July, 2004
Chuck Bredlow	Director of Instruction	July, 2004
Bill Henkenius	Director of Student Activities	July, 2004

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

CONSULTANTS AND ADVISORS
Year Ended June 30, 2004

CERTIFIED PUBLIC ACCOUNTANTS

Nolte, Cornman & Johnson, P.C.
117 W 3rd St. N
Newton, IA 50208

BOND ATTORNEYS

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309-2231

FINANCIAL CONSULTANTS

Ruan Securities Corporation
604 Locust Street, Suite 317
Des Moines, IA 50309-3869

GENERAL COUNSEL

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309-2231

INSURANCE CONSULTANTS

Blaney-Childs Insurance Corner
P.O. Box 517
Altoona, IA 50009

OFFICIAL DEPOSITORIES

US Bank
111 8th St. SE
Altoona, IA 50009

Bank Iowa
420 8th St. SE
Altoona, IA 50009

Wells Fargo Bank Iowa
1055 NE 56th St.
Pleasant Hill, IA 50327

Community State Bank
200 8th St. SE
Altoona, IA 50009

Legacy Bank
215 E Center St.
Altoona, IA 50009

Deere Community Credit Union
1601 22nd St., #400
West Des Moines, IA 50266

SOUTHEAST POLK
LAYING THE FOUNDATION
FOR TOMORROW
EST. 1961

Financial Section

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Southeast Polk Community School District
Runnells, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southeast Polk Community School District as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Southeast Polk Community School District at June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our reports dated November 3, 2004 on our consideration of the Southeast Polk Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 15 through 23 and 49 through 50 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Auditing Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, listed in the table of contents under the single audit section, are presented for purposes of additional analysis and are not a required part of the basic financial statements of Southeast Polk Community School District. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

Nolte, Cornman & Johnson, P.C.

Newton, Iowa
November 3, 2004

Southeast Polk Community School District

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2004

It is an honor to present to you the financial picture of Southeast Polk Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Southeast Polk Community School District for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

The District showed an increase in net assets of $4,018,777 during the year ended June 30, 2004.

Total revenues for the fiscal year ended June 30, 2004 of $45,225,682 were comprised of General Revenues in the amount of $35,803,916 and Program Revenues totaling $9,421,766.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $8,734,656, an increase of $2,765,535 compared to the prior year.

As of June 30, 2004, unreserved undesignated fund balance for the General Fund was $452,578 or 1.3% of total General Fund expenditures.

The Southeast Polk Community School District's total long-term bonded debt increased by $1,225,000 during fiscal year ended June 30, 2004. The increase was due to the net of scheduled debt payments and the issuance of revenue bond anticipation notes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Southeast Polk Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of Southeast Polk Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of Southeast Polk Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Southeast Polk Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional programs, other and interest on long-term debt. Business-type activities are those that the District charges a fee to help cover the costs, such as School Nutrition and School Store operations.

The government-wide financial statements include only the Southeast Polk Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Southeast Polk Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Southeast Polk Community School District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 27 through 30 of this report.

Proprietary funds - The District maintains two types of proprietary funds: enterprise and internal service, Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two enterprise funds. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains two internal service funds to account for the premium and claim payments for the self-insured health insurance plan for District employees and to account for employee contributions to their individual flex accounts under Section 125 of the Internal Revenue Code. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial Statements.

The basic proprietary fund financial statements can be found on pages 31 through 33 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Southeast Polk Community School District's own programs. The fiduciary fund of the District is an agency fund. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statements can be found on page 34 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-Wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Southeast Polk Community School District's budgetary comparison. Required supplementary information can be found on pages 49 and 50 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago from $21,709,668 to $25,728,445.

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net assets invested in capital assets, net of related debt, was $14,459,850. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Condensed Statement of Net Assets

	Governmental Activities June 30,		Business-Type Activities June 30,		Total District June 30,		Total Change June 30,
	2004	2003	2004	2003	2004	2003	2003-2004
Assets							
Current and other assets	$ 28,797,758	$ 24,082,870	$ 644,927	$ 594,863	$ 29,442,685	$ 24,677,733	19.31%
Capital assets	$ 26,435,320	$ 25,203,498	$ 339,530	$ 246,994	$ 26,774,850	$ 25,450,492	5.20%
Total assets	$ 55,233,078	$ 49,286,368	$ 984,457	$ 841,857	$ 56,217,535	$ 50,128,225	12.15%
Liabilities							
Long-term obligations	$ 12,955,561	$ 11,812,739	$ -	$ -	$ 12,955,561	$ 11,812,739	9.67%
Other liabilities	$ 17,481,948	$ 16,564,605	$ 51,581	$ 41,213	$ 17,533,529	$ 16,605,818	5.59%
Total liabilities	$ 30,437,509	$ 28,377,344	$ 51,581	$ 41,213	$ 30,489,090	$ 28,418,557	7.29%
Net Assets							
Invested in capital assets, net of related debt	$ 14,120,320	$ 17,134,449	$ 339,530	$ 246,994	$ 14,459,850	$ 17,381,443	-16.81%
Restricted	$ 7,944,765	$ 5,419,850	$ -	$ -	$ 7,944,765	$ 5,419,850	46.59%
Unrestricted	$ 2,730,484	$ (1,645,275)	$ 593,346	$ 553,650	$ 3,323,830	$ (1,091,625)	-404.48%
Total net assets	$ 24,795,569	$ 20,909,024	$ 932,876	$ 800,644	$ 25,728,445	$ 21,709,668	18.51%

The restricted portion of the District's net assets (30.9%) represents resources that are subject to external restrictions on how they may be used. These restrictions include $220,361 for physical plant and equipment levy for new equipment and capital improvements and $7,131,458 for capital projects relating to the local option sales and service tax for school infrastructure authorized by Iowa Code Chapter 422E. The remaining balance of unrestricted net assets, $3,323,830 may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Southeast Polk Community School District is able to report positive balances in all three categories of net assets. The same situation for the prior fiscal year was not able to report all positive balances.

The District's total net assets increased by $4,018,777 during the current fiscal year. The governmental activities' net assets increased by $3,886,545. The business-type activities, which include nutrition and school store, increased by $132,232. The increase in governmental activities was mainly attributable to less than expected budgeted expenditures.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2004. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales and operating grants, contributions and restricted interest. General Revenue includes taxes, unrestricted grants such as state foundation support, unrestricted investment earnings, sale of equipment and cost of ban issuance.

Expenses are shown in programs including instruction, support services, non-instructional programs, other and interest on long-term debt.

The following table shows changes in net assets for the year ended June 30, 2004.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total District		Total Change
	2004	2003	2004	2003	2004	2003	2003-2004
Revenues:							
Program revenues:							
Charges for services	$ 2,643,693	$ 2,664,749	$ 1,638,702	$ 1,536,923	$ 4,282,395	$ 4,201,672	1.92%
Operating grants and contributions and restricted interest	$ 3,676,491	$ 3,197,867	$ 525,005	$ 461,326	$ 4,201,496	$ 3,659,193	14.82%
Capital grants and contributions and restricted interest	$ 937,875	$ -	$ -	$ -	$ 937,875	$ -	100.00%
General Revenue(Expenses):							
Property taxes and other taxes	$ 18,706,072	$ 16,040,397	$ -	$ -	$ 18,706,072	$ 16,040,397	16.62%
State sources	$ 17,050,531	$ 16,095,076	$ -	$ -	$ 17,050,531	$ 16,095,076	5.94%
Investment earnings	$ 43,584	$ 79,964	$ 3,729	$ 4,654	$ 47,313	$ 84,618	-44.09%
Sale of equipment	$ -	$ 10,693	$ -	$ -	$ -	$ 10,693	-100.00%
Cost of ban issuance	$ -	$ (28,010)	$ -	$ -	$ -	$ (28,010)	-100.00%
Total revenues	$ 43,058,246	$ 38,060,736	$ 2,167,436	$ 2,002,903	$ 45,225,682	$ 40,063,639	12.88%
Program expenses:							
Instruction	$ 23,761,239	$ 21,266,961	$ -	$ -	$ 23,761,239	$ 21,266,961	11.73%
Support services	$ 12,162,725	$ 12,157,566	$ -	$ -	$ 12,162,725	$ 12,157,566	0.04%
Noninstructional programs	$ -	$ -	$ 2,035,204	$ 1,962,594	$ 2,035,204	$ 1,962,594	3.70%
Other	$ 3,247,737	$ 3,834,758	$ -	$ -	$ 3,247,737	$ 3,834,758	-15.31%
Total expenses	$ 39,171,701	$ 37,259,285	$ 2,035,204	$ 1,962,594	$ 41,206,905	$ 39,221,879	5.06%
Changes in net assets	$ 3,886,545	$ 801,451	$ 132,232	$ 40,309	$ 4,018,777	$ 841,760	377.43%
Ending Net Assets	$ 24,795,569	$ 20,909,024	$ 932,876	$ 800,644	$ 25,728,445	$ 21,709,668	18.51%

Total revenues increased primarily due to the receipt of a Harkin Demonstration Construction Grant and a Fire and Safety Grant in the total amount of $937,875 received to help fund the completion of an addition at Mitchellville Elementary in the amount of $800,000 and $137,875 for fire and safety improvements at the high school. Additionally property taxes went up to fund the state foundation formula and to increase district reserves which were depleted due to unpaid state aid in the amount of $717,198, under funded special education expenses $387,040 and increased expenses for increased enrollment $859,450 for a total of 1,963,688.

Total expenses increased due to additional students and construction costs. Other program expenditures decrease as a result of depreciation costs.

Table 3 below discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid or local taxes.

The difference in these two columns would represent restricted grants and charges for services.

Table 3
Total and Net Cost of Governmental Activities

	Total Cost of Services 2004	Net Cost of Services 2004
Instruction	$ 23,761,239	$ 18,777,195
Support Services	$ 12,162,725	$ 12,099,187
Other	$ 3,247,737	$ 1,037,260
Totals	$ 39,171,701	$ 31,913,642

Net cost of services is 81% of total cost of services in 2004.

Financial Analysis of the Government's Funds

As noted earlier, the Southeast Polk Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Southeast Polk Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements, in particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Southeast Polk Community School District's governmental funds reported combined ending fund balances of $8,734,656 an increase of $2,765,535 in comparison with the prior year. Approximately 9.0% of this total amount, $789,891 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) Phase III $14,187; 2) Teacher Compensation of $2,717; 3) Capital Projects $7,131,458; 4) Physical Plant and Equipment Levy $220,361; and for 6) Other special revenue purposes $576,042.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was $452,578 while total fund balance reached $469,482. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 1.3% of total General Fund expenditures, while total fund balance also represents approximately 1.4% of total General Fund expenditures, respectively.

The fund balance of the District's General Fund increased by $375,564 during the current fiscal year. Key factors in this increase are as follows:

· The use of a cash reserve levy

· The State of Iowa paid most of the anticipated aid expected by the District.

The fund balance of the District's Capital Projects Fund increased by $2,945,884 during the current fiscal year. A key factor in this increase is due to the sale of bond anticipation notes of $6,075,000.

As in 2003-04, the School District must operate in the most efficient manner during 2004-05 to help ensure adequate funding for staff, services and supplies for the 2005-06 school year.

Requests for Information

These financial Statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Mr. Robert M. Hamilton, Board Secretary/Business Manager, Southeast Polk Community School District, 8379 N.E. University, Runnells, Iowa, 50265-5556.

SOUTHEAST POLK
LAYING THE FOUNDATION
FOR TOMORROW
EST. 1961

BASIC FINANCIAL STATEMENTS

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and pooled investments	$ 10,944,479	602,230	11,546,709
Receivables:			
Property tax:			
Delinquent	163,139	0	163,139
Succeeding year	13,548,838	0	13,548,838
Income surtax	1,352,758	0	1,352,758
Accounts	22,433	1,136	23,569
Due from other governments	2,430,219	0	2,430,219
Inventories	335,892	41,561	377,453
Capital assets, net of accumulated depreciation(note 5):			
Land	816,600	0	816,600
Land improvements	1,727,780	0	1,727,780
Buildings and building improvements	21,725,569	0	21,725,569
Machinery and equipment	2,165,371	339,530	2,504,901
TOTAL ASSETS	55,233,078	984,457	56,217,535
LIABILITIES			
Accounts payable	273,298	9,039	282,337
Salaries and benefits payable	3,280,852	21,860	3,302,712
Incurred but not reported claims	317,958	0	317,958
Accrued interest payable	61,002	0	61,002
Deferred revenue:			
Succeeding year property tax	13,548,838	0	13,548,838
Other	0	20,682	20,682
Long-term liabilities(note 7):			
Portion due within one year:			
G.O. bonds payable	630,000	0	630,000
Compensated absences payable	68,401	0	68,401
Early retirement payable	194,907	0	194,907
Portion due after one year:			
G.O. bonds payable	2,810,000	0	2,810,000
Revenue bans payable	8,875,000	0	8,875,000
Early retirement payable	377,253	0	377,253
TOTAL LIABILITIES	30,437,509	51,581	30,489,090
NET ASSETS			
Invested in capital assets, net of related debt	14,120,320	339,530	14,459,850
Restricted for:			
Phase III	14,187	0	14,187
Teacher compensation	2,717	0	2,717
Capital projects	7,131,458	0	7,131,458
Physical plant and equipment levy	220,361	0	220,361
Other special revenue purposes	576,042	0	576,042
Unrestricted	2,730,484	593,346	3,323,830
TOTAL NET ASSETS	$ 24,795,569	932,876	25,728,445

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular instruction	$ 15,271,436	1,026,105	2,370,383	0	(11,874,948)	0	(11,874,948)
Special instruction	6,279,895	619,941	0	0	(5,659,954)	0	(5,659,954)
Other instruction	2,209,908	967,615	0	0	(1,242,293)	0	(1,242,293)
	23,761,239	2,613,661	2,370,383	0	(18,777,195)	0	(18,777,195)
Support services:							
Student services	1,755,783	0	0	0	(1,755,783)	0	(1,755,783)
Instructional staff services	1,607,844	0	0	0	(1,607,844)	0	(1,607,844)
Adminstration services	3,892,255	0	0	0	(3,892,255)	0	(3,892,255)
Operation and maintenance of plant services	3,038,417	0	0	0	(3,038,417)	0	(3,038,417)
Transportation services	1,603,892	30,032	33,506	0	(1,540,354)	0	(1,540,354)
Central support services	264,534	0	0	0	(264,534)	0	(264,534)
	12,162,725	30,032	33,506	0	(12,099,187)	0	(12,099,187)
Other expenditures:							
Facilities acquisitions	1,385,628	0	0	937,875	(447,753)	0	(447,753)
Long-term debt interest	441,509	0	0	0	(441,509)	0	(441,509)
AEA flowthrough	1,272,602	0	1,272,602	0	0	0	0
Depreciation(unallocated)*	147,998	0	0	0	(147,998)	0	(147,998)
	3,247,737	0	1,272,602	937,875	(1,037,260)	0	(1,037,260)
Total governmental activities	39,171,701	2,643,693	3,676,491	937,875	(31,913,642)	0	(31,913,642)
Business-Type activities:							
Non-instructional programs:							
Nutrition services	1,774,896	1,368,148	525,005	0	0	118,257	118,257
School store services	260,308	270,554	0	0	0	10,246	10,246
Total business-type activities	2,035,204	1,638,702	525,005	0	0	128,503	128,503
Total	$ 41,206,905	4,282,395	4,201,496	937,875	(31,913,642)	128,503	(31,785,139)
General Revenues:							
Local tax levied for:							
General purposes					$ 13,587,154	0	13,587,154
Capital outlay					869,519	0	869,519
Local option sales and service tax					4,249,399	0	4,249,399
Unrestricted state grants					17,050,531	0	17,050,531
Unrestricted investment earnings					43,584	3,729	47,313
Total general revenues					35,800,187	3,729	35,803,916
Changes in net assets					3,886,545	132,232	4,018,777
Net assets beginning of year, as restated(Note 12)					20,909,024	800,644	21,709,668
Net assets end of year					$ 24,795,569	932,876	25,728,445

* This amount excludes the depreciation that is included in the direct expense of various programs

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2004

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
ASSETS				
Cash and pooled investments	$ 2,671,850	5,515,604	1,149,669	9,337,123
Receivables:				
Property tax				
Delinquent	144,188	0	18,951	163,139
Succeeding year	11,754,232	0	1,794,606	13,548,838
Income surtax	771,645	0	581,113	1,352,758
Interfund	0	4,677	0	4,677
Accounts	22,433	0	0	22,433
Due from other governments	811,709	1,618,510	0	2,430,219
Inventories	335,892	0	0	335,892
TOTAL ASSETS	$ 16,511,949	7,138,791	3,544,339	27,195,079
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund payable	$ 4,677	0	0	4,677
Accounts payable	232,587	7,333	33,378	273,298
Salaries and benefits payable	3,279,326	0	1,526	3,280,852
Deferred revenue:				
Succeeding year property tax	11,754,232	0	1,794,606	13,548,838
Income surtax	771,645	0	581,113	1,352,758
Total liabilities	16,042,467	7,333	2,410,623	18,460,423
Fund balances:				
Reserved for:				
Phase III	14,187	0	0	14,187
Teacher compensation	2,717	0	0	2,717
Unreserved:				
Undesignated:				
General	452,578	0	0	452,578
Capital projects	0	7,131,458	0	7,131,458
Management	0	0	337,313	337,313
Student activity	0	0	170,709	170,709
Physical plant and equipment levy	0	0	220,361	220,361
Trust	0	0	405,333	405,333
Total fund balances	469,482	7,131,458	1,133,716	8,734,656
TOTAL LIABILITIES AND FUND BALANCES	$ 16,511,949	7,138,791	3,544,339	27,195,079

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2004

Total fund balances of governmental funds(page 27)	$	8,734,656
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in in the governmental funds.		26,435,320
Blending of the Internal Service Funds to be reflected at an entity-wide basis.		1,289,398
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(61,002)
Accounts receivable income surtax, are not yet available to finance expenditures of the current fiscal period.		1,352,758
Long-term liabilities, including bonds payable and bans payable and compensated absences and early retirement, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(12,955,561)
Net assets of governmental activites(page 25)	$	24,795,569

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2004

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
REVENUES:				
Local sources:				
Local tax	$ 12,310,862	4,249,399	1,539,923	18,100,184
Tuition	1,646,046	0	0	1,646,046
Other	207,389	23,972	809,871	1,041,232
State appropriations	19,437,626	0	836	19,438,462
Federal appropriations	1,288,560	932,434	5,441	2,226,435
Total revenues	34,890,483	5,205,805	2,356,071	42,452,359
EXPENDITURES:				
Current:				
Instruction:				
Regular instruction	14,647,212	0	19,663	14,666,875
Special instruction	6,379,642	0	0	6,379,642
Other instruction	1,479,329	0	688,583	2,167,912
	22,506,183	0	708,246	23,214,429
Support services:				
Student services	1,781,313	0	0	1,781,313
Instructional staff services	1,261,556	0	0	1,261,556
Administration services	2,994,932	0	980,184	3,975,116
Operation and maintenance of plant services	3,075,160	0	5,500	3,080,660
Transportation services	1,348,766	0	192,370	1,541,136
Central support services	269,730	0	0	269,730
	10,731,457	0	1,178,054	11,909,511
Other expenditures:				
Capital outlay	0	3,061,981	1,025,684	4,087,665
Debt service:				
Principal	0	0	4,850,000	4,850,000
Interest and fiscal charges	0	0	427,617	427,617
AEA flowthrough	1,272,602	0	0	1,272,602
	1,272,602	3,061,981	6,303,301	10,637,884
Total expenditures	34,510,242	3,061,981	8,189,601	45,761,824
Excess(deficiency) of revenues over(under) expenditures	380,241	2,143,824	(5,833,530)	(3,309,465)
Other financing sources(uses):				
Sale of bond anticipation notes	0	6,075,000	0	6,075,000
Transfers in	0	4,677	5,277,617	5,282,294
Transfers out	(4,677)	(5,277,617)	0	(5,282,294)
Total other financing source(uses)	(4,677)	802,060	5,277,617	6,075,000
Net change in fund balances	375,564	2,945,884	(555,913)	2,765,535
Fund balances beginning of year	93,918	4,185,574	1,689,629	5,969,121
Fund balances end of year	$ 469,482	7,131,458	1,133,716	8,734,656

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds(page 29)		$ 2,765,535
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:		
Capital outlay	$ 3,102,404	
Depreciation expense	(1,870,582)	1,231,822
Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance at an entity-wide basis.		440,015
Repayment of issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:		
Issued	(6,075,000)	
Repaid	4,850,000	(1,225,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(13,892)
Income surtax account receivable is not available to finance expenditures of the current period in the governmental funds.		605,887
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Early retirement	82,513	
Compensated absences	(335)	82,178
Changes in net assets of governmental activities(page 26)		$ 3,886,545

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2004

	Business-Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	School Store	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and pooled investments	$ 353,589	248,641	602,230	1,607,356
Accounts receivable	1,136	0	1,136	0
Inventories	41,561	0	41,561	0
Total current assets	396,286	248,641	644,927	1,607,356
Non-current assets:				
Capital assets:				
Machinery and equipment, net of accumulated depreciation	339,530	0	339,530	0
Total non-current assets	339,530	0	339,530	0
TOTAL ASSETS	735,816	248,641	984,457	1,607,356
LIABILITIES				
Current liabilities:				
Accounts payable	2,947	6,092	9,039	0
Salaries and benefits payable	19,680	2,180	21,860	0
Incurred but not reported claims	0	0	0	317,958
Deferred revenue:				
Other	20,682	0	20,682	0
Total current liabilities	43,309	8,272	51,581	317,958
TOTAL LIABILITIES	43,309	8,272	51,581	317,958
NET ASSETS				
Investment in capital assets, net of related debt	339,530	0	339,530	0
Unrestricted	352,977	240,369	593,346	1,289,398
Total net assets	$ 692,507	240,369	932,876	1,289,398

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2004

	Business-Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	School Store	Total	Internal Service Fund
OPERATING REVENUE:				
Local sources:				
Charges for service	$ 1,368,148	270,554	1,638,702	3,434,697
OPERATING EXPENSES:				
Non-instructional programs:				
Food service operations:				
Salaries	544,804	8,207	553,011	0
Benefits	160,047	1,100	161,147	2,959,022
Services	36,437	32,064	68,501	17,289
Supplies	988,697	202,397	1,191,094	528
Depreciation	44,586	0	44,586	0
Other	325	16,540	16,865	17,843
TOTAL OPERATING EXPENSES	1,774,896	260,308	2,035,204	2,994,682
OPERATING INCOME(LOSS)	(406,748)	10,246	(396,502)	440,015
NON-OPERATING REVENUES:				
State sources	22,011	0	22,011	0
Federal sources	502,994	0	502,994	0
Interest income	2,307	1,422	3,729	0
TOTAL NON-OPERATING REVENUES	527,312	1,422	528,734	0
Change in net assets	120,564	11,668	132,232	440,015
Net assets beginning of year	571,943	228,701	800,644	849,383
Net assets end of year	$ 692,507	240,369	932,876	1,289,398

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2004

	Business-Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	School Store	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ 1,355,803	0	1,355,803	0
Cash received from miscellaneous operating activities	14,251	270,554	284,805	3,434,697
Cash payments to employees for services	(700,154)	(8,688)	(708,842)	0
Cash payments to suppliers for goods or services	(905,937)	(251,568)	(1,157,505)	(2,969,902)
Net cash provided by(used in) operating activities	(236,037)	10,298	(225,739)	464,795
Cash flows from non-capital financing activities:				
State grants received	22,011	0	22,011	0
Federal grants received	400,839	0	400,839	0
Net cash provided by non-capital financing activities	422,850	0	422,850	0
Cash flows from capital financing activities and related activities:				
Acquisition of assets	(137,122)	0	(137,122)	0
Net cash used in capital financing activities and related activities	(137,122)	0	(137,122)	0
Cash flows from investing activities:				
Interest on investment	2,307	1,422	3,729	0
Net cash provided by investing activities	2,307	1,422	3,729	0
Net increase in cash and cash equivalents	51,998	11,720	63,718	464,795
Cash and cash equivalents at beginning of year	301,591	236,921	538,512	1,142,561
Cash and cash equivalents at end of year	$ 353,589	248,641	602,230	1,607,356
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:				
Operating income(loss)	$ (406,748)	10,246	(396,502)	440,015
Adjustments to reconcile operating income(loss) to net cash provided by(used in) operating activities:				
Commodities consumed	102,155	0	102,155	0
Depreciation	44,586	0	44,586	0
Decrease in inventories	14,790	0	14,790	0
Increase in accounts receivable	(1,136)	0	(1,136)	0
Increase in incurred but not reported claims	0	0	0	24,780
Increase(Decrease) in accounts payable	2,577	(567)	2,010	0
Increase in salaries and benefits payable	4,697	619	5,316	0
Increase in deferred revenue	3,042	0	3,042	0
Net cash provided by(used in) operating activities	$ (236,037)	10,298	(225,739)	464,795
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT YEAR END TO SPECIFIC ASSETS INCLUDED ON COMBINED BALANCE SHEET:				
Current assets:				
Cash and investments	$ 353,589	248,641	602,230	1,607,356

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2004, the District received Federal commodities valued at $102,155.

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

JUNE 30, 2004

	Agency Fund
ASSETS	
Cash and pooled investments	$ 116,162
Total assets	$ 116,162
LIABILITIES	
Accounts payable	$ 3,193
Due to other groups	112,969
Total liabilities	$ 116,162

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

Note 1. Summary of Significant Accounting Policies

The Southeast Polk Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Altoona, Mitchellville and Runnells, Iowa, and the predominate agricultural territory in Polk, Jasper and Marion Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. REPORTING ENTITY

For financial reporting purposes, Southeast Polk Community School District has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Southeast Polk Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk, Jasper and Marion Counties Assessors' Conference Board.

B. BASIS OF PRESENTATION

Government-wide Financial Statements - The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net assets use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net asset consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Capital Projects Fund is utilized to account for local option sales and services tax and capital improvements.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are

incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary funds that are enterprise funds of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. CASH, POOLED INVESTMENTS AND CASH EQUIVILENTS

The cash balance of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purpose of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

E. PROPERTY TAXES

Property taxes in Governmental Funds are accounted for using the modified accrual basis of accounting.

Property tax revenue receivable is recognized in these funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recorded as revenue until the year for which it is levied. The lien date is the day after the due date.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2003.

F. DUE FROM OTHER GOVERNMENTS

Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

G. INVENTORIES

General Fund inventories are valued at cost using the first-in and first-out method. The inventories consist of supplies, and are recorded as expenditures when consumed rather than when purchased.

The Enterprise Fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The enterprise fund inventory consists primarily of food, with purchased food recorded at the lower cost (first-in, first-out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

H. CAPITAL ASSETS

Capital assets, which include property, machinery, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	$ 1,000
Buildings	1,000
Improvements other than buildings	1,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

Property, machinery and equipment are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-15 years

I. SALARIES AND BENEFITS PAYABLE

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2004, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2004.

J. DEFERRED REVENUE

Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Deferred revenues consist of the succeeding year property tax and other receivables not collected within sixty days after year end.

K. COMPENSATED ABSENCES

Certain District employees accumulate vacation hours for subsequent use or for payment upon termination, death, or retirement. Governmental fund types record vested vacation pay as a salary expenditure in the current year to the extent it is paid during the year. The remaining vested portion is recorded as a liability in the Statement of Net Assets as Long-Term Debt. In proprietary fund types, the full amount of the vacation costs are accounted for as liabilities of those funds. These liabilities have been computed based on current rates of pay including cost of employee benefits. The General Fund will be the governmental fund primarily used to liquidate the liability for compensated absences.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

M. FUND EQUITY

In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

N. RESTRICTED NET ASSETS

In the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds, except internal service and agency funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures, however, the District did not amend the budget during the year.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.

2. Public hearings are required to be conducted to obtain taxpayer comment.

3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.

4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.

5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor. During the year ended June 30, 2004, the instructional, support services, non-instructional programs, and other expenditures budgets were amended for a increase of 4%, 7%, 34%, and 27%, respectively, to the originally approved budgets.

6. Appropriations lapse at the end of each fiscal year.

7. The budget cannot be amended without the approval of the Board of Education.

8. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Deposits and Pooled Investments

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit and other evidence of deposit at federally insured depository institutions approved by the Board of Education and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

As of June 30, 2004, the carrying amount of the District's bank deposits and pooled investments totaled $11,546,709 with bank balances of $10,396,439. These amounts are included in the cash and pooled investments on the combined balance sheet. Of the bank balance, $400,000 was covered by federal depository insurance and $9,996,439 was collateralized by securities held by the pledging financial institution or its agent but not in the District's name.

The District had investment in the Iowa Schools Joint Investment Trust which are valued at an amortized cost pursuant of $1,150,270 to Rule 21-7 under the Investment Company Act of 1940. The values of the pooled shares are $1 per share and are registered with the SEC. Governmental Accounting Standards Board Statement Number 3 requires investments to be categorized to give an indication of the level of risk assumed by the District at year end. The District's investment in the Iowa Schools Joint Investment Trust is not subject to risk categorization.

Note 4. Transfers

The detail of transfers for year ended June 30, 2004 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects	$ 5,277,617
Capital Projects	General	4,677
Total		$ 5,282,294

Transfers generally move revenues from the fund statutorily required to collect resources to the fund statutorily required to expend the resources.

Note 5. Capital Assets

Capital assets for the year ended June 30, 2004 is as follows:

	Balance Beginning of Year, as restated (Note 12)	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 816,600	0	0	816,600
Total capital assets not being depreciated	816,600	0	0	816,600
Capital assets being depreciated:				
Buildings	34,072,018	2,702,037	0	36,774,055
Improvements other than buildings	3,945,519	0	0	3,945,519
Machinery and equipment	6,891,028	400,367	101,869	7,189,526
Total capital assets being depreciated	44,908,565	3,102,404	101,869	47,909,100
Less accumulated depreciation for:				
Buildings	14,115,850	186,169	0	14,302,019
Improvements other than buildings	2,031,570	932,636	0	2,964,206
Machinery and equipment	4,374,247	751,777	101,869	5,024,155
Total accumulated depreciation	20,521,667	1,870,582	101,869	22,290,380
Total capital assets being depreciated, net	24,386,898	1,231,822	0	25,618,720
Governmental activities capital assets, net	$ 25,203,498	1,231,822	0	26,435,320

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Machinery and equipment	$ 542,174	137,122	0	679,296
Less accumulated depreciation	295,180	44,586	0	339,766
Business-type activities capital assets, net	$ 246,994	92,536	0	339,530

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular	$	856,150
Special		13,807
Other		83,227
Support services:		
Student		809
Instructional staff		403,763
Administration		15,068
Operation and maintenance of plant		23,338
Transportation		325,748
Central support		674
		1,722,584
Unallocated depreciation		147,998
Total governmental activities depreciation expense	$	1,870,582
Business-type activities:		
Food services	$	44,586

Note 6. Related Business Transactions

Business transactions between the District and District employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Gary Haines, Maintenance Father-in-law of Robert Gulling	Miscellaneous maintenance	$5,654
Harold Wheeler, Teacher	Concrete work sidewalk replacement	$26,627
Chris English, Bus Driver Spouse is contractor with Air Con	Services	$69,452

Note 7. Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2004 during the year:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	$ 4,040,000	0	600,000	3,440,000	630,000
Revenue bans	7,050,000	6,075,000	4,250,000	8,875,000	0
Early retirement	654,673	190,959	273,472	572,160	194,907
Compensated absences	68,066	68,401	68,066	68,401	68,401
Total	$ 11,812,739	6,334,360	5,191,538	12,955,561	893,308

Bonded Debt

Details of the District's June 30, 2004 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Issue dated September 1, 1993 Interest Rates	Principal	Interest	Issue dated March 1, 1996 Interest Rates	Principal	Interest	Total Principal	Total Interest
2005	5.05 %	$ 180,000	50,685	4.75 %	$ 450,000	122,980	630,000	173,665
2006	5.20	195,000	41,595	4.85	470,000	101,605	665,000	143,200
2007	5.35	210,000	31,455	4.95	490,000	78,810	700,000	110,265
2008	5.50	220,000	20,220	5.00	525,000	54,555	745,000	74,775
2009	5.60	145,000	8,120	5.10	555,000	28,305	700,000	36,425
Total		$ 950,000	152,075		$ 2,490,000	386,255	3,440,000	538,330

Revenue Bond Anticipation Notes

The County implemented a one-cent local option state sales tax. Revenue bans were issued in anticipation of future revenues. Details of the District's June 30, 2004 revenue bond anticipation notes bonded indebtedness are as follows:

Year Ending June 30,	Issue dated April 1, 2004 Interest Rates	Principal	Interest	Issue dated April 1, 2003 Interest Rates	Principal	Interest	Total Principal	Total Interest
2005		$ 0	134,460		$ 0	63,000	0	197,460
2006		0	145,800	2.25 %	2,800,000	63,000	2,800,000	208,800
2007	2.40 %	6,075,000	145,800		0	0	6,075,000	145,800
Total		$ 6,075,000	426,060		$ 2,800,000	126,000	8,875,000	552,060

The June 30, 2004 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	$ 739,326,943
Debt limit, 5% of total assessed valuation	$ 36,966,347
Amount of debt applicable to debt limit, total general obligation bonded debt	12,315,000
Excess of debt limit over bonded debt outstanding, legal debt margin	$ 24,651,347

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty and employees must have completed fifteen years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The District had previously adopted an early retirement policy during the year ended June 30, 1989. Employees aged 59 to 64 who have served the District at least fifteen years with the last ten years on a continuous basis, are eligible to elect early retirement. Qualified individuals may select either of the policies at the present time.

The retirement benefit is based on current rates of pay(with negotiated increases for academic employees), and is payable in either a lump sum or three equal installments. The election must be made by June 30 to receive payment the following fiscal year.

The early retirement policy provides health insurance coverage until the retired employee reaches age 65. The District pays the same portion of the health insurance as was being paid the last year of employment under the new policy. Under the previous policy, the District paid premium increases until age 65. The District's payments for the benefits for the year ended June 30, 2004 was $273,472 for retirement benefits and health insurance premiums. The early retirement program is funded through a property tax assessment. The cost of early retirement payments expected to be liquidated currently are recorded as a liability in the Statement of Net Assets. A liability has been recorded in the Statement of Net Assets representing the District's commitment to fund non-current early retirement.

Note 8. Bond Defeasement

On March 1, 1996 the District issued $4,095,000 in general obligation bonds to advance refund $3,680,000 of outstanding general obligation bonds dated December 1, 1989. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2004, $2,525,000 of such bonds is outstanding. The escrow fund pays interest on the new advance refunding bonds until that time. Defeasement of principal and interest for the year was $410,000 and $185,262.

On September 1, 1993, the District issued $1,595,000 in general obligation bonds to advance refund $1,415,000 of outstanding general obligation bonds dated December 1, 1989. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2004, $980,000 of such bonds is outstanding. The District remains liable for the interest on the callable portion of the bonds through fiscal year end 2004. The escrow fund pays interest on the new advance refunding bonds until that time. Defeasement of principal and interest for the year was $155,000 and $79,450.

Note 9. Risk Management

The District has a self-funded health insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess $75,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three calendar plan years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The balance in the fund was $1,289,398 at June 30, 2004, the last date for which information is available. The incurred but not recorded and unpaid claims liability of $317,958 reported in the plan at June 30, 2004, are reported as a liability of the fund.

The change in the incurred but not reported and unpaid claims liability for the year ended June 30, 2004 is as follows:

	2004	2003
Balance beginning of year	$ 287,928	$ 282,570
Incurred claims and claim adjustments	3,434,697	2,898,216
Payment of claims	3,404,667	2,892,858
Balance end of year	$ 317,958	$ 287,928

In addition the District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

Note 10. Pension and Retirement Benefits

Southeast Polk Community School District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2004, 2003 and 2002. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2004, 2003 and 2002 were $1,309,216, $1,226,801 and $1,149,210 respectively, equal to the required contributions for each year. The District is a participating employer in the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer public employees retirement system designed as a supplement to Social Security.

Note 11. Due from Other Governments

Amount due from other governments by Fund as of June 30, 2004 are as follows:

	General Fund
Local appropriations:	
Tuition	$ 216,688
Transportation Reimbursements	3,177
AEA Reimbursements	4,050
Total local appropriations	223,915
State appropriations:	
State Aid	41,544
Instructional Support State Aid	620
Phase I	60
Phase II	953
Early Intervention	678
Teacher Compensation	1,078
State Aid - Tuition	42,164
Total state appropriations	87,097
Federal appropriations:	
Title 1	53,136
Special Education - Grants to States(Part B)	158,927
Medicaid	288,634
Total federal appropriations	500,697
Total general fund due from other governments	$ 811,709

	Capital Projects Fund
Local appropriations:	
Local option sales and services tax	$ 668,510
State appropriations	
Demonstration Construction Grant	950,000
Total capital projects fund due from other governments	$ 1,618,510
Grand total due from other governments	$ 2,430,219

Note 12. Restate Capital Assets/Net Assets Beginning Balances

After further reviewing the District's capital assets, we noted material differences. This restatement is due to computer formula calculations of depreciation and asset listing errors. The restatement of the capital assets and net assets are as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year, as restated
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 816,600	0	0	816,600
Total capital assets not being depreciated	816,600	0	0	816,600
Capital assets being depreciated:				
Buildings	33,531,072	540,946	0	34,072,018
Improvements other than buildings	2,557,256	1,388,263	0	3,945,519
Machinery and equipment	10,561,699	0	3,670,671	6,891,028
Total capital assets being depreciated	46,650,027	1,929,209	3,670,671	44,908,565
Less accumulated depreciation for:				
Buildings	12,098,472	2,017,378	0	14,115,850
Improvements other than buildings	1,153,138	878,432	0	2,031,570
Machinery and equipment	7,339,459	0	2,965,212	4,374,247
Total accumulated depreciation	20,591,069	2,895,810	2,965,212	20,521,667
Total capital assets being depreciated, net	26,058,958	(966,601)	705,459	24,386,898
Governmental activities capital assets, net	$ 26,875,558	(966,601)	705,459	25,203,498

The effect if the adjustment to restate the capital assets results in a change to the previously reported governmental activities, net assets as follows:

Net assets, June 30, 2003, as previously reported	$ 22,581,084
Capital assets adjustment, net	(1,672,060)
Net assets, July 1, 2003, as restated	$ 20,909,024

SOUTHEAST POLK
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REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISION SCHEDULE OF REVENEUS,
EXPENDITURES AND CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2004

	Governmental Fund Types - Actual	Proprietary Fund Types - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
				Original	Final	
Revenues:						
Local sources	$ 20,787,462	$ 1,744,586	$ 22,532,048	$ 17,857,472	$ 17,857,472	$ 4,674,576
State appropriations	19,438,462	22,011	19,460,473	18,799,847	18,799,847	660,626
Federal appropriations	2,226,435	400,839	2,627,274	7,258,539	7,258,539	(4,631,265)
Total revenues	42,452,359	2,167,436	44,619,795	43,915,858	43,915,858	703,937
Expenditures:						
Instruction	23,214,429	0	23,214,429	22,631,753	23,493,286	278,857
Support services	11,909,511	0	11,909,511	12,134,476	12,950,273	1,040,762
Non-instructional programs	0	2,035,204	2,035,204	2,050,000	2,745,477	710,273
Other expenditures	10,637,884	0	10,637,884	9,247,098	11,712,135	1,074,251
Total expenditures	45,761,824	2,035,204	47,797,028	46,063,327	50,901,171	3,104,143
Excess(deficiency) of revenues over(under) expenditures	(3,309,465)	132,232	(3,177,233)	(2,147,469)	(6,985,313)	3,808,080
Other financing sources, net	6,075,000	0	6,075,000	10,690	10,690	6,064,310
Excess(deficiency) of revenues and other financing sources over(under) expenditures	2,765,535	132,232	2,897,767	(2,136,779)	(6,974,623)	9,872,390
Balance beginning of year	5,969,121	800,644	6,769,765	4,246,536	4,246,536	2,523,229
Balance end of year	$ 8,734,656	$ 932,876	$ 9,667,532	$ 2,109,757	$ (2,728,087)	$ 12,395,619

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2004

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by $4,837,844.

OTHER SUPPLEMENTARY INFORMATION

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2004

	Special Revenue Funds				
	Management Fund	Student Activity	Physical Plant and Equipment Fund	Trust	Total Special Revenue Funds
ASSETS					
Cash and pooled investments	$ 330,553	189,581	224,202	405,333	1,149,669
Receivables:					
Property taxes:					
Current year delinquent	8,421	0	10,530	0	18,951
Succeeding year	865,000	0	929,606	0	1,794,606
Income surtax	0	0	581,113	0	581,113
TOTAL ASSETS	$ 1,203,974	189,581	1,745,451	405,333	3,544,339
LIABILITIES AND EQUITY					
Liabilities:					
Accounts payable	$ 1,661	17,346	14,371	0	33,378
Salaries and benefits payable	0	1,526	0	0	1,526
Deferred revenue:					
Succeeding year property tax	865,000	0	929,606	0	1,794,606
Income surtax	0	0	581,113	0	581,113
Total liabilities	866,661	18,872	1,525,090	0	2,410,623
Equity					
Fund balance:					
Unreserved:					
Undesignated	337,313	170,709	220,361	405,333	1,133,716
Total equity	337,313	170,709	220,361	405,333	1,133,716
TOTAL LIABILITIES AND EQUITY	$ 1,203,974	189,581	1,745,451	405,333	3,544,339

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2004

	Special Revenue Funds						
	Management Fund	Student Activity	Physical Plant and Equipment Fund	Trust	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
REVENUES:							
Local sources:							
Local tax	$ 670,404	0	869,519	0	1,539,923	0	1,539,923
Other	135,757	649,749	1,075	23,290	809,871	0	809,871
State sources	378	0	458	0	836	0	836
Federal sources	0	0	5,441	0	5,441	0	5,441
TOTAL REVENUES	806,539	649,749	876,493	23,290	2,356,071	0	2,356,071
EXPENDITURES:							
Current:							
Instruction:							
Regular instruction	0	0	0	19,663	19,663	0	19,663
Other instruction	0	688,583	0	0	688,583	0	688,583
Support services:							
Administration services	980,184	0	0	0	980,184	0	980,184
Operation and maintenance of plant services	0	0	5,500	0	5,500	0	5,500
Transportation services	0	0	192,370	0	192,370	0	192,370
Other expenditures:							
Facilities acquisition	0	0	1,025,684	0	1,025,684	0	1,025,684
Long-term debt:							
Principal	0	0	0	0	0	4,850,000	4,850,000
Interest and fiscal charges	0	0	0	0	0	427,617	427,617
TOTAL EXPENDITURES	980,184	688,583	1,223,554	19,663	2,911,984	5,277,617	8,189,601
EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(173,645)	(38,834)	(347,061)	3,627	(555,913)	(5,277,617)	(5,833,530)
OTHER FINANCING SOURCES:							
Transfers in	0	0	0	0	0	5,277,617	5,277,617
	0	0	0	0	0	5,277,617	5,277,617
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES	(173,645)	(38,834)	(347,061)	3,627	(555,913)	0	(555,913)
FUND BALANCES BEGINNING OF YEAR	510,958	209,543	567,422	401,706	1,689,629	0	1,689,629
FUND BALANCES END OF YEAR	$ 337,313	170,709	220,361	405,333	1,133,716	0	1,133,716

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

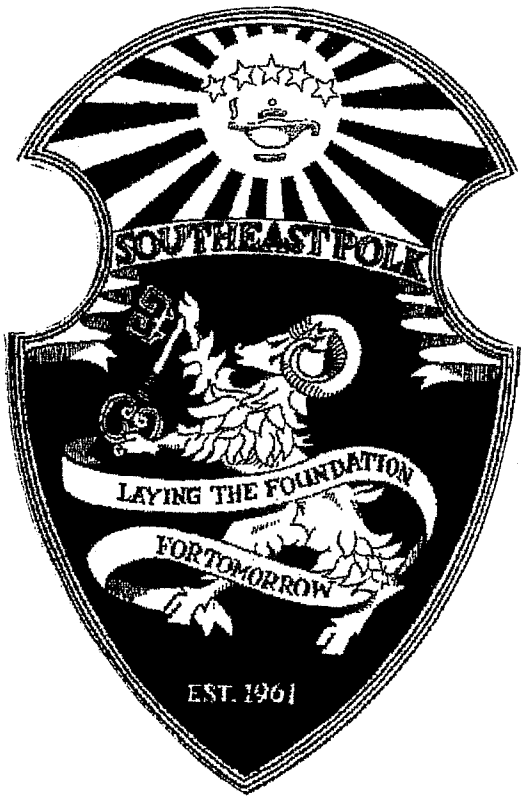
SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND

YEAR ENDED JUNE 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
STUDENT AGENCY				
ASSETS				
Cash and pooled investments	$ 95,568	223,256	202,662	116,162
Total assets	$ 95,568	223,256	202,662	116,162
LIABILITIES				
Accounts payable	$ 0	3,193	0	3,193
Due to other groups	95,568	220,063	202,662	112,969
Total Liabilities	$ 95,568	223,256	202,662	116,162

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.


SOUTHEAST POLK
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Statistical Section

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

GENERAL SCHOOL SYSTEM REVENUES BY SOURCE - GOVERNMENT-WIDE
FOR THE YEARS ENDED JUNE 30, 2003 - 2004

	Years Ended June 30,	
	2004	2003
Program Revenues:		
Charges for service	$ 4,282,395	4,201,672
Operating grants and other contributions	4,201,496	3,659,193
Capital grants and other contributions	937,875	0
General Revenues:		
Property taxes	14,456,673	11,930,594
Local option sales and service taxes	4,249,399	4,109,803
Unrestricted state grants	17,050,531	16,095,076
Unrestricted investment earnings	47,313	84,618
Other	0	(17,317)
Total	$ 45,225,682	40,063,639

Note: Information for years prior to 2003 is not available.

Source: School District financial records.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT

GENERAL SCHOOL SYSTEM EXPENDITURES BY FUNCTION - GOVERNMENT-WIDE
FOR THE YEARS ENDED JUNE 30, 2003 - 2004

	Years Ended June 30,	
	2004	2003
Expenditures:		
Instruction:		
Regular instruction	$ 15,271,436	13,955,967
Special instruction	6,279,895	5,328,038
Other instruction	2,209,908	1,982,956
Support services:		
Student services	1,755,783	1,748,623
Instructional staff services	1,607,844	1,531,067
Adminstration services	3,892,255	3,902,685
Operation and maintenance of plant services	3,038,417	3,094,721
Transportation services	1,603,892	1,667,934
Central support services	264,534	212,536
Non-instructional programs:		
Nutrtion services	1,774,896	1,711,844
School store services	260,308	250,750
Other:		
Facilities acquisitions	1,385,628	1,122,598
Long-term debt interest	441,509	510,393
AEA flow-through	1,272,602	1,262,623
Depreciation(unallocated)	147,998	939,144
Total	$ 41,206,905	39,221,879

Note: Information for years prior to 2003 is not available.

Source: School District financial records.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE BY SOURCE - ALL FUNDS
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

	2004*	2003*	2002*	2001*	2000*	1999*	1998*	1997*	1996**
LOCAL TAX:									
Property Tax	$12,990,171	$10,389,470	$10,023,322	$9,670,535	$9,841,966	$9,255,289	$9,056,078	$7,918,750	$8,483,921
Income Surtax	$831,395	$773,217	$748,428	$712,506	$642,915	$647,488	$690,187	$533,097	$587,334
Sales and Use Tax	$4,249,399	$4,109,803	$4,092,294	$3,249,004	$0	$0	$0	$0	$0
Mobile Home Tax	$29,219	$21,036	$24,422	$15,859	$12,050	$15,420	$19,171	$15,135	$10,792
	$18,100,184	$15,293,526	$14,888,466	$13,647,904	$10,496,931	$9,918,197	$9,765,436	$8,466,982	$9,082,047
STATE SOURCES:									
State Foundation Aid	$16,800,688	$15,838,350	$14,990,366	$14,532,540	$13,540,172	$12,312,274	$11,881,670	$10,875,204	$9,366,053
Instructional Support State Aid	$242,537	$250,918	$264,192	$275,342	$272,616	$265,100	$296,439	$309,308	$314,801
School improvement technology funding	$0	$0	$89,937	$257,682	$249,065	$240,706	$234,579	$226,854	$0
Educational Excellence Program:									
Phase I	$23,300	$23,475	$23,475	$23,475	$23,475	$23,475	$23,475	$23,475	$23,475
Phase II	$372,512	$360,180	$363,135	$351,265	$342,174	$332,337	$324,127	$312,661	$300,075
Phase III	$0	$89,495	$213,389	$195,709	$189,248	$182,356	$191,921	$187,239	$183,482
Nonpublic Transportation Aid	$33,506	$28,780	$25,206	$21,588	$15,347	$6,654	$10,066	$11,335	$19,683
At Risk Program Grants	$10,583	$35,962	$25,881	$38,578	$23,886	$25,981	$53,887	$41,052	$0
Vocational Education Aid	$22,635	$0	$32,186	$12,219	$20,462	$0	$15,186	$20,794	$40,028
Youth First Grant	$0	$0	$0	$0	$0	$12,505	$10,664	$0	$0
NISDC	$0	$0	$0	$0	$2,500	$2,500	$10,000	$11,500	$0
Iowa Early Intervention Block Grant	$265,265	$245,297	$249,526	$147,412	$75,661	$0	$0	$0	$0
On-time Funding for New Students	$0	$0	$0	$0	$276,687	$0	$0	$0	$0
Salary Improvement Program	$338,528	$282,664	$269,042	$0	$0	$0	$0	$0	$0
Beginning Teacher Mentoring Program	$39,000	$54,000	$26,000	$0	$0	$0	$0	$0	$0
Evaluator Training Program	$10,000	$9,000	$0	$0	$0	$0	$0	$0	$0
Employability Skills Assessments Reimbursements	$0	$0	$1,523	$2,464	$0	$0	$0	$0	$0
Early Childhood Programs grant(Empowerment)	$0	$0	$110,000	$120,060	$0	$0	$0	$0	$0
Early Childhood Home Literacy Program	$0	$0	$6,051	$0	$0	$0	$0	$0	$0
National Assessment of Educational Progress	$0	$0	$0	$0	$750	$0	$0	$0	$0
Revenue In Lieu of Taxes-Military Credit	$7,306	$6,665	$6,871	$0	$9,792	$7,005	$10,127	$7,371	$7,644
Machinery and Equipment Replacement	$0	$0	$0	$112	$0	$19,727	$15,915	$1,636	$0
Other	$0	$696	$0	$0	$0	$0	$0	$0	$0
AEA Flowthrough	$1,272,602	$1,262,623	$1,241,684	$1,216,484	$1,133,349	$1,063,321	$998,157	$920,472	$853,401
Lunch Program Claims	$22,011	$21,267	$20,516	$20,489	$21,053	$21,024	$19,349	$19,308	$18,890
	$19,460,473	$18,509,372	$17,958,980	$17,215,419	$16,196,237	$14,514,965	$14,095,562	$12,968,209	$11,127,532
FEDERAL SOURCES:									
(Title I Program) Chapter I	$212,545	$214,369	$188,684	$162,663	$129,351	$136,320	$165,596	$174,719	$118,648
unovative Education Program Strategies (Title V Program)	$23,089	$21,905	$22,201	$20,434	$21,045	$19,208	$16,987	$14,704	$17,892
Title II A - Federal Teacher Quality Program	$93,733	$83,992	$0	$0	$0	$0	$0	$0	$0
Grants for State Assessment and Related Activities	$28,110	$23,425	$0	$0	$0	$0	$0	$0	$0
Early Childhood Programs grant(Empowerment)	$97,997	$64,875	$0	$0	$0	$0	$0	$0	$0
Early Childhood Home Literacy Program	$49,900	$27,285	$0	$0	$0	$0	$0	$0	$0
Class Size Reduction	$0	$0	$47,755	$38,576	$35,402	$0	$0	$0	$0
Comprehensive School Reform Demonstration	$82,456	$35,962	$80,992	$74,293	$66,864	$0	$0	$0	$0
Learn and Serve America-School and Community - Based Programs	$4,500	$5,075	$5,592	$4,913	$2,648	$5,000	$4,500	$0	$0
Safe and Drug-Free Schools States Grants	$18,846	$70	$31,020	$30,861	$31,161	$35,759	$44,296	$39,412	$22,365
Safe Schools/Healthy Students	$22,110	$104,584	$194,584	$240,490	$47,632	$0	$0	$0	$0
Drug and Violence Prevention	$13,743	$60,931	$82,422	$0	$0	$0	$0	$0	$0
Star Schools	$0	$0	$1,332	$40,224	$0	$10,000	$0	$8,893	$0
Vocational Education - Basic Grants to States	$25,118	$24,053	$22,930	$23,370	$28,509	$28,509	$26,794	$24,204	$23,093
Eisenhower Professional Development State Grants	$0	$0	$16,536	$12,484	$12,698	$11,729	$11,057	$14,936	$3,288
Special Education - Basic Grants to States(Part B)	$158,087	$102,252	$51,985	$0	$0	$0	$0	$0	$0
Community Development Block Grant	$0	$0	$21,245	$0	$0	$0	$0	$0	$0
Fund for the Improvement of Education	$937,875	$0	$533,210	$0	$0	$0	$0	$0	$0
Federal Emergency Management Assistance	$0	$0	$0	$0	$0	$3,900	$0	$0	$0
Impact Aid	$0	$0	$0	$0	$0	$4,400	$14,655	$0	$0
Employment Services & Job Training - Pilot and Demonstration	$0	$0	$0	$0	$0	$0	$2,555	$7,445	$0
Medicaid	$458,202	$0	$7,881	$10,039	$0	$0	$0	$0	$0
Flood Control	$124	$118	$6,109	$3,970	$4,268	$0	$4,273	$6,152	$6,207
Other	$0	$34,944	$0	$0	$0	$0	$0	$0	$0
National School Lunch Program	$353,039	$315,554	$280,386	$258,888	$268,835	$254,614	$245,217	$219,634	$194,702
School Breakfast Program	$47,800	$44,168	$38,801	$35,066	$34,223	$32,481	$29,630	$26,671	$19,460
Nutrition Education Training Program	$0	$0	$0	$0	$0	$0	$0	$0	$290
Food distribution	$102,155	$80,337	$131,924	$83,769	$78,521	$70,483	$81,955	$56,175	$0
	$2,729,429	$1,243,899	$1,765,589	$1,040,040	$761,157	$612,403	$647,515	$592,945	$405,945
Total Revenues	$40,290,086	$35,046,797	$34,613,035	$31,903,363	$27,454,325	$25,045,565	$24,508,513	$22,028,136	$20,615,524

*GAAP BASIS (MODIFIED ACCRUAL)
**NON GAAP BASIS (CASH)
Source: School District Financial Records and Audits
Reliable data unavailable for years prior to 1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE BY FUND
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

Year Ended June 30

	2004*	2003*	2002*	2001*	2000*	1999*	1998*	1997*	1996**
LOCAL:									
General Fund	$12,310,862	$9,795,765	$9,493,605	$9,307,691	$8,564,522	$8,017,961	$7,934,777	$6,929,487	$7,525,776
Special Revenue Funds	$1,539,923	$1,387,958	$1,302,567	$1,091,209	$1,095,286	$1,061,727	$938,215	$744,353	$709,411
Capital Projects Fund	$4,249,399	$4,109,803	$4,092,294	$3,249,004	$0	$0	$0	$0	$0
Debt Service Fund	$0	$0	$0	$0	$837,123	$838,509	$892,444	$793,142	$846,860
	$18,100,184	$15,293,526	$14,888,466	$13,647,904	$10,496,931	$9,918,197	$9,765,436	$8,466,982	$9,082,047
STATE:									
General Fund	$19,437,626	$18,487,248	$17,937,593	$17,194,818	$16,171,108	$14,489,086	$14,071,926	$12,945,853	$11,107,238
Special Revenue Funds	$836	$857	$871	$112	$2,363	$3,387	$3,577	$2,328	$643
Debt Service Fund	$0	$0	$0	$0	$1,713	$1,468	$710	$720	$761
Enterprise Fund+	$22,011	$21,267	$20,516	$20,489	$21,053	$21,024	$19,349	$19,308	$18,890
	$19,460,473	$18,509,372	$17,958,980	$17,215,419	$16,196,237	$14,514,965	$14,095,562	$12,968,209	$11,127,532
FEDERAL:									
General Fund	$1,288,560	$803,840	$753,982	$658,469	$379,578	$254,825	$290,713	$290,465	$191,493
Special Revenue Funds	$5,441	$0	$27,286	$3,848	$0	$0	$0	$0	$0
Capital Projects Funds	$932,434	$0	$533,210	$0	$0	$0	$0	$0	$0
Enterprise Fund+	$502,994	$440,059	$451,111	$377,723	$381,579	$357,578	$356,802	$302,480	$214,452
	$2,729,429	$1,243,899	$1,765,589	$1,040,040	$761,157	$612,403	$647,515	$592,945	$405,945
TOTAL	$40,290,086	$35,046,797	$34,613,035	$31,903,363	$27,454,325	$25,045,565	$24,508,513	$22,028,136	$20,615,524

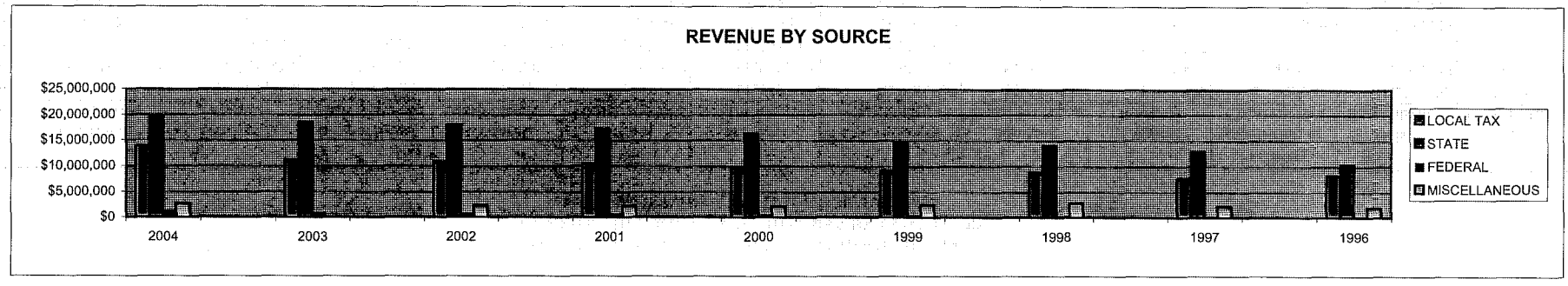
*GAAP BASIS (MODIFIED ACCRUAL)
**NON GAAP BASIS (CASH)
Source: School District Financial Records and Audits

Reliable data unavailable for years prior to 1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
GENERAL DISTRICT REVENUE BY SOURCE*
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

Year Ended June 30	Local Tax	State Appropriations	Federal Appropriations	Miscellaneous	Total
2004**	$13,850,785	$19,438,462	$1,294,001	$2,663,306	$37,246,554
2003**	$11,183,723	$18,488,105	$803,840	$10,693	$30,486,361
2002**	$10,796,172	$17,938,464	$781,268	$2,250,365	$31,766,269
2001**	$10,398,900	$17,194,930	$662,317	$2,176,407	$30,432,554
2000**	$9,659,808	$16,173,471	$379,578	$2,071,703	$28,284,560
1999**	$9,079,688	$14,492,473	$254,825	$2,377,883	$26,204,869
1998**	$8,872,992	$14,075,503	$290,713	$2,841,773	$26,080,981
1997**	$7,673,840	$12,948,181	$290,465	$2,111,500	$23,023,986
1996***	$8,235,187	$10,405,097	$191,493	$1,886,706	$20,718,483

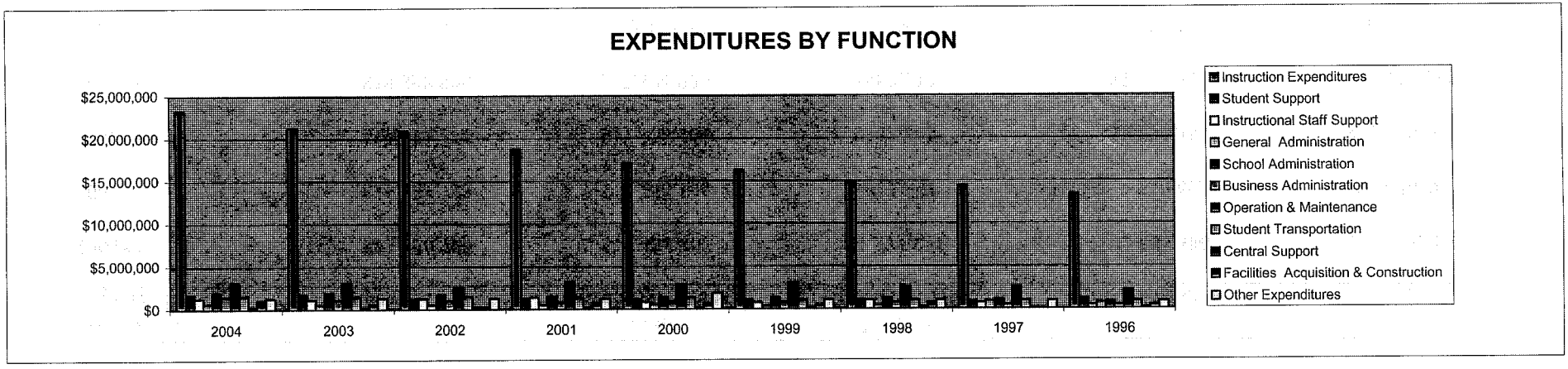
*Includes all General Fund and Special Revenue Funds Revenue.
**GAAP BASIS (MODIFIED ACCRUAL)
*** NON GAAP BASIS (CASH)
Source: School District Financial Records and Audits



SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
GENERAL DISTRICT EXPENDITURES BY FUNCTION*
FOR THE YEARS ENDED JUNE 30, 1996-2004

Year Ended June 30	Instruction Expenditures	Student Support	Instructional Staff Support	General Administration	School Administration	Business Administration	Operation & Maintenance	Student Transportation	Central Support	Facilities Acquisition & Construction	Other Expenditures	Total Expenditures
2004	$23,214,429	$1,781,313	$1,261,556	$621,430	$1,903,838	$1,449,848	$3,080,660	$1,541,136	$269,730	$1,025,684	$1,272,602	$37,422,226
2003	$21,297,513	$1,769,412	$1,136,804	$522,021	$1,914,860	$1,131,531	$3,079,753	$1,469,880	$218,863	$489,764	$1,262,623	$34,293,024
2002	$20,822,350	$1,204,707	$1,202,330	$502,175	$1,687,427	$1,008,861	$2,588,392	$1,465,053	$220,135	$221,872	$1,241,684	$32,164,986
2001	$18,712,438	$1,282,573	$1,376,572	$527,600	$1,534,083	$829,918	$3,197,440	$1,350,821	$109,123	$739,006	$1,216,484	$30,876,058
2000	$17,134,321	$1,122,993	$813,046	$525,582	$1,387,204	$839,236	$2,847,013	$1,343,450	$99,696	$687,685	$1,824,033	$28,624,257
1999	$16,234,331	$1,032,530	$739,296	$385,082	$1,299,785	$775,560	$3,036,922	$985,183	$161,033	$423,239	$1,063,321	$26,136,282
1998	$14,719,211	$1,042,221	$1,017,332	$393,028	$1,262,070	$753,089	$2,579,499	$989,498	$220,544	$699,680	$998,157	$24,674,329
1997	$14,333,450	$883,966	$712,157	$886,081	$1,064,715	$456,336	$2,511,008	$977,777	$76,775	$42,211	$920,472	$22,864,948
# 1996	$13,363,589	$1,222,256	$437,188	$735,481	$811,437	$433,341	$2,171,768	$901,534	$49,667	$478,687	$853,401	$21,458,349

*Includes all General Fund and Special Revenue Funds expenditures.
- NON GAAP BASIS (CASH)
Source: School District Records



SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

Levy Year	General and Management	Debt Service	Physical Plant & Equipment	Total
PROPETY TAX LEVIES				
2004	$12,102,619	$0	$867,333	$12,969,952
2003	$9,720,194	$0	$782,443	$10,502,637
2002	$9,393,194	$0	$745,506	$10,138,700
2001	$8,999,738	$0	$689,752	$9,689,490
2000	$8,375,924	$832,463	$588,906	$9,797,293
1999	$7,876,754	$840,543	$562,619	$9,279,916
1998	$7,220,771	$841,000	$472,034	$8,533,805
1997	$6,769,393	$799,734	$445,605	$8,014,732
1996	$7,295,496	$856,880	$428,844	$8,581,220
PROPETY TAX COLLECTIONS (Including Delinquents)				
2004	$12,310,862	$0	$869,519	$13,180,381
2003	$9,640,349	$0	$779,161	$10,419,511
2002	$9,199,019	$0	$749,882	$9,948,901
2001	$8,997,034	$0	$689,360	$9,686,394
2000	$8,414,145	$826,161	$591,660	$9,831,966
1999	$7,870,056	$838,509	$562,153	$9,270,718
1998	$7,547,049	$892,444	$502,101	$8,941,594
1997	$6,611,947	$793,142	$441,894	$7,846,983
1996	$7,224,047	$846,860	$423,806	$8,494,713
PERCENTAGE COLLECTED				
2004	101.72%	0%	100.25%	101.62%
2003	99.18%	0%	99.58%	99.21%
2002	97.93%	0%	100.59%	98.13%
2001	99.97%	0%	99.94%	99.97%
2000	100.46%	99.24%	100.47%	100.35%
1999	99.91%	99.76%	99.92%	99.90%
1998	104.52%	106.12%	106.37%	104.78%
1997	97.67%	99.18%	99.17%	97.91%
1996	99.02%	98.83%	98.83%	98.99%

Sources: Auditor's Offices of Polk, Marion and Jasper Counties
School District Records

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
TAXABLE AND ESTIMATED ACTUAL VALUE
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

		Real Property		Utilities		Total		
Levy Year	Collection Year	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable to Estimated Actual Value
2003*	2004-05	$679,649,681	$1,502,644,154	$96,047,851	$96,047,851	$775,697,532	$1,598,692,005	48.52%
2002*	2003-04	$644,550,008	$1,018,603,455	$94,776,935	$94,776,935	$739,326,943	$1,113,380,390	66.40%
2001*	2002-03	$619,161,293	$976,837,748	$55,090,181	$55,090,181	$674,251,474	$1,031,927,929	65.34%
2000*	2001-02	$609,452,086	$889,469,266	$55,322,746	$55,322,746	$664,774,832	$944,792,012	70.36%
1999*	2000-01	$572,381,343	$849,259,649	$56,167,284	$56,167,284	$628,548,627	$905,426,933	69.42%
1998	1999-00	$487,595,855	$716,989,427	$101,203,913	$101,203,913	$588,799,768	$818,193,340	71.96%
1997	1998-99	$451,994,106	$683,215,268	$110,183,305	$110,183,305	$562,177,411	$793,398,573	70.86%
1996	1997-98	$377,320,341	$555,559,929	$94,324,103	$94,324,103	$471,644,444	$649,884,032	72.57%
1995	1996-97	$356,551,023	$526,677,147	$88,771,435	$88,771,435	$445,322,458	$615,448,582	72.36%

Sources: Polk County Auditor's Office
Jasper County Auditor's Office
Marion County Auditor's Office

* State of Iowa changed the way utilities were taxed.
Gas and electric generating equipment was taxed by the BTU's it produced.
The state now charges the utilities an excise tax for each BTU produced.
The excise tax is paid to the taxing agencies instead of property tax.
The State of Iowa has guaranteed the excise tax collected will be the same as taxes paid in the past.
This state guarantee is good for three years.

Reliable data unavailable for years prior to 1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
PROPERTY TAX RATES PER $1,000 ASSESSED VALUATION
ALL DIRECT AND OVERLAPPING GOVERNMENTS
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

	Levy Year	Collection Year	County & State	Area XI Community College	Southeast Polk Community School District	City	Specials	Total	Ratio of Southeast Polk Community School District to Total
City of Altoona-Polk County	2003	2004-05	$9.96860	$0.59856	$17.28014	$8.89369	$0.00000	$36.74099	47.03%
	2002	2003-04	$9.76626	$0.58184	$17.36978	$8.89369	$0.00000	$36.61157	47.44%
	2001	2002-03	$9.64388	$0.54454	$15.41627	$8.89369	$0.00000	$34.49838	44.69%
	2000	2001-02	$9.33502	$0.54454	$15.12681	$8.89729	$0.00000	$34.21252	44.21%
	1999	2000-01	$9.25871	$0.54506	$15.31041	$8.90000	$0.00000	$34.01418	45.01%
	1998	1999-00	$9.28374	$0.52451	$16.54398	$8.90665	$0.00000	$35.25888	46.92%
	1997	1998-99	$9.29190	$0.50551	$16.40861	$8.93000	$0.00000	$35.13602	46.70%
	1996	1997-98	$9.12036	$0.47230	$18.00821	$10.67000	$0.00000	$38.27087	47.05%
	1995	1996-97	$9.22555	$0.50661	$17.94303	$10.67008	$0.00000	$38.34527	46.79%
City of Mitchellville-Polk County	2003	2004-05	$9.96860	$0.59856	$17.28014	$13.33972	$0.00000	$41.18702	41.96%
	2002	2003-04	$9.76626	$0.58184	$17.36978	$13.86759	$0.00000	$41.58547	41.77%
	2001	2002-03	$9.64388	$0.54454	$15.41627	$13.61875	$0.00000	$39.22344	39.30%
	2000	2001-02	$9.64388	$0.54454	$15.12681	$13.15140	$0.00000	$38.46663	39.32%
	1999	2000-01	$9.25871	$0.54506	$15.31041	$14.19207	$0.00000	$39.30625	38.95%
	1998	1999-00	$9.28374	$0.52451	$16.54398	$13.41784	$0.00000	$39.77007	41.60%
	1997	1998-99	$9.29190	$0.50551	$16.40861	$13.60052	$0.00000	$39.80654	41.22%
	1996	1997-98	$9.12036	$0.47230	$18.00821	$13.57112	$0.00000	$41.17199	43.74%
	1995	1996-97	$9.22555	$0.50661	$17.94303	$13.63117	$0.00000	$41.30636	43.44%
City of Pleasant Hill-Polk County	2003	2004-05	$9.96860	$0.59856	$17.28014	$11.48228	$0.00000	$39.32958	43.94%
	2002	2003-04	$9.76626	$0.58184	$17.36978	$11.48189	$0.00000	$39.19977	44.31%
	2001	2002-03	$9.64388	$0.54454	$15.41627	$11.60171	$0.00000	$37.20640	41.43%
	2000	2001-02	$9.64388	$0.54454	$15.12681	$11.78489	$0.00000	$37.10012	40.77%
	1999	2000-01	$9.25871	$0.54506	$15.31041	$11.60937	$0.00000	$36.72355	41.69%
	1998	1999-00	$9.28374	$0.52451	$16.54398	$11.66573	$0.00000	$38.01796	43.52%
	1997	1998-99	$9.29190	$0.50551	$16.40861	$12.05876	$0.00000	$38.26478	42.88%
	1996	1997-98	$9.12036	$0.47230	$18.00821	$13.28132	$0.00000	$40.88219	44.05%
	1995	1996-97	$9.22555	$0.50661	$17.94303	$13.28131	$0.00000	$40.95650	43.81%
City of Runnells-Polk County	2003	2004-05	$9.96860	$0.59856	$17.28014	$8.82955	$0.25727	$36.93412	46.79%
	2002	2003-04	$9.76626	$0.58184	$17.36978	$8.10000	$0.34060	$36.15848	48.04%
	2001	2002-03	$9.64388	$0.54454	$15.41627	$8.10000	$0.34060	$34.04529	45.28%
	2000	2001-02	$9.64388	$0.54454	$15.12681	$8.10000	$0.34060	$33.75583	44.81%
	1999	2000-01	$9.25871	$0.54506	$15.31041	$8.10000	$0.35787	$33.57205	45.60%
	1998	1999-00	$9.28374	$0.52451	$16.54398	$8.10000	$0.39406	$34.84629	47.48%
	1997	1998-99	$9.29190	$0.50551	$16.40861	$8.10000	$0.34385	$34.64987	47.36%
	1996	1997-98	$9.12036	$0.47230	$18.00821	$8.09989	$0.28455	$35.98531	50.04%
	1995	1996-97	$9.22555	$0.50661	$17.94303	$8.10000	$0.29224	$36.06743	49.75%
Jasper County	2003	2004-05	$8.06036	$0.59856	$16.97626	$13.33972	$0.45112	$39.42602	43.06%
	2002	2003-04	$9.07370	$0.58184	$17.36978	$13.86759	$0.86893	$41.76184	41.59%
	2001	2002-03	$9.05654	$0.54584	$15.41627	$13.61875	$0.87971	$39.51711	39.01%
	2000	2001-02	$7.34244	$0.54454	$16.57822	$13.15140	$0.11630	$37.73290	43.94%
	1999	2000-01	$7.43983	$0.54506	$17.33564	$14.19207	$0.11059	$39.62319	43.75%
	1998	1999-00	$10.84579	$0.52451	$16.54398	$0.00000	$0.09814	$28.01242	59.06%
	1997	1998-99	$9.89595	$0.50551	$16.40861	$0.00000	$0.10038	$26.91045	60.97%
	1996	1997-98	$9.97442	$0.47230	$18.00821	$0.00000	$0.84550	$29.30043	61.46%
	1995	1996-97	$10.37569	$0.50661	$17.94303	$0.00000	$0.77487	$29.60020	60.62%
Marion County	2003	2004-05	$11.09079	$1.12979	$17.28014	$0.00000	$0.73102	$30.23174	57.16%
	2002	2003-04	$10.55243	$0.00000	$17.36978	$0.00000	$0.68114	$28.60335	60.73%
	2001	2002-03	$10.51039	$0.00000	$15.41627	$0.00000	$0.69503	$26.62169	57.91%
	2000	2001-02	$10.39771	$0.00000	$15.12681	$0.00000	$0.83384	$26.35836	57.39%
	1999	2000-01	$10.58994	$0.00000	$15.31041	$0.00000	$0.79884	$26.69919	57.34%
	1998	1999-00	$10.06840	$0.00000	$16.54398	$0.00000	$0.61844	$27.23082	60.75%
	1997	1998-99	$9.83566	$0.00000	$16.40861	$0.00000	$0.61208	$26.85635	61.10%
	1996	1997-98	$9.18108	$0.00000	$18.00821	$0.00000	$0.73158	$27.92087	64.50%
	1995	1996-97	$9.50090	$0.00000	$17.94303	$0.00000	$0.95139	$28.39532	63.19%

Sources: Polk County Auditor's Office
Jasper County Auditor's Office
Marion County Auditor's Office

Reliable data unavailable for years prior to 1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUES
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

Collection Year	Population Estimates*	Assessed Values of Property	Legal Debt Limit (5%)	Bonded Debt	Ratio of Bonded Debt To Assessed Value	Bonded Debt per Capita
2003-04	26,770	$739,326,943	$36,966,347	$12,315,000	1.67%	$460
2002-03	26,259	$674,251,474	$33,712,574	$11,090,000	1.64%	$422
2001-02	20,620	$664,919,680	$33,245,984	$11,115,000	1.67%	$539
2000-01	20,620	$628,894,490	$31,444,725	$13,665,000	2.17%	$663
1999-00	20,620	$588,889,817	$29,444,491	$7,690,000	1.31%	$373
1998-99	17,313	$562,619,249	$28,130,962	$6,525,000	1.16%	$377
1997-98	17,313	$472,034,064	$23,601,703	$6,900,000	1.46%	$399
1996-97	17,313	$445,337,153	$22,266,858	$7,255,000	1.63%	$419
1995-96	17,313	$432,445,623	$21,622,281	$7,510,000	1.74%	$434

Sources: School District Records
U.S. Census Bureau
Polk County Auditor's Office
Jasper County Auditor's Office
Marion County Auditor's Office

* Towns Of Altoona, Pleasant Hill, Mitchellville & Runnells and Southeast Polk County Residents
Reliable data unavailable for years prior to 1996

SOUTH EAST POLK COMMUNITY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2004

Name of Governmental Unit	Total Gross Debt Outstanding	Percentage Applicable to Southeast Polk Community School District	Southeast Polk Community School District's Share of the Debt
Polk County	181,330,000	0.19748%	$ 358,090
Jasper County	8,110,000	0.34000%	$ 27,574
Marion County	-	0%	$ -
City of Mitchellville	265,000	2.02099%	$ 5,356
City of Runnells	-	0%	$ -
City of Altoona	21,245,000	0.39142%	$ 83,157
City of Pleasant Hill	11,170,000	2.80551%	$ 313,375
Southeast Polk Schools	12,315,000	100.00%	$ 12,315,000
			$ 13,102,553

Source:
Polk County Auditor's Office
Jasper County Auditor's Office
Marion County Auditor's Office
City Clerks

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To Total General Fund Expenditures
2003-04	$4,850,000	$427,617	$5,277,617	$34,514,919	15.29%
2002-03	$575,000	$505,345	$1,080,345	$32,238,314	3.35%
2001-02	$2,550,000	$631,452	$3,182,052	$30,462,884	10.45%
2000-01	$525,000	$386,486	$911,486	$28,992,852	3.14%
1999-00	$430,000	$400,814	$830,814	$29,681,441	2.80%
1998-99	$405,000	$433,889	$838,889	$24,587,815	3.41%
1997-98	$375,000	$464,351	$839,351	$22,633,385	3.71%
1996-97	$355,000	$493,086	$848,086	$21,542,236	3.94%
1995-96	$335,000	$520,231	$855,231	$18,990,938	4.50%

Source: School District Financial Records

Reliable data unavailable for years prior to 1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING
FOR THE YEAR ENDED JUNE 30, 2004

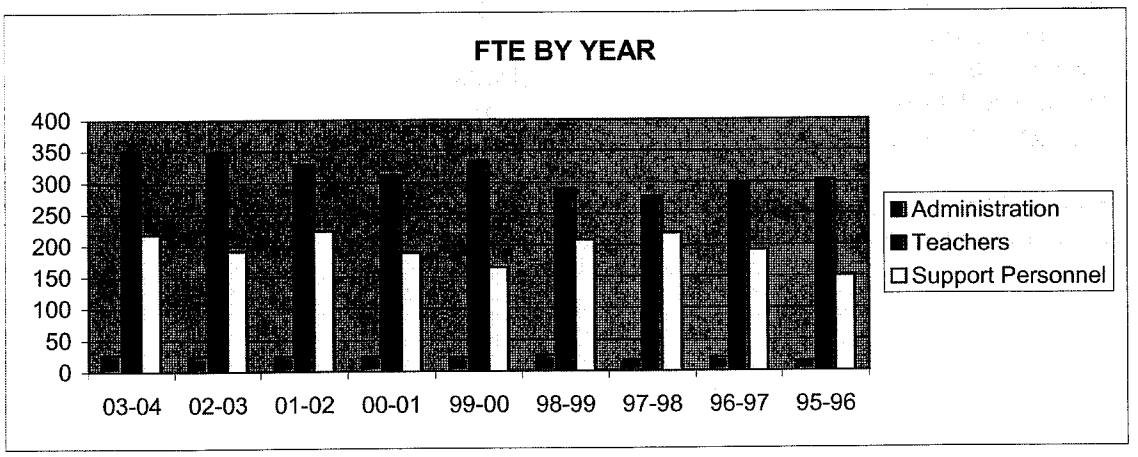
Name of School	Date Constructed	Grades Served**	Official Enrollment Third Friday in September 2003	Number of Classrooms	Teachers Actively Employed !	Student/ Teacher Ratio
Senior High	1963	9-12	1299	64	106	12.25
Junior High	1992	7-8	803	37	59	13.61
Harbor	1997	10-12	64	5	7	9.14
Altoona Elementary	1939	K-6	392	17	32	12.25
Centennial	1968	K-6	513	24	33	15.55
Delaware	1951	K-6	404	19	31	13.03
Four Mile	1966	K-6	487	21	32	15.22
Mitchelville	1925	K-6	187	13	15	12.47
Runnells	2001	K-6	177	9	10	17.70
Willowbrook	1991	K-6	493	32	33	14.94
BUILDING TOTAL			4819			
Special Ed			158			
Youth at Risk			14			
Tuition Out & Strive			27			
Tuition In			18			
Detention Center			0			
Dual Enrollment			9.20			
Open Enrollment Out			(187.80)			
Home School Assisted			57			
DISTRICT TOTAL			4,914.4			

**Special Education in all buildings
! Classroom Staff Only

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
DISTRICT STAFFING LEVELS
FULL -TIME EQUVALENCY
LAST NINE YEARS
AS OF JUNE 30, 2004

	2004	2003	2002	2001	2000	1999	1998	1997	1996
Administration:									
Superintendent	1	1	1	1	1	1	1	1	1
Assistant Superintendent	1	1	0	0	0	0	0	0	2
Principals	12	12	10	10	10	11	9	0	9
Assistant Principals	2	1	1	1	1	1	0	0	1
Other Officials/Admin	11	9	12	12	10	10	7.5	20.5	2
SUBTOTAL	27	24	24	24	22	23	17.5	21.5	15
Teachers:									
Regular	267.85	257.55	255	251	244.4	228.5	230	243	256.5
Special Ed	54.5	62.5	48	40	65.3	35.5	30	27	27.8
Counselors	16	16	16	16	10	16	11	0	15
Curriculum Specialists	0	0	1	0	1	1	1	0	0
Library/Medial Specialists	4	4	7	4	11	4	4	0	3
Other Educational Specialists	8.4	6	1	1	1	4	1	27	0
SUBTOTAL	350.75	346.05	328	312	332.7	289	277	297	302.3
Support Personnel:*									
Nurse (RN)	7	5	5	5	5	4	4	0	4
Other Professionals	4	3	3	4	3	3	3	36	2.5
Teachers Aide	72.05	57.6	52.4	37.5	37.4	48	35	2	32.5
Nurse (LPN)	0	0	0	0	1	1	0	0	0
Other Technical Personnel	0	0	21.4	22	4	0	9	19	5
Office/Clerical Personnel	38.9	38.3	32	30	27	36	28	40	24.5
Crafts & Trade Pesonnel	6	5.25	5	6	6	6	7	6	4
Lunchroom Personnel	29	30.75	31	18	18	18	18	18	18
Operative Personnel	13.2	14.6	34	18	16	18	35.5	28	31
Laborers	47.3	35.95	39	47	47	74	79	42	28
SUBTOTAL	217.45	190.45	222.8	187.5	164.4	208	218.5	191	149.5
TOTAL	595.2	560.5	574.8	523.5	519.1	520	513	509.5	466.8

Source: District Records
* Support Personnel FTE caculated different than in prior years
Reliable data unavailable for years prior to 1996.



SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

The Southeast Polk Community School District includes all of the city of Mitchellville, Runnells, Altoona, part of Pleasant Hill, and portions of Marion, Jasper and Polk County in the State of Iowa. The Southeast Polk Community School District is located on the east edge of Des Moines, a boundary of I-80 to the North and the Des Moines River to the South. The district encompasses an area of 114 square miles. The District Office is located at 8379 NE University Ave. Runnells, Iowa 50237.

The District owns and operates ten schools plus an administrative service center, vehicle maintenance facility and a warehouse. The district maintains 208.5 acres of grass, parking lots, and playgrounds of which 100 acres must be mowed. The buildings have 15 acres of roofs, a total of 639,383 square feet of building space and nearly 16 acres of "learning environment." The following data provides the grade levels housed in each building.

	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97	95-96
SENIOR HIGH	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12	9-12
HARBOR	10-12	10-12	10-12	10-12	10-12	10-12	10-12		
JUNIOR HIGH	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8	7-8
ELEMENTARIES									
Altoona	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Centennial	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Delaware	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Four Mile	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Mitchellville	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Runnells	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6
Willowbrook	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-6

SCHOOL FACILITIES:

The Southeast Polk Community School District was officially formed in 1962. At that time it consisted of a number of elementary districts within its new boundaries and three school districts. Until a new high school was constructed at its present sight in 1963, high school classes were held at the three former high school sites. The facilities housed within the District did range in age from the Runnells Elementary, originally constructed in 1917, to a 1990 $8.8 million construction project consisting of building and furnishing a new junior-senior high school, a new elementary school in Altoona, and additions to the Mitchellville and Four Mile Elementary schools. In 2000, a 10,650 sq. ft. addition was added to Four Mile and a 7,575 sq. ft. addition to Centennial Elementary. A new bus maintenance facility and warehouse were built in 2001 along with an addition to the Delaware Elementary school. In fiscal year 2002 the old Runnells elementary was torn down and a new 31, 949 sq. ft. facility was opened. Twenty acres of land was also purchased south of Altoona in anticipation of a new elementary school to be built in 2007-2008. In fiscal year 2004 an 13,690 sq. ft addition was added on to the Mitchellville elementary school. An all weather turf was also installed at the high school stadium.

The District also opened the Harbor Alternative School in 1998. The Harbor is for older students who have dropped out of school and the traditional student who is behind with credits.

The District Office houses offices for the Superintendent, Director of Support Services, Director of Programs/ Human Resources, Director of Curriculum/Instruction/ and Business Manager. It also offices houses the payroll and accounts payable. The Board of Education uses the meeting/conference rooms for its meetings.

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

STAFF AND CURRICULUM:

The Southeast Polk Community School District take pride in its excellent workforce. The ten building staffs and administrative service center personnel are composed of 23 administrators, 4 supervisors, 351 certified staff and 218 support staff. The professional staff is composed of teachers and specialists in the areas of art, music, physical education, counseling and nursing. Instructional assistants prepare materials and reinforce direct teaching activities. Secretaries, operation and maintenance personnel, custodial personnel, bus drivers, and food service workers provide service essential to the creation of a positive learning environment for students.

Following are listed a variety of activities that were directed and/or coordinated by the superintendent of schools for the improvement of our learning climate for students and educators:

All Southeast Polk district schools are NCA (North Central Association) accredited.

The District develops computer training and enrichment programs for teachers, administrators and secretaries. Schools have automated library check-out systems, attendance programs and computer labs have been established in the high school, junior high and two elementary schools.

Teachers are involved in grade level and content area meetings, which promote and enhance articulation of curriculum and instruction.

The District maintains an active Staff Development Calendar focusing on, Student Achievement, *Character Counts*, School Improvement Planning, Special Education Mandates and Compliance Issues. In addition, the District's staff receive training in Hazardous Chemicals, The Right To Know, Child Abuse Reporting, Bloodborne Pathogens, English As a Second Language, Drug and Substance Abuse Prevention, and Emergency Procedures.

A comprehensive program of *Dimensions of Learning* is implemented in all buildings. This instructional design has been established district wide since the 1995-1996 school year. *Dimensions of Learning* support coaches are available at several buildings.

The District, to insure learning, has trained teachers and administrators in the areas of cooperative learning, reading/ language instruction, alternative student assessment, higher level thinking skills, utilization of technology, educating At-Risk students, and other current and appropriate educational strategies. A quality mentoring program is also in place for new teaching staff.

The District offers a K-6 counseling program, which results in a coordinated K-12 guidance program.

Community and Parent involvement continues to be a "must" in this district. Monthly meetings of the District Advisory Committee and Building Level Communication Council are attended by over 200 parents and community members.

SCHOLARSHIPS:

The district, due to caring community members and staff, has three major scholarship funds specifically for Southeast Polk High School graduates. These scholarships range from $250 to $1,000 per year for up to four years. A number of additional one-year scholarships are available. These scholarships alone provided nearly $75,000 in student aid last year for students entering institutions of higher learning.

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

POPULATION:

The population of the Southeast Polk School District is approximately 26,700 people. The school enrollment in September 2003 was 4,914 - 1,299 senior high students, 803 junior high students, 2,653 elementary students, and an additional count of 159 weighted enrollment, tuition and other facility students.

Bus transportation is furnished for 4000 students in 44 district-owned buses. Counting morning and evening routes separately, the district operates 118 bus routes traveling about 2,200 miles per day. For all purposes, buses travel approximately 566,500 miles annually.

The district school lunch program serves nutritious and well-balanced noon lunches, from both the hot lunch and a la carte programs, to over 3,350 students per day, totaling 603,000 per year, as well as 26,000 adult lunches. Nourishing breakfast meals are served at each building, adding up to more that 60,000 each year.

DISTRICT AWARDS OVER THE LAST NINE YEARS:

The following is a summary of various awards and positions help by specific individuals, buildings, school organizations, and as a District over the last nine years.

Individuals

District individuals have served and been awarded the following recognition:

2 AP Scholars
Transportation Department Fleet of the Year Award
Industrial Technology-Program of Excellence Award for 2003
Semifinalist in the 2003-04 Coca-Cola Scholars Program
2nd and 3rd –Urbandale Knowledge Bowl
8th Place-State Mathcounts competition
AMC Team Award
Award from President Bush for volunteer work
Exec Bd of IA Assoc for Supervision and Curriculum
Iowa High School Press Association-Honorable Mention
Literacy project-Iowa Child's Play Project
6th Place – Regional Mathcounts, Knowledge Bowl
Finalist-National Merit Scholar
Coach of the Year-CIML Conference Swimming, 2002
Essay Award-District VFW Award
Rampage-International First Place-Quill and Scroll
Barbara Juster Esbensen Teaching Award-2002
3rd - State Math Bee
Teacher certified by National Board for Professional Teaching Standards
Two students named Commended in the National Merit Scholarship Program
Five students chosen for OPUS Honor Choir
CIML Cross Country Coach of the Year
Finalist for University of Iowa commitment to Diversity Award
#1 Rating - Iowa Music Teachers Association Auditions

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

2 students - Commended Students - 2001 National Merit Scholarship Program
NCA Accreditation
Partcipant - Songbridge 2000 - Caracas, Venezuela
Outstanding Volunteer Effort - Iowa Community Betterment Program
Winner - Herbert Hoover Uncommon Student Award
Finalist - Excellence in Education Award
FFA National Talent Show
2nd - Iowa Thinking Cap Quiz Bowl
Secretary - National Board of Governance for Teachers of Psychology - Secondary Schools
All American Cheerleader
Modern Woodmen Volunteerism Award
Student of the Week - Worldwide student artwork website
1st Runner Up National Contributor of the Year Aware - National Federation Interscholastic Spirit Association
Contributor of the Year Award – National Federation Interscholastic Spirit Association
State Champ in VICA job skills
Boy's Basketball 4th - State, 2000
1st Place - Website from Iowa Educational Media Association, 2000
2 educators selected for the FINE Award, 2000
Award for Safety Achievement, 2000
Iowa Academic Decathlon Board Member, 1995-2000
Certificate of Appreciation - Safety Patrol Supervisor, 2000
All State Festive Choir, 1999
Second in 4A Webster City Show Choir Invitational, 1999
10 Division "I" ratings and 20 Division "II" ratings at State Solo & Small Group, 1999
Boys Basketball - State, 1999
Youth at Risk Executive Board at DMACC, 1999
Iowa Bar Association Mock Trail Outstanding Performance, 1999
Des Moines Register All Academic Team, 1999
National Council on Youth Leadership, 1999
President's Award for Educational Excellence, 1999
Daughters of the American Revolution Good Citizen Award, 1999
Iowa Bankers Assoc. Athlete Achiever Award, 1999
Morningside Connections Award, 1999
American Citizenship Award - Iowa State Bar Association, 1999
Commended Student- National Merit Scholarship, 1999
Who's Who Among America's Teachers, 1999
Military Awards, 1999
3rd State Cheerleading Competition, 1999
Coach of the Year - Swimming, 1999
10^{TH} -High School Knowledge Bowl, 1999
Superior & Outstanding Performance Award - Rhythmettes, 1999
"II" rating State Speech Contest, 1999
Wal-Mart's Teacher of the Year, 1999
Highest Award in State for literary magazine, 1999
Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

Award for Safety Achievement, 1999
Two players on All State Band, 1998
School to Work Annual Conference Committee, 1998
Youth at Risk Consortium Executive Board, 1998
President's award for educational excellence, 1998
Most Promising Teacher Award - NCTE, 1998
Miss Iowa Junior Teen, 1998
Three speech squads to All-State, 1998
Participant - All-State Chorus, 1998
Who's Who Among America's Teachers, 1998
7th Place Wrestling team - State, 1998
All-State Cheerleading Squad, 1998
District Coach of the Year - Swimming, 1998
Governor's Award for Volunteerism, 1998
Award for Safety Achievement, 1998
Outstanding Volunteer Service, 1998
Iowa State Fair Singers, 1998
State of Iowa Scholar Award, 1997
Double World Champion Wrestler - World Trials, 1997
Graduate Student Award of Excellence, 1997
Double National Champion Wrestler, 1997
Nomination for Belfer National Conferences for Educators, 1997
3rd State Wrestling Tournament, 1997
Iowa Student Energy Leadership Award, 1996
2nd State Cheerleading Competition, 1997, 1998
Published article in Exercise Exchange & English Journal, 1997
North Central Association Accreditation K-12, 1997
Coaches Lifetime Service Award, 1997
Board member of NCA, 1997
Who's Who Among America's Teachers, 1997
Member of Altoona City Council, 1997
Member of Altoona Planning and Zoning, 1997
Who's Who Master in Education, 1997
Award for Safety Achievement, 1997
Volunteer of the Year award, 1997
President's Physical Fitness Award, 1996
President's award for educational excellence, 1996
Chairman of the Heart Connection, 1996
Member of NCA board, 1996
Served on MC/NS district committee, 1996
Highest Award in State for literary magazine, 1996
President of Iowa American Assoc of Teachers of French, 1996
State Winner in "Know your Constitution", 1996
Won state drafting contest in VICA, 1996
Youth at Risk Executive Board at DMACC, 1996, 1997
Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

Representative Altoona Action Council
Outstanding Board Member Award - ICA 1996
Iowa Counselor of the Year, 1996
Award for Safety Achievement, 1996
15th place in Knowledge Bowl, 1996
Iowa delegate to U.S. Senate Youth Program, 1996
Winner - local Geography Bee, 1996
First Team Academic All-State, 1996
National Merit Scholarship finalist, 1996
First Team CIML All Conference Team, 1996
Performance at All-State Speech Festival, 1996
1st place at State DECA conference, 1996
Certification of Recognition for Community Service, 1996
Golden Apple Award, 1996
Who's Who Among America's Teachers, 1996
Teacher of Year Award, 1995
Award for Safety Achievement, 1995
Leading the Way Award, 1998
Iowa Assistant Coach of the Year - Football, 1998
Superintendent of the Year, 1998
Volunteer of the Year Award, 1998

Buildings

FINE Award, 1996
FINE Award, 1999

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

STATISTICAL REVIEW:

Area- 114 square miles

Altitude – 773.839 above sea level

School Names

1963 - West Independent became Delaware from the township name
1967 - Four Mile Elementary named for the township
1968 - Centennial named such because of centennial in Altoona celebrated that year
1991 - Willowbrook named for local area where native Americans used to hold tribal conferences

The Southeast Polk Community School District is located in central Iowa, immediately east of Des Moines, the capital city. Within the District are portions of Polk, Jasper and Marion counties, including the incorporated cities of Altoona, Mitchellville, Runnells, and Pleasant Hill.

Altoona, the largest of the cities, is located directly east of Des Moines near the crossroads of Interstate Highways No. 35 and 80, making it easily accessible from all directions. The city's 1990 population was 7,191 -- and increase of 24% since the 1980 census figure of 5,764. The 2000 census showed Altoona's population had grown to 10,345 from the 7,500 on the 1994 special census. The 2003 population estimate is 11,349. Altoona is the home of Iowa's only theme park, Adventureland Amusement Park, and is the site of Prairie Meadows Race Track and Casino. Altoona has the family oriented Greater Altoona Community Service Campus, the Sam Wise Youth Sports Complex with 4 baseball fields, 5 softball fields and 12 soccer fields and a proposed Aquatic Center. Six manufacturing plants are located in the community and four industrial sites totaling 224 acres are available for development. Medical facilities include Altoona Manor, a 114- bed nursing home with 100 employees. The city owns and operates its own water and wastewater systems

Mitchellville is a small town with a population of 2.088 and is six miles east of Altoona and 15 miles east of Des Moines. The largest employer within the city is the Iowa Correctional Institution for Women which employs approximately 75 individuals. The city owns and operates its own water and wastewater systems.

Runnells has a population of 372 and is located 15 miles southeast of Des Moines on State Highway 316. The city has the usual small town retail stores and services.

Pleasant Hill is contiguous to Des Moines and has a population of 5,752, with Mid-American Energy's generating plant located within its city boundaries. Part of Pleasant Hill is in the Des Moines School District, but all areas of future growth in and around the city are in the Southeast Polk District boundaries.

The Southeast Polk district has three public 18 hole golf courses, two county parks with camping, hiking and fishing, one which adjoins the Des Moines River, bike paths in Pleasant Hill and Altoona, new public libraries in Pleasant Hill and Altoona and two area newspapers.

The proximity of the Southeast Polk Community School District to the Des Moines metropolitan area offers many employment, educational and cultural advantages to its residents. The major industries include insurance and financial services, health care, printing and manufacturing. Federal, state and local governments also employ large numbers of area residents and represent a significant part of economic activity. Continued educational opportunities within commuting distance include Des Moines Area Community College, Ankeny; Drake University and Grand View College, Des Moines; Simpson College, Indianola; Central College, Pella; Grinnell; and Iowa State University of Science and Technology, Ames.

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS

Transportation facilities are provided by the Iowa Railroad and by the Des Moines International Airport. Interstate Highways 35 (north-south) and 80 (east-west), U.S. Highway 6, State Highways 163 and 316, and a network of paved county roads traverse the District. A major highway project consisting of a new north-south route of U.S. Highway 65 is now completed which links the northeast and southwest parts of Polk County along the west side of Altoona.

Medical facilities include Altoona Manor, a 114- bed nursing home with 100 employees and seven hospitals and numerous clinics in the Des Moines metropolitan area with a large clinic in the Pleasant Hill area.

Location - Distance in miles from Des Moines, Iowa:

Chicago	327	Los Angeles	1727	Minneapolis	252
Denver	669	Omaha	135	New York	1119
Kansas City	195	St. Louis	333	Nashville	628

Public Libraries - Altoona Public Library has 28,744 volumes, 121 magazines/newspaper subscriptions and 3,360 audio visual materials. Mitchellville Public Library has 13,654 volumes, 51 magazines/newspaper subscriptions and 668 audio visual materials. Pleasant Hill Public Library has 24,147 volumes, 129 magazines/newspaper subscriptions and 3050 audio visual materials.

Religious congregations - 25
- Protestant - 24
- Catholic - 1

Newspapers -
- One daily
- Weekly localized edition of newspaper
- Weekly news/shopper

Education -
- One public school, four colleges, one business school, and one university of medicine.

Municipal Services -
- Each city in our district has a Mayor and city council. They have a full-time police department, volunteer fire department, city and rural water systems, and city and rural garbage collection and recycling service.

Climate -

Average winter temperature (F)	23
Average summer temperature (F)	74
Average annual rainfall (inches)	30.8
Average annual snowfall (inches)	33.4

Income Statistics -

The following is the average adjusted gross income per state income tax returns filed by residents of the Southeast Polk Community School District and the entire State for the year 2002:

	Adjusted Gross Income	No. of Returns	Average AGI per Return
Southeast Polk Community School District	449,750,847	13,330	33,739
State of Iowa	61,811,131,495	1,800,023	34,339

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS DEMOGRAPHIC STATISTICS

TAXABLE RETAIL SALES TREND:

	Year end 3/31/04	Year end 3/31/03	Year end 3/31/02	Year end 3/31/01*	Year end 3/31/00
Polk County	$6,035,166,288	$6,190,408,769	$6,052,834,767	$6,111,400,178	$ 6,061,141,319
No. of Businesses	35,656	35,922	38,336	39,844	9,731
Altoona	$210,110,562	$190,515,028	$161,672,791	$136,731,728	$95,510,949
No. of Businesses	1,038	1,031	1,058	1,042	250
Mitchellville	$2,526,185	$2,542,746	$2,500,861	$2,769,773	$3,446,534.00
No. of Businesses	172	185	183	192	46
Runnells	$3,037,729	$3,885,680	$35,435,577	$3,375,414	$3,330,646
No. of Businesses	211	205	240	230	55

* Change in # of Business

Source: www.state.ia.us/tax/educate/suta

BUYING INCOME/RETAIL SALES:

	Medican Household Effective Buying Income	Buying Power Index	Total Retail Sales
	Polk County, IA		Polk County, IA
2009 *	54,999	0.1491	$7,804,094
2004	49,472	0.1496	6,720,772
2003	49,592	0.1493	7,402,738
2002	53,133	0.1544	7,712,310
2001	44,434	0.1544	6,212,343
2000	41,258	0.1552	5,945,504
1999	38,978	0.1663	5,838,675
1998	38,810	0.1668	5,490,339

* Projected
Source: Survey of Buying Powers - Sales & Marketing Management

Continued on the following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MISCELLANEOUS DEMOGRAPHIC STATISTICS

UNEMPLOYMENT RATES:

Year	Polk County	State of Iowa
2004	3.7	4.3
2003	3.7	4.2
2002	3.6	4
2001	2.1	3.1
2000	1.8	2.5
1999	1.6	2.9
1998	2.0	2.6
1997	2.7	3.0
1996	2.9	3.8
1995	2.6	3.3
1994	3.0	3.7
1993	3.9	4.8
1992	4.0	4.6
1991	3.8	4.6
1990	3.3	4.2

Source: www.iowaworkforce.org

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SUMMARY OF BUILDING CONSTRUCTION

Buildings	Project	Year	Sq. Footage	Construction Costs	Total Sq. Ft.
High School	Original Building	1963	110,100	$3,899,665	110,100
	Court Addition	1966	8,900	$354,886	8,900
	Shop, PE, Pool Addition	1968	19,400	$385,996	19,400
	Addition for Jr. High	1973	44,500	$2,366,540	44,500
	Shop Addition	1981	3,450	$526,998	3,450
	Gym Addition	1988	31,000	$1,952,225	31,000
	TOTAL HIGH SCHOOL SQUARE FOOTAGE			$9,486,310	217,350
Junior High	Original Building	1992	89,791	$4,443,781	89,791
	TOTAL JR HIGH SQUARE FOOTAGE			$4,443,781	89,791
Harbor	Original Building	1997	4,538	$456,211	4,538
	TOTAL HARBOR SQUARE FOOTAGE				4,538
Elementaries:					
Altoona	Original Building	1939	19,200	$268,155	19,200
	Addition	1974	25,225	$855,366	25,225
Centennial	Original Building	1968	28,000	$988,632	28,000
	Addition	1985	8,560	$581,440	8,560
	Addition	2000	7,575	$1,226,561	7,575
Delaware	Original Building	1951	5,700	$482,660	5,700
	Addition	1953	6,790	$185,200	6,790
	Addition	1960	2,110	$289,630	2,110
	Addition	1963	14,600	$489,330	14,600
	Addition	2001	11,982	$2,201,580	14,218
Four Mile	Original Building	1966	18,000	$1,205,530	18,000
	Addition	1982	5,900	$458,890	5,900
	Addition	1991	7,150	$616,761	7,150
	Addition	2000	10,650	$1,403,907	10,650
Mitchellville	Original	1925	14,075	$168,200	14,075
	Addition	1991	7,730	$569,317	7,730
	Addition	2004	13,690	*$2,386,854	21,934
Runnells	Original	1917	11,400	$124,300	11,400
	Addition	1939	5,000	$37,400	5,000
	Replacement	2001	31,949	$3,895,316	31,949
Willowbrook	Original	1991	56,588	$2,829,340	56,588
	TOTAL ELEMENTARY SQUARE FOOTAGE				322,354
	GRAND TOTAL SCHOOLS SQUARE FOOTAGE				631,797
District Office	Original	1977	8,220	$178,203	8,220
	TOTAL OFFICE SQUARE FOOTAGE				8,220
Bus Garage & Maintenance	Original	1961	5,000		5,000
	Replacement	2001	16,300	$1,959,573	16,300
	TOTAL BUS GARAGE & MAINTENANCE SQUARE FOOTAGE				21,300

* Cost to Date

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT PROPERTY

PROPERTIES:		ACRES
High School		81.5
Junior High		Part of above
Harbor		0.5
Altoona		8
Centennial		10
Delaware		8
Four Mile		16.13
Mitchellville		6
Runnells		11
Willowbrook		21.3
New Elementary		20
Bus Garage		26.1
	TOTAL ACRES	208.53

Sources: School District Physical Operations Building Report Update 2002

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST NINE YEARS

Year*	Insured Property Values	Expenditures For Constructions	Bank Deposits
2003-2004	$ 57,672,405	$ 2,981,684	$ 137,155,000
2002-2003	$ 54,046,160	$ 1,122,598	$ 119,859,000
2001-2002	$ 59,752,960	$ 7,986,299	$ 139,267,000
2000-2001	$ 41,710,668	$ 3,511,738	$ 150,466,000
1999-2000	$ 38,104,276	$ 958,401	$ 115,456,000
1998-1999	$ 37,043,399	$ 432,239	$ 106,850,000
1997-1998	$ 35,094,563	$ 699,680	$ 89,229,000
1996-1997	$ 34,474,031	$ -	$ 84,727,000
1995-1996	$ 33,964,591	$ 286,198	$ 78,621,000

Sources: School District financial and insurance records
FDC/OTS Summary of Deposits
Blaney Childs Insurance Corner

Reliable information unavailable for years prior to 1995-1996.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
TEN PRINCIPAL TAXPAYERS* IN THE DISTRICT

Name of Taxpayer	2003 Taxable Value	Percentage Total Value*
Prairie Meadows	67,140,900	8.65%
Magellan Pipeline	22,748,099	2.93%
Adventurelands/America	18,312,950	2.36%
Wal-Mart RE Business Trust	11,146,390	1.44%
Menard, Inc.	9,157,450	1.18%
Qwest	9,151,064	1.18%
Bosselman Inc.	5,637,800	0.73%
Canterbury Equities	4,939,030	0.64%
ARCCommunities 19	4,928,120	0.63%
Altoona Meadows I, II, and III	4,519,500	0.58%

Source: Polk County Treasurer's Office

* This list represents some of the top taxpayers in this jurisdiction, not necessarily the Top 10 Taxpayers.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
MAJOR EMPLOYERS IN THE DES MOINES AREA

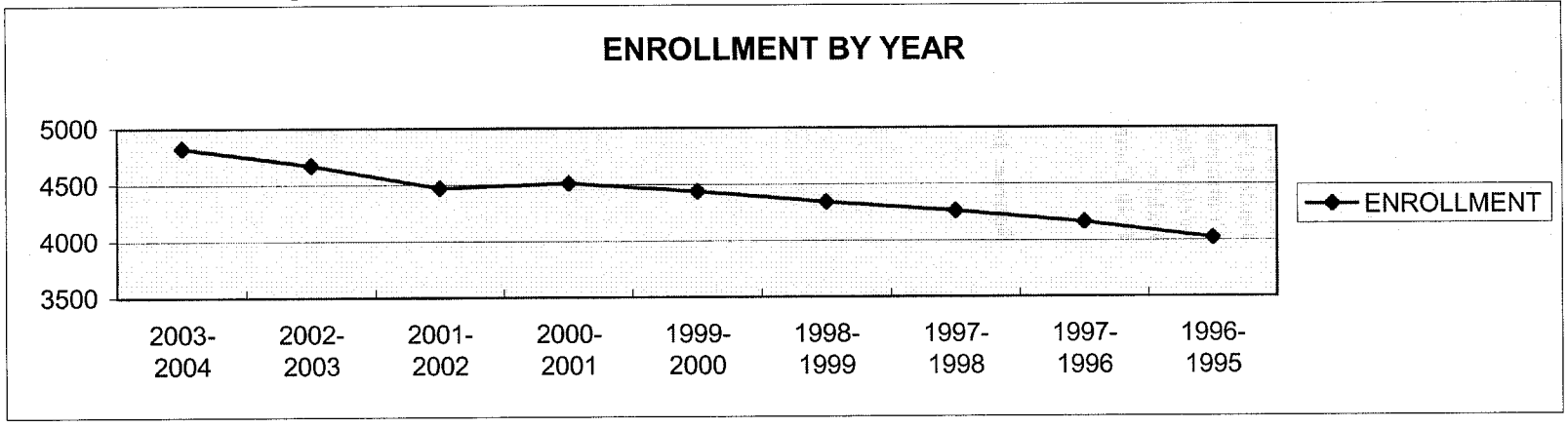
Company	Number of Employees	Product
Principal Mutual Life Insurance Co.	8,000	Insurance & Securities
DSM Ind Comm. School District	4,900	Education
Central Iowa Health Center	4,800	Health Care
Mercy Hospital Medical Center	4,300	Health Care
Hy-Vee Food Stores Inc.	4,100	Groceries
Minneapolis Postal Service Center	3,211	Government
City of Des Moines	2,300	Government
Bridgestone/Firestone Inc.	2,000	Tire manufacturing
Pioneer Hi-Bred International Inc.	1,800	Agriculture/Biotech
Wellmark, Inc.	1,800	Health Insurance
United Parcel Service	1,700	Air freight
Communications Data Service Inc.	1,600	Call center
Wells Fargo Home Mortgage, Inc.	1,600	Financial services
Dahl's	1,600	Groceries
Polk County	1,400	Government

Source: Iowa Workforce Development

SOUTHEAST POLK SCHOOL DISTRICT
OFFICIAL ENROLLMENT BY GRADE
LAST NINE FISCAL YEARS

Grade	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1997-1996	1996-1995
Preschool + BD	43	41	34	56	52	27	41	40	43
Kindergarten	419	372	330	311	328	316	335	337	301
1	382	350	293	342	329	336	335	307	276
2	354	323	346	346	338	339	316	281	273
3	332	369	359	338	351	325	290	281	248
4	381	360	351	363	338	295	291	262	290
5	366	366	378	344	286	323	280	295	293
6	376	404	358	302	328	306	312	319	331
7	345	315	255	321	322	322	321	330	338
8	328	257	282	297	346	347	323	334	352
9	268	299	297	329	343	377	335	390	359
10	304	288	302	306	302	350	316	342	330
11	279	299	293	274	292	324	302	309	314
12	291	277	266	290	277	289	265	272	228
Special Ed	287	286	267	221	157	12	179	43	18
Alternative School	64	63	56	54	47	52	19	19	25
Basic Enrollment	4819	4,669	4,467	4,510	4,436	4,340	4,260	4,161	4,019
At Risk	14	0	16	16	10	24	1		
Tuition Students	-9	48	52	41	32	33	24	17	18
Net Open Enrollment	67.4	159.2	142.3	137	116	144	156	144	145
Dual Enrollment, Home Schools	66.2	69.74	61.8	31.2	18	13	12		7

Source: School District reports and enrollment records.



SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
OPERATING COST PER PUPIL
LAST NINE YEARS

Year	Total Costs	CAR Average Daily Attendance	Cost/Pupil
2003-04	$37,422,226	4,562	$8,203
2002-03	$34,263,443	4,402	$7,784
2001-02	$32,164,986	4,266	$7,540
2000-01	$30,876,058	4,149	$7,442
1999-00	$27,933,573	4,186	$6,673
1998-99	$26,136,282	4,002	$6,531
1997-98	$24,674,329	4,002	$6,165
1996-97	$22,864,948	3,940	$5,803
1995-96	$21,458,349	3,801	$5,645

*Includes all General Fund and Special Revenue funds expenditures

Source: School District financial and enrollment records

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF INSURANCE COVERAGE
JULY 1, 2003 TO JUNE 30, 2004

Detail of Coverage	Number	Liability Limits	Premium
PROPERTY:			
Coverage A - Property off premises & in transit Coverage B - Blanket re schedule of buildings	9A4-32-06-04	Limit of $160,000 with a $250 deductible $5,000 deductible per occurrence; replacement cost as per statement of values; includes technology coverage and school equipment breakdown coverage	$96,759
INLAND MARINE:	9M4-32-06-04	Limit of $10,000,000 with a $50,000 deductible (Except for flood)	$2,631
LIABILITY:			
Premises, contractual, personal injury, teachers' liability, nurses' professional liability, employees benefit, additional insureds, sexual harrassment and abuse, day care centers, booster clubs, members and volunteers	9D4-32- 06-04	$1,000,000 personal and/or advertising limit $5,000 medical payment $100,000 fire damage limit $2,000,000 aggregate limit 100,000 limit premises rented	$37,934
FLEET:			
Bodily injury, property damage, medical Uninsured motorist, comprehensive, collision Includes non-owned.	9E4-32-06-04	$1,000,000 liability $5,000 medical payments Uninsured and underinsured motorists $1,000,000 $500 collision deductible $0 Comprehensive deductible	$45,127
CRIME:			
Theft, disappearance and destruction and Computer fraud	9F4-32-06-04	Inside and outside the premises $500,000 coverage & $5,000 deductible	$2,500
WORKERS' COMPENSATION:	9H4-32-06-04	Statutory, $500,000 each accident, employee, policy limit	$263,620
LINEBACKER:	9K4-32-06-04	$1,000,000 each loss, $1,000.000 aggregate for each policy term, $5,000 deductible per loss Board and all employees covered w/ personal injury	$6,816

Continued on following page.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF INSURANCE COVERAGE
JULY 1, 2003 TO JUNE 30, 2004

Detail of Coverage	Number	Liability Limits	Premium
COMMERCIAL UMBRELLA: (Excess liability)	9J4-32-06-04	$10,000,000 occurrence and aggregate	$30,560
POLLUTION:	9P4-32-06-04	$500,000 each incident, $500,000 aggregate	$2,215
GROUP EXCESS:	9Y4-32-06-04	$20,000,000 Occurrence Limit, $20,000,000 Aggregate Limit	$3,660
		TOTAL	$491,822

Source:
School insurance records

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
FINANCIAL SOLVENCY RATIO
FOR THE YEARS ENDED JUNE 30, 1996 - 2004

SCHOOL YEAR	UNRESERVED UNDESIGNATED GENERAL FUND BALANCE	ACTUAL REVENUES	FINANCIAL SOLVENCY RATIO*
2003-04	$452,578	$34,890,483	1.30%
2002-03	$38,313	$30,736,636	0.12%
2001-02	$1,118,846	$29,790,528	3.76%
2000-01	$1,765,073	$28,672,532	6.16%
1999-00	$2,259,175	$26,633,772	8.48%
1998-99	$1,974,665	$24,647,343	8.01%
1997-98	$1,946,945	$23,622,446	8.24%
1996-97	$866,904	$21,482,939	4.04%
1995-96	$1,017,645	$19,140,790	5.32%

* = (UNRESERVED UNDESIGNATED GENERAL FUND BALANCE) / (ACTUAL REVENUES)

TARGET SOLVENCY POSITION = BETWEEN 5.0 AND 10 PERCENT
ACCEPTABLE SOLVENCY POSITION = BETWEEN 0.0 AND 4.99 PERCENT
SOLVENCY ALERT = BETWEEN -3.0 AND 0.0 PERCENT
SOLVENCY CONCERN = BELOW -3.0 PERCENT

Source: School District Financial Records

Compliance Section

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

GRANTOR/PROGRAM	CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	PROGRAM EXPENDITURES
INDIRECT:			
DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
FOOD DISTRIBUTION	10.550	FY 04	$ 102,155
SCHOOL NUTRITION CLUSTER PROGRAMS:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 04	47,800
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 04	353,039
			400,839
DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	6101-G-00	196,753
INNOVATIVE EDUCATION PROGRAMS STRATEGIES (TITLE V PROGRAM)	84.298	FY 04	23,089
TITLE II A - FEDERAL TEACHER QUALITY PROGRAM	84.367	FY 03	14,792
TITLE II A - FEDERAL TEACHER QUALITY PROGRAM	84.367	FY 04	78,784
			93,576
GRANTS FOR STATE ASSESSMENT AND RELATED ACTIVITIES	84.369	FY 03	4,423
GRANTS FOR STATE ASSESSMENT AND RELATED ACTIVITIES	84.369	FY 04	23,370
			27,793
COMPREHENSIVE SCHOOL REFORM DEMONSTRATION	84.332	FY 02	26,876
COMPREHENSIVE SCHOOL REFORM DEMONSTRATION	84.332	FY 03	49,337
			76,213
SAFE AND DRUG-FREE SCHOOLS - COMMUNITIES - STATES GRANTS	84.186	FY 04	17,841
SAFE AND HEALTHY STUDENTS	84.186	FY 03	22,111
			39,952
DRUG AND VIOLENCE PREVENTION	84.184	S184K000012	13,743
FUND FOR THE IMPROVEMENT OF EDUCATION	84.215	FY 04	932,434

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

GRANTOR/PROGRAM	CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	PROGRAM EXPENDITURES
INDIRECT(CONTINUED):			
AREA EDUCATION AGENCY:			
VOCATIONAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 03	25,118
VOCATIONAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 04	35,097
			60,215
SPECIAL EDUCATION - GRANTS TO STATES(PART B)	84.027	FY 04	158,087
DEPARTMENT OF LABOR:			
IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT			
LEARN AND SERVE AMERICA - SCHOOLS AND COMMUNITY BASED PROGRAMS (COMSERV)	94.004	FY 03	421
LEARN AND SERVE AMERICA - SCHOOLS AND COMMUNITY BASED PROGRAMS (COMSERV)	94.004	FY 04	4,500
			4,921
DEPARTMENT OF HUMAN SERVICES:			
MEDICAL ASSISTANCE PROGRAM	93.778	FY 03	2,187
DEPARTMENT OF DEFENSE:			
FLOOD CONTROL	12.106	FY 04	124
			$ 2,132,081

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southeast Polk Community School District and is presented in conformity with the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3040

Telephone (641) 792-1910

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting

To the Board of Education of
Southeast Polk Community School District

We have audited the financial statements of the Southeast Polk Community School District as of and for the year ended June 30, 2004, and have issued our report thereon dated November 3, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Governmental Auditing Standards. However, we noted certain immaterial instances of noncompliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have all been resolved.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Southeast Polk Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Southeast Polk Community School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses. Prior year reportable conditions have all been resolved.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Southeast Polk Community School District and other parties to whom Southeast Polk Community School District may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Southeast Polk Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

November 3, 2004

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3040

Telephone (641) 792-1910

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance

To the Board of Education of
Southeast Polk Community School District

Compliance

We have audited the compliance of the Southeast Polk Community School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The Southeast Polk Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Southeast Polk Community School District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standard, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Southeast Polk Community School District and other parties to whom Southeast Polk Community School District may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

November 3, 2004

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part I: Summary of the Independent Auditor's Results

(a) An unqualified opinion was issued on the financial statements.

(b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.

(c) The audit did not disclose any noncompliance which is material to the financial statements.

(d) No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.

(e) An unqualified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(g) Major programs were as follows:

Individual Programs:

- CFDA Number 84.010 - Title I - Grants to Local Educational Agencies

Cluster Programs:

- CFDA Number 84.553 - School Breakfast Program
- CFDA Number 84.555 - National School Lunch Program

(h) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(i) Southeast Polk Community School District did not qualify as a low-risk auditee.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No matters were reported.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No matters were reported.

SOUTHEAST POLK COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part IV: Statutory Findings Related to Required Statutory Reporting

IV-A-04 Official Depositories - A resolution naming official depositories have been approved by the Board. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2004.

IV-B-04 Certified Budget - District disbursements for the year ended June 30, 2004, did not exceed the amount budgeted.

IV-C-04 Questionable Disbursements - We noted no disbursements that may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-D-04 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. However, we did note uniform cleaning allowances to District officials or employees.

Recommendation - The District should report uniform cleaning allowances with the payroll subjecting it to payroll taxes.

Response - We will comply with this recommendation.

Conclusion- Response accepted.

IV-E-04 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Gary Haines, Maintenance Father-in-law of Robert Gulling	Miscellaneous maintenance	$5,654
Harold Wheeler, Teacher	Concrete work sidewalk replacement	$26,627
Chris English, Bus Driver Spouse is contractor with Air Con	Services	$69,452

In accordance with the Attorney General's opinion dated November 9, 1976, the above transactions with the father-in-law and the spouse of the employee do not appear to represent a conflict of interest.

In accordance with the Attorney General's opinion dated July 2, 1990, the above transactions with the teacher do not appear to represent a conflict of interest.

IV-F-04 Bond Coverage - Surety bond coverage of district officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-G-04 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board. However, we noted that the minutes were not always published in a timely manner.

Recommendation - The District should publish the minutes within two weeks of the Board meeting, as required by 279.35 of the Code of Iowa.

Response - We will provide the minutes within the time period required, however, we are unable to control the publishing dates.

Conclusion- Response accepted.

IV-H-04 Certified Enrollment - We noted no variances in the basic enrollment data certified to the Department of Education.

IV-I-04 Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy. However, we did note that the District was not receiving the proper interest rate, set by the State Rate Setting Committee, on their Certificate of Deposit.

Recommendation - The District should contact the appropriate bank and rectify the situation.

Response - The financial institution where the certificate of deposit was purchased was contacted and the proper rate of interest is now being received.

Conclusion - Response accepted.

IV-J-04 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely, and we noted no significant deficiencies in the amounts reported.

SOUTHEAST POLK
LAYING THE FOUNDATION
FOR TOMORROW
EST. 1961