

Aplington-Parkersburg Community School District

Independent Auditor's Reports
Basic Financial Statements
And Supplementary Information
Schedule of Findings

June 30, 2005

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Independent Auditor's Report

To the Board of Education of
Aplington-Parkersburg Community School District:

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Aplington-Parkersburg Community School District, Parkersburg, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe my audit provides a reasonable basis for my opinion.

In my 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 Aplington-Parkersburg Community School District at June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated August 5, 2005 on my consideration of Aplington-Parkersburg Community School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 12 and 33 through 34 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aplington-Parkersburg Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2004 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Keith Oltrogge
Certified Public Accountant

August 5, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

Aplington-Parkersburg Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2005 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$6,725,752 in fiscal 2004 to \$6,395,929 in fiscal 2005, while General Fund expenditures decreased from \$7,082,624 in fiscal 2004 to \$6,729,993 in fiscal 2005. This resulted in a decrease in the District's General Fund balance from \$645,085 in fiscal 2004 to \$295,021 in fiscal 2005, a 54% decrease from the prior year.
- The decrease in General Fund revenues was partly attributable to the District's decrease in certified enrollment from 816 students in 2003 to 805 in 2004, a loss of 11 students. The decrease in expenditures was due primarily to the merger of the two school districts.
- In February 2004, Butler and Grundy Counties passed the 1% Local Option Sales and Services (SILO) tax, which will have a significant impact on our District. The percentage of "Yes" votes was 73% in Butler County and 75% in Grundy County. Increased revenue from the SILO Tax began in September 2004.
- In July 2003, NSFF (National School Fitness Foundation) contracted with the District to reimburse the full cost of fitness equipment installed in the Parkersburg and Aplington buildings. In April 2004, the NSFF filed bankruptcy and has not made payments to the District. The PPEL (Physical Plant and Equipment Levy) paid \$132,763 to cover the cost of the payments for the year. The District is pursuing legal action, but the prospect of recovering funds from NSFF is unlikely.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Aplington-Parkersburg Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Aplington-Parkersburg Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Aplington-Parkersburg Community School District acts solely as an agent or custodian for the benefit of those outside of County government.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major Special Revenue Funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Aplington-Parkersburg Community School District Annual Financial Report

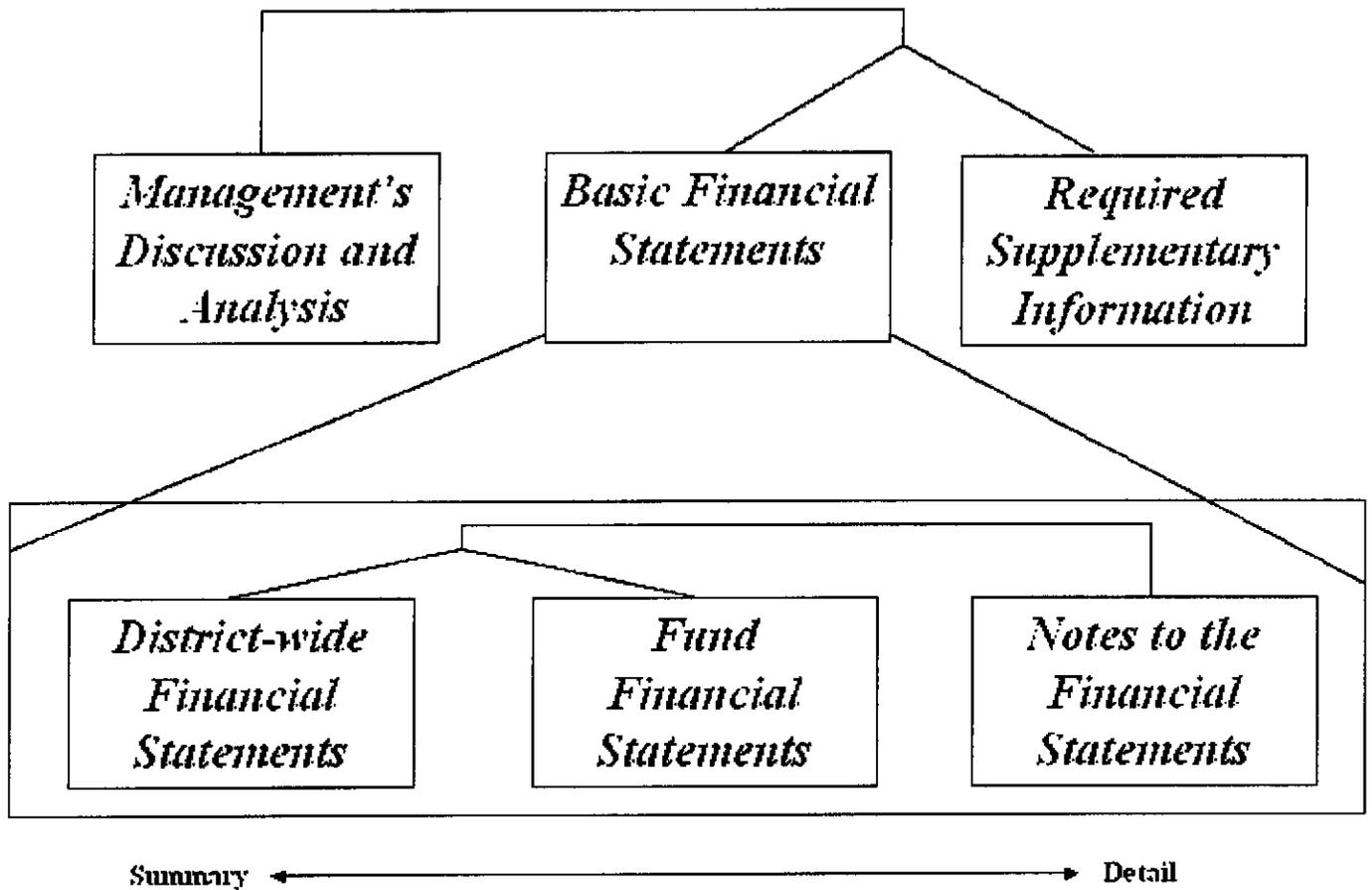


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net assets Statement of revenues, expenses and changes in fund net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program and Before and After School Program are included here.

Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, and Debt Service Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Before and After School Program Fund.

The required financial statements for proprietary funds include a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust Funds.

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District’s net assets at June 30, 2005 compared to June 30, 2004.

**Figure A-3
Condensed Statement of Net Assets**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2005	2004	2005	2004	2005	2004	2004-2005
Current and other assets	\$3,753,804	\$3,688,284	\$16,956	\$22,353	\$3,770,760	\$3,710,637	\$60,123
Capital assets	1,807,917	1,901,102	46,152	52,757	1,854,069	1,953,859	-99,790
Total assets	\$5,561,721	\$5,589,386	\$63,108	\$75,110	\$5,624,829	\$5,664,496	-\$39,667
Long-term liabilities	\$1,854,482	\$2,139,094	\$-	\$-	\$1,854,482	\$2,139,094	-\$284,612
Other liabilities	3,064,639	2,856,753	17,462	8,530	3,082,101	2,865,283	216,818
Total liabilities	\$4,919,121	\$4,995,847	\$17,462	\$8,530	\$4,936,583	\$5,004,377	-\$67,794
Net assets:							
Invested in capital assets, net of related debt	\$26,532	-\$220,019	\$46,152	\$52,757	\$72,684	-\$167,262	\$239,946
Restricted	220,831	195,111	-	-	220,831	195,111	25,720
Unrestricted	395,237	618,447	-506	13,823	394,731	632,270	-237,539
Total net assets	\$642,600	\$593,539	\$45,646	\$66,580	\$688,246	\$660,119	\$28,127

The District’s combined net assets increased by nearly 5%, or approximately \$28,000, over the prior year. The largest portion of the District’s net assets is in the “invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt”. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District’s restricted net assets increased approximately \$26,000, or 12% over the prior year

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$238,000, or 38%. This reduction in unrestricted net assets was a result of the District using carryover fund balance to meet its financial obligations during the year.

Figure A-4 shows the change in net assets for the year ended June 30, 2005.

**Figure A-4
Changes in Net Assets**

	Governmental Activities	Business Type Activities	Total District
Revenues:			
Program revenues:			
Charges for service	\$617,201	\$255,757	\$872,958
Operating grants, contributions and restricted interest	707,933	130,690	838,623
Capital grants, contributions and restricted interest	-	-	-
General revenues:			
Property tax	2,509,708	-	2,509,708
Local option sales and service tax	325,692	-	325,692
Unrestricted state grants	3,180,495	-	3,180,495
Unrestricted investment earnings	35,455	78	35,533
Other	28,945	-3,743	25,202
Total revenues	\$7,405,429	\$382,782	\$7,788,211
Program expenses:			
Governmental activities:			
Instruction	\$4,841,933	\$-	\$4,841,933
Support services	2,092,467	-	2,092,467
Non-instructional programs	4,571	419,716	424,287
Other expenses	337,961	-	337,961
Total expenses	\$7,276,932	\$419,716	\$7,696,648
Change in net assets	\$128,497	-\$36,934	\$91,563
Transfers	-16,000	16,000	-
Change in net assets	\$112,497	-\$20,934	\$91,563

Property tax and unrestricted state grants account for 73% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 90% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$7,405,429 and expenses were \$7,276,932. In a difficult budget year, the District was able to balance the budget by trimming expenses to match available revenues.

The following table presents the total and net cost of the District's governmental activities: instruction, support services, non-instructional programs and other expenses.

**Figure A-5
Total and Net Cost of Governmental
Activities**

	Total Cost of Services	Net Cost of Services
Instruction	\$4,841,933	\$3,585,772
Support Services	2,092,467	2,023,494
Non-instructional programs	4,571	4,571
Other expenses	337,961	337,961
Totals	\$7,276,932	\$5,951,798

- The cost financed by users of the District's programs was \$872,958.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$838,623.
- The net cost of governmental activities was financed with \$2,509,708 in property and other taxes and \$3,180,495 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$382,782 and expenses were \$419,716. The District's business type activities include the School Nutrition Fund and Before and After School Program. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Aplington-Parkersburg Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$642,600, above last year's ending fund balances of \$530,103.

Governmental Fund Highlights

- The District's deteriorating General Fund financial position is the result of many factors. A reduction during the year in tax and grants resulted in a decrease in revenues. The decrease in revenues required the District to use carryover fund balance to meet its financial obligations during the year.
- The General Fund balance decreased from \$645,085 to \$295,021, due in part to the prior year reduction in property taxes.
- The Physical Plant and Equipment Levy (PPEL) Fund balance decreased from \$46,538 in fiscal 2004 to \$1,107 in fiscal 2005. While revenues remained approximately the same, the District used dollars from the PPEL Fund to make lease payments for the fitness equipment due to the NSFF bankruptcy.

Proprietary Fund Highlights

- School Nutrition Fund net assets decreased from \$62,174 at June 30, 2004 to \$45,762 at June 30, 2005, representing a decrease of approximately 26%. Before and After School Fund net assets decreased from \$4,405 at June 30, 2004 to \$-116 at June 30, 2005, representing a decrease of approximately 97%.

BUDGETARY HIGHLIGHTS

The District's receipts were \$204,064 less than budgeted receipts, a variance of 3%. The most significant variance resulted from the District receiving less in property taxes than originally anticipated.

The District's total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the District had invested \$1.85 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net decrease of 2% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$170,019.

The original cost of the District's capital assets was \$9.8 million. Governmental funds account for \$9.6 million, with the remainder of \$0.2 million accounted for in the Proprietary, School Nutrition Fund.

Figure A-6
Capital Assets, net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2005	2004	2005	2004	2005	2004	2004-2005
Land	\$103,065	\$103,065	\$-	\$-	\$103,065	\$103,065	\$-
Construction in progress	-	-	-	-	-	-	-
Buildings	1,219,723	1,198,374	-	-	1,219,723	1,198,374	21,349
Improvements other than buildings	157,768	154,213	-	-	157,768	154,213	3,555
Furniture and equipment	327,361	377,046	46,152	52,757	373,513	429,803	-56,290
Totals	\$1,807,917	\$1,832,698	\$46,152	\$52,757	\$1,854,069	\$1,885,455	-\$31,386

Long-Term Debt

At June 30, 2005, the District had \$1,854,482 in long-term debt outstanding. This represents a decrease of approximately 15% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

Figure A-7
Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		June 30,
	2005	2004	2004-2005
General obligation bonds	\$1,745,000	\$1,905,000	-\$160,000
Capital lease	89,449	216,416	-126,967
Early retirement	20,033	52,335	-32,302
Totals	\$1,854,482	\$2,173,751	-\$319,269

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- The District continues to be financially dependent on state funding, which can change from year to year based on enrollments and legislative actions.
- The District continues to budget for building repairs and equipment replacement as the needs arise.
- The District's solvency ratio has decreased from June 30, 2004 to June 30, 2005 from 9.5% to 4.4%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Patrick Morgan, Superintendent, Aplington-Parkersburg Community School District, 610 North Johnson Street, Parkersburg IA 50665.

Basic Financial Statements

Aplington-Parkersburg Community School District

Statement of Net Assets

June 30, 2005

	Govern- mental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents:			
Other	\$ 1,103,411	\$ 9,790	\$ 1,113,201
Receivables:			
Property tax:			
Delinquent	39,309	-	39,309
Succeeding year	2,424,958	-	2,424,958
Accounts	170,475	227	170,702
Due from other governments	15,651	-	15,651
Inventories	-	6,939	6,939
Capital assets, net of accumulated depreciation	1,807,917	46,152	1,854,069
Total Assets	\$ 5,561,721	\$ 63,108	\$ 5,624,829
Liabilities			
Accounts payable	\$ 5,305	\$ -	\$ 5,305
Salaries and benefits payable	559,549	13,605	573,154
Accrued interest payable	6,827	-	6,827
Deferred Revenue:			
Succeeding year	2,424,958	-	2,424,958
Other	-	3,857	3,857
ISEBA payable	68,000	-	68,000
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	170,000	-	170,000
Capital lease	89,449	-	89,449
Early retirement	20,033	-	20,033
Portion due after one year:			
General obligation bonds	1,575,000	-	1,575,000
Total Liabilities	\$ 4,919,121	\$ 17,462	\$ 4,936,583
Net Assets			
Invested in capital assets, net of related debt	\$ 26,532	\$ 46,152	\$ 72,684
Restricted for:			
Debt service	63,879	-	63,879
Management levy	55,527	-	55,527
Physical plant and equipment levy	1,107	-	1,107
Other special revenue purposes	100,318	-	100,318
Unrestricted	395,237	-506	394,731
Total Net Assets	\$ 642,600	\$ 45,646	\$ 688,246

See notes to financial statements.

Aplington-Parkersburg Community School District

Statement of Activities

Year Ended June 30, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs				
Governmental Activities:				
Instruction:				
Regular instruction	\$ 3,324,262	\$ 233,387	\$ 557,136	\$ -
Special instruction	737,120	99,306	124,807	-
Other instruction	780,551	241,525	-	-
	<u>\$ 4,841,933</u>	<u>\$ 574,218</u>	<u>\$ 681,943</u>	<u>\$ -</u>
Support Services:				
Student services	\$ 221,810	\$ -	\$ 4,716	\$ -
Instructional staff services	294,183	-	-	-
Administration services	681,061	-	-	-
Operation and maintenance of plant services	629,080	1,054	16,694	-
Transportation services	266,333	41,929	4,580	-
	<u>\$ 2,092,467</u>	<u>\$ 42,983</u>	<u>\$ 25,990</u>	<u>\$ -</u>
Non-instructional programs	\$ 4,571	\$ -	\$ -	\$ -
Other Expenditures:				
Facilities acquisition	\$ 8,861	\$ -	\$ -	\$ -
Long-term debt interest	90,890	-	-	-
AEA flow-through	238,210	-	-	-
	<u>\$ 337,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Governmental Activities	<u>\$ 7,276,932</u>	<u>\$ 617,201</u>	<u>\$ 707,933</u>	<u>\$ -</u>
Business Type Activities:				
Non-Instructional Programs:				
Food service operations	\$ 401,942	\$ 242,512	\$ 130,690	\$ -
Before & After School Program fees	17,774	13,245	-	-
	<u>\$ 419,716</u>	<u>\$ 255,757</u>	<u>\$ 130,690</u>	<u>\$ -</u>
Total	<u>\$ 7,696,648</u>	<u>\$ 872,958</u>	<u>\$ 838,623</u>	<u>\$ -</u>

Net (Expense) Revenue
And Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ -2,533,739	\$ -	\$ -2,533,739
-513,007	-	-513,007
-539,026	-	-539,026
<u>\$ -3,585,772</u>	<u>\$ -</u>	<u>\$ -3,585,772</u>
\$ -217,094	\$ -	\$ -217,094
-294,183	-	-294,183
-681,061	-	-681,061
-611,332	-	-611,332
-219,824	-	-219,824
<u>\$ -2,023,494</u>	<u>\$ -</u>	<u>\$ -2,023,494</u>
\$ -4,571	\$ -	\$ -4,571
\$ -8,861	\$ -	\$ -8,861
-90,890	-	-90,890
-238,210	-	-238,210
<u>\$ -337,961</u>	<u>\$ -</u>	<u>\$ -337,961</u>
\$ -5,951,798	\$ -	\$ -5,951,798
\$ -	\$ -28,740	\$ -28,740
-	-4,529	-4,529
<u>\$ -</u>	<u>\$ -33,269</u>	<u>\$ -33,269</u>
<u>\$ -5,951,798</u>	<u>\$ -33,269</u>	<u>\$ -5,985,067</u>

Aplington-Parkersburg Community School District

Statement of Activities

Year Ended June 30, 2005

	<u>Program Revenues</u>		
	Operating	Capital	
	Grants,	Grants,	
	Contributions	Contributions	
	and	and	
	Restricted	Restricted	
	Interest	Interest	
<u>Expenses</u>	<u>Charges</u>		
	<u>for</u>		
	<u>Services</u>		
General Revenues:			
Property Tax Levied For:			
General purposes			
Debt service			
Capital outlay			
Local option sales and services tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other			
Total General Revenues			
Change in net assets			
Transfers			
Change in net assets			
Net assets beginning of year			
Net Assets End of Year			

See notes to financial statements.

Net (Expense) Revenue
And Changes in Net Assets

	Governmental Activities	Business Type Activities		Total
\$	2,209,777	-	\$	2,209,777
	247,966	-		247,966
	51,965	-		51,965
	325,692	-		325,692
	3,180,495	-		3,180,495
	35,455	78		35,533
	28,945	-3,743		25,202
<hr/>				
\$	6,080,295	-3,665	\$	6,076,630
<hr/>				
\$	128,497	-36,934	\$	91,563
	-16,000	16,000		-
<hr/>				
\$	112,497	-20,934	\$	91,563
	530,103	66,580		596,683
<hr/>				
\$	642,600	45,646	\$	688,246

Aplington-Parkersburg Community School District

Balance Sheet
Governmental Funds

June 30, 2005

Assets	General	Capital Projects	Non-major Special Revenue	Total
Cash and Pooled Investments:				
Other	\$ 801,044	\$ 64,012	\$ 238,355	\$ 1,103,411
Receivables:				
Property Tax:				
Delinquent	31,815	-	7,494	39,309
Succeeding year	2,019,213	-	405,745	2,424,958
Accounts	6,245	164,095	135	170,475
Due from other governments	15,651	-	-	15,651
Total Assets	\$ 2,873,968	\$ 228,107	\$ 651,729	\$ 3,753,804
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,305	\$ -	\$ -	\$ 5,305
Salaries and benefits payable	554,429	-	5,120	559,549
Deferred Revenue:				
Succeeding year property tax	2,019,213	-	405,745	2,424,958
Total Liabilities	\$ 2,578,947	\$ -	\$ 410,865	\$ 2,989,812
Fund Balances:				
Unreserved	\$ 295,021	\$ 228,107	\$ 240,864	\$ 763,992
Total Liabilities and Fund Balances	\$ 2,873,968	\$ 228,107	\$ 651,729	\$ 3,753,804

Aplington-Parkersburg Community School District

Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Assets

June 30, 2005

Total fund balances of governmental funds (page 16)	\$ 763,992
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	1,807,917
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds	-
ISEBA payable	-68,000
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	-6,827
Long-term liabilities, including early retirement and capital lease, are not due and payable in the current period and, therefore, are not reported in the funds	<u>-1,854,482</u>
Net assets of governmental activities (page 13)	<u>\$ 642,600</u>

Aplington-Parkersburg Community School District

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

Year Ended June 30, 2005

	General	Capital Projects	Non-Major Special Revenue	Total
Revenues:				
Local Sources:				
Local tax	\$ 2,050,844	\$ 325,692	\$ 456,679	\$ 2,833,215
Tuition	298,814	-	-	298,814
Other	156,086	-	226,701	382,787
Intermediate sources	-	-	-	-
State sources	3,639,797	-	428	3,640,225
Federal sources	250,388	-	-	250,388
Total Revenues	\$ 6,395,929	\$ 325,692	\$ 683,808	\$ 7,405,429
Expenditures:				
Current:				
Instruction:				
Regular instruction	\$ 3,182,224	\$ -	\$ 38,502	\$ 3,220,726
Special instruction	736,950	-	-	736,950
Other instruction	568,031	-	206,937	774,968
	\$ 4,487,205	\$ -	\$ 245,439	\$ 4,732,644
Support Services:				
Student services	\$ 221,810	\$ -	\$ -	\$ 221,810
Instructional staff services	280,722	-	-	280,722
Administration services	677,074	-	-	677,074
Operation and maintenance of plant services	587,176	-	50,663	637,839
Transportation services	237,796	-	17,596	255,392
	\$ 2,004,578	\$ -	\$ 68,259	\$ 2,072,837
Non-instructional programs	\$ -	\$ -	\$ 4,571	\$ 4,571
Other Expenditures:				
Facilities acquisition	\$ -	\$ 64,394	\$ 2,682	\$ 67,076
Long-Term Debt:				
Principal	-	-	286,967	286,967
Interest and fiscal charges	-	-	93,486	93,486
AEA flow-through	238,210	-	-	238,210
	\$ 238,210	\$ 64,394	\$ 383,135	\$ 685,739
Total Expenditures	\$ 6,729,993	\$ 64,394	\$ 701,404	\$ 7,495,791
Excess (deficiency) of revenues over (under) expenditures	\$ -334,064	\$ 261,298	\$ -17,596	\$ -90,362
Other Financing Sources (Uses):				
Operating transfers in	\$ -	\$ -	\$ 33,191	\$ 33,191
Operating transfers out	-16,000	-33,191	-	-49,191
Total Other Financing Sources (Uses)	\$ -16,000	\$ -33,873	\$ 33,191	\$ -16,000
Net change in fund balances	\$ -350,064	\$ 228,107	\$ 15,595	\$ -106,362
Fund balances beginning of year	645,085	-	225,269	870,354
Fund Balances End of Year	\$ 295,021	\$ 228,107	\$ 240,864	\$ 763,992

See notes to financial statements.

Aplington-Parkersburg 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, 2005

Net change in fund balances – total governmental funds (page 18) \$ -106,362

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, these costs are not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 147,282	
Depreciation expense	<u>-170,019</u>	-22,737

Certain delinquent property tax not collected for several months after year end is not considered available revenue and is deferred in the governmental funds.

-

Proceeds from 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 reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues, as follows:

Issued	\$ -	
Repaid	<u>286,967</u>	286,967

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.

2,596

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, as follows:

Early retirement		<u>20,033</u>
------------------	--	---------------

Change in Net Assets of Governmental Activities (page 15) \$ 180,497

Aplington-Parkersburg Community School District

Statement of Net Assets
Proprietary Funds

June 30, 2005

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Assets			
Cash and cash equivalents	\$ 8,728	\$ 1,062	\$ 9,790
Accounts receivable	-	227	227
Inventories	6,939	-	6,939
Capital assets, net of accumulated depreciation	46,152	-	46,152
Total Assets	\$ 61,819	\$ 1,289	\$ 63,108
Liabilities			
Salaries and benefits payable	\$ 12,200	\$ 1,405	\$ 13,605
Deferred revenue	3,857	-	3,857
Total Liabilities	\$ 16,057	\$ 1,405	\$ 17,462
Net Assets			
Invested in capital assets, net of related debt	\$ 46,152	\$ -	\$ 46,152
Unrestricted	-390	-116	-506
Total Net Assets	\$ 45,762	\$ -116	\$ 45,646

Aplington-Parkersburg Community School District

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds

June 30, 2005

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 242,512	\$ 13,245	\$ 255,757
Operating expenses:			
Non-instructional programs:			
Salaries	\$ 131,960	\$ 10,491	\$ 142,451
Benefits	52,035	3,869	55,904
Purchased services	634	-	634
Supplies	209,517	3,414	212,931
Depreciation	7,796	-	7,796
Total operating expenses	\$ 401,942	\$ 17,774	\$ 419,716
Operating loss	\$ -159,430	\$ -4,529	\$ -163,959
Non-operating revenues:			
Gain on sale of equipment	\$ 550	\$ -	\$ 550
State sources	4,629	-	4,629
Federal sources	126,061	-	126,061
Interest income	70	8	78
Loss on disposal of equipment	-4,293	-	-4,293
Total non-operating revenues	\$ 127,017	\$ 8	\$ 127,025
Change in net assets	\$ -32,413	\$ -4,521	\$ -36,934
Transfers in	16,000	-	16,000
Change in net assets	\$ -16,413	\$ -4,521	\$ -20,934
Net assets beginning of year	62,175	4,405	66,580
Net Assets End of Year	\$ 45,762	\$ -116	\$ 45,646

See notes to financial statements.

Aplington-Parkersburg Community School District

Statement of Cash Flows
Proprietary Funds

Year Ended June 30, 2005

	School Nutrition Fund	Non-Major Before & After School Fund	Total
Cash flows from operating activities:			
Cash received from daycare fees	\$ -	\$ 13,092	\$ 13,092
Cash received from sale of lunches and breakfasts	256,322	-	256,322
Cash paid to employees for services	-173,532	-14,607	-188,139
Cash paid to suppliers for goods or services	-211,426	-3,414	-214,840
Net cash used by operating activities	\$ -128,636	\$ -4,929	\$ -133,565
Cash flows from non-capital financing activities:			
State grants received	\$ 4,629	\$ -	\$ 4,629
Federal grants received	100,035	-	100,035
Cash in lieu of commodities	12,216	-	12,216
Net cash provided by non-capital financing activities	\$ 116,880	\$ -	\$ 116,880
Cash flows from capital and related financing activities:			
Acquisition of capital assets	\$ -5,633	\$ -	\$ -5,633
Proceeds from sale of equipment	550	-	550
Net cash used by capital and related financing activities	\$ -5,083	\$ -	\$ -5,083
Cash flows from investing activities:			
Interest on investments	\$ 70	\$ 8	\$ 78
Net decrease in cash and cash equivalents	\$ -16,769	\$ -4,921	\$ -21,690
Transfers in	16,000	-	16,000
Cash and cash equivalents beginning of year	9,497	5,983	15,480
Cash and Cash Equivalents End of Year	\$ 8,728	\$ 1,062	\$ 9,790
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ -159,430	\$ -4,529	\$ -163,959
Adjustments to reconcile operating loss to net cash used by operating activities:			
Commodities used	16,802	-	16,802
Depreciation	7,796	-	7,796
(Increase) in inventories	-3,112	-	-3,112
(Increase) in accounts receivable	-	-24	-24
Increase (decrease) in salaries and benefits payable	10,592	-376	10,216
(Decrease) in deferred revenue	-1,284	-	-1,284
Net Cash Used by Operating Activities	\$ -128,636	\$ -4,929	\$ -133,565

Non-cash investing, capital and financing activities:

During the year ended June 30, 2005, the District received \$13,810 of federal commodities.

See notes to financial statements.

Aplington-Parkersburg Community School District

**Statement of Fiduciary Net Assets
Fiduciary Fund**

Year Ended June 30, 2005

	Private Purpose Trust <u>Scholarship</u>
Assets	
Cash and pooled investments	<u>\$ 251,209</u>
Total Assets	<u>\$ 251,209</u>
Liabilities	<u>\$ -</u>
Net assets	
Reserved for scholarships	<u>\$ 251,209</u>

See notes to financial statements.

Aplington-Parkersburg Community School District

Statement of Changes in Fiduciary Net Assets
Fiduciary Fund

Year Ended June 30, 2005

	Private Purpose Trust <u>Scholarship</u>
Additions:	
Local sources:	
Interest income	\$ 9,149
Total additions	<u>\$ 9,149</u>
Deductions:	
Support services:	
Scholarships awarded	\$ -
Total Deductions	<u>\$ -</u>
Change in net assets	\$ 9,149
Net assets beginning of year	<u>242,060</u>
Net Assets End of Year	<u>\$ 251,209</u>

Aplington-Parkersburg Community School District

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies

Aplington-Parkersburg Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. 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 Aplington and Parkersburg, Iowa and portions of the predominately agricultural territories in Butler and Grundy 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, Aplington-Parkersburg Community School District has included all funds, organizations, 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. Aplington-Parkersburg Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – 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 County Assessor's 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 non-fiduciary activities of the District. For the most part, the effect of inter-fund 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 service.

The Statement of Net Assets presents the District's non-fiduciary 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 attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which 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 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 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 non-major 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 revenues 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 expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds, which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements, which require income earned to be used to benefit individuals through scholarship awards.

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 the 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 fund 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 non-operating 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 non-operating 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. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

For purposes 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, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. 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 District is required to certify its budget in April 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.

Property tax revenue recognized in these funds become 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, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2004.

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.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture 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 repair 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	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Salaries and Benefits Payable – Related payroll benefit expenditures for employees, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements 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 revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Long-term Liabilities – 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.

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.

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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2005 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; 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.

(3) Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2005 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Nutrition Fund	General Fund	\$ 16,000
Physical Plant and Equipment Levy	Capital Projects	<u>33,191</u>
Total		<u>\$ 49,191</u>

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

(4) **Capital Assets**

Capital assets activity for the year ended June 30, 2005 was as follows:

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 103,065	\$ -	\$ -	\$ 103,065
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>\$ 103,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,065</u>
Capital assets being depreciated:				
Buildings	\$ 5,399,488	\$ 71,936	\$ -	\$ 5,471,424
Improvements other than buildings	487,418	16,656	-	504,074
Furniture and equipment	3,683,869	58,690	179,848	3,562,711
Total capital assets being depreciated	<u>\$ 9,570,775</u>	<u>\$ 147,282</u>	<u>\$ 179,848</u>	<u>\$ 9,538,209</u>
Less accumulated depreciation for:				
Buildings	\$ 4,201,114	\$ 50,587	\$ -	\$ 4,251,701
Improvements other than buildings	333,205	13,101	-	346,306
Furniture and equipment	3,306,823	106,331	177,804	3,235,350
Total accumulated depreciation	<u>\$ 7,841,142</u>	<u>\$ 170,019</u>	<u>\$ 177,804</u>	<u>\$ 7,833,357</u>
Total capital assets being depreciated, net	<u>\$ 1,729,633</u>	<u>\$ -22,737</u>	<u>\$ 2,044</u>	<u>\$ 1,704,852</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,832,698</u>	<u>\$ -22,737</u>	<u>\$ 2,044</u>	<u>\$ 1,807,917</u>
Business type activities:				
Furniture and equipment	\$ 90,789	\$ 5,490	\$ 6,698	\$ 89,581
Less accumulated depreciation	38,032	7,796	2,399	43,429
Business Type Activities Capital Assets, Net	<u>\$ 52,757</u>	<u>\$ -2,306</u>	<u>\$ 4,299</u>	<u>\$ 46,152</u>

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular	\$ 106,848
Special	170
Other	22,178

Support services:

Instructional staff	13,461
Administration	3,987
Operation and maintenance of plant	12,434
Transportation	10,941

Unallocated

Total Depreciation Expense – Governmental Activities

Business Type Activities:

Food service operations	\$ 7,796
Before & After School	-
Total Depreciation Expense – Business Type Activities	<u>\$ 7,796</u>

(5) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2005 are summarized as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
General obligation bonds	\$ 1,905,000	\$ -	\$ 160,000	\$ 1,745,000	\$ 170,000
Capital lease	216,416	-	126,967	89,449	89,449
Early retirement	52,335	-	32,302	20,033	20,033
Total	\$ 2,173,751	\$ -	\$ 319,269	\$ 1,854,482	\$ 279,482

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-five and must have completed fifteen years of continuous service to the District. Employees must complete an application, which is subject to approval by the Board of Education. The early retirement incentive for each eligible employee approved by the Board will be based on the employee's salary in effect the last year of the employee's employment with the District. For licensed employees, the amount will be 70% of the difference between the employee's current salary less supplemental pay or extended contract pay and BA Step 0 of the master contract. For other full-time employees, the amount will be 70% of the difference between the employee's current salary and the projected salary of the replacement. This amount shall be the lump sum amount of early retirement incentive the employee will receive upon retirement. All or part of this amount may be applied towards medical insurance premiums or a lump sum will be paid 50% in year one, 50% in year two. Early retirement expenditures for the year ended June 30, 2005 totaled \$20,033.

General Obligation Bonds Payable

Details of the District's June 30, 2005 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2006	4.55%	\$ 170,000	\$ 80,410	\$ 250,410
2007	4.55%	175,000	72,670	247,670
2008	4.55%	185,000	64,712	249,712
2009	4.55%	190,000	56,295	246,295
2010	4.60%	200,000	47,650	247,650
2011	4.60%	215,000	38,450	253,450
2012	4.65%	220,000	28,560	248,560
2013	4.70%	220,000	18,330	238,330
2014	4.70%	170,000	7,990	177,990
Total		\$ 1,745,000	\$ 415,067	\$ 2,160,067

Total principal and interest paid was \$247,690 at June 30, 2005.

Capital Lease

Details of the District's June 30, 2005 capital lease indebtedness are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2006 (Lease #1)	4.60%	\$ 13,844	\$ 106	\$ 13,950
2006 (Lease #2)	3.50%	75,605	1,431	77,036
Total		\$ 89,449	\$ 1,537	\$ 90,986

During the year ended June 30, 2005, the District made principal and interest payments totaling \$134,998 under the agreements.

(6) Pension and Retirement Benefits

The 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 covered salary and the District is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2005, 2004 and 2003. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2005, 2004 and 2003 were \$202,881, \$241,754 and \$208,232, respectively, equal to the required contributions for each year.

(7) Risk Management

The District was a member in the Iowa School Employee Benefits Association (ISEBA), an Iowa Code Chapter 28E organization, until June 30, 2004. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The Association provides coverage and protection in the following categories: medical, dental, vision and prescription drugs.

In July 2004, the Association converted from a self-funded pool to a fully insured pool covered by Wellmark Blue Cross Blue Shield of Iowa. In December 2004, ISEBA issued assessments necessary to cover run-out claims received when the program converted from self-insured to fully-insured coverage. ISEBA is recovering the shortfall through a combination of assessments, deficit recovery charges and administrative cost reduction measures. Members that terminated from ISEBA on June 30, 2004 received an assessment in December 2004, which is due July 1, 2005. The total assessment for terminated members is approximately \$3.9 million. The District's share of this assessment was \$68,000, which is recorded as a liability as of June 30, 2005.

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. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(8) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$238,210 for the year ended June 30, 2005 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Required Supplementary Information

Aplington-Parkersburg Community School District

**Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances –
Budget and Actual – All Governmental Funds and Proprietary Funds**

Required Supplementary Information

Year Ended June 30, 2005

	<u>Governmental Funds Actual</u>	<u>Proprietary Funds Actual</u>
Receipts:		
Local sources	\$ 3,514,816	\$ 252,092
Intermediate sources	-	-
State sources	3,640,225	4,629
Federal sources	250,388	126,061
Total Receipts	<u>\$ 7,405,429</u>	<u>\$ 382,782</u>
Disbursements:		
Instruction	\$ 4,732,644	\$ -
Support services	2,072,837	-
Non-instructional programs	4,571	419,716
Other expenditures	685,739	-
Total Disbursements	<u>\$ 7,495,791</u>	<u>\$ 419,716</u>
Excess (deficiency) of receipts over (under) disbursements	\$ -90,362	\$ -36,934
Other financing sources, net	<u>-16,000</u>	<u>16,000</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	\$ -106,362	\$ -20,934
Balances beginning of year	<u>870,354</u>	<u>66,580</u>
Balances End of Year	<u>\$ 763,992</u>	<u>\$ 45,646</u>

See accompanying independent auditor's report.

	Total Actual	Budgeted Amounts Original	Final to Actual Variance
\$	3,766,908	\$ 3,896,980	\$ -130,072
	-	-	-
	3,644,854	3,688,295	-43,441
	376,449	407,000	-30,551
\$	7,788,211	\$ 7,992,275	\$ -204,064
<hr/>			
\$	4,732,644	\$ 5,118,651	\$ 386,007
	2,072,837	2,280,100	207,263
	424,287	473,333	49,046
	685,739	1,087,777	402,038
\$	7,915,507	\$ 8,959,861	\$ 1,044,354
<hr/>			
\$	-127,296	\$ -967,586	\$ 840,290
	-	-	-
<hr/>			
\$	-127,296	\$ -967,586	\$ 840,290
	936,934	1,106,522	-169,588
<hr/>			
\$	809,638	\$ 138,936	\$ 670,702

Aplington-Parkersburg Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year Ended June 30, 2005

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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 accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

Other Supplementary Information

Aplington-Parkersburg Community School District

Combining Balance Sheet
Non-Major Special Revenue Funds

June 30, 2005

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Debt Service	Total
Assets					
Cash and pooled investments	\$ 77,968	\$ 100,183	\$ 210	\$ 59,994	\$ 238,355
Receivables:					
Property Tax:					
Delinquent	2,712	-	897	3,885	7,494
Succeeding year	100,000	-	55,335	250,410	405,745
Accounts	-	135	-	-	135
Total Assets	\$ 180,680	\$ 100,318	\$ 56,442	\$ 314,289	\$ 651,729
Liabilities & Fund Equity					
Liabilities:					
Salaries and benefits payable	\$ 5,120	\$ -	\$ -	\$ -	\$ 5,120
Deferred Revenue:					
Succeeding year property tax	100,000	-	55,335	250,410	405,745
Total liabilities	\$ 105,120	\$ -	\$ 55,335	\$ 250,410	\$ 410,865
Fund Equity:					
Unreserved fund balances	\$ 75,560	\$ 100,318	\$ 1,107	\$ 63,879	\$ 240,864
Total Liabilities and Fund Equity	\$ 180,680	\$ 100,318	\$ 56,442	\$ 314,289	\$ 651,729

Aplington-Parkersburg Community School District

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds

Year Ended June 30, 2005

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Playground Levy	Debt Service	Total
Revenues:						
Local Sources:						
Local tax	\$ 157,025	\$ -	\$ 51,915	\$ -	\$ 247,739	\$ 456,679
Other	1,077	218,645	2,959	-	4,020	226,701
State sources	151	-	50	-	227	428
Total Revenues	\$ 158,253	\$ 218,645	\$ 54,924	\$ -	\$ 251,986	\$ 683,808
Expenditures:						
Current:						
Instruction:						
Regular instruction	\$ 38,502	\$ -	\$ -	\$ -	\$ -	\$ 38,502
Other instruction	-	206,937	-	-	-	206,937
Support Services:						
Operation & maintenance of plant services	50,580	-	-	83	-	50,663
Transportation services	17,596	-	-	-	-	17,596
Non-instructional	4,571	-	-	-	-	4,571
Other Expenditures:						
Facilities acquisition	-	-	783	1,899	-	2,682
Long-term debt:						
Principal	-	-	126,967	-	160,000	286,967
Interest	-	-	5,796	-	87,690	93,486
Total Expenditures	\$ 111,249	\$ 206,937	\$ 133,546	\$ 1,982	\$ 247,690	\$ 701,404
Excess (deficiency) of revenues over (under) expenditures	\$ 47,004	\$ 11,708	\$ -78,622	\$ -1,982	\$ 4,296	\$ -17,596
Other Financing Sources (Uses):						
Operating transfers in	-	-	33,191	-	-	33,191
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	\$ 47,004	\$ 11,708	\$ -45,431	\$ -1,982	\$ 4,296	\$ 15,595
Fund balances beginning of year	28,556	88,610	46,538	1,982	59,583	225,269
Fund Balances End of Year	\$ 75,560	\$ 100,318	\$ 1,107	\$ -	\$ 63,879	\$ 240,864

See accompanying independent auditor's report.

Aplington-Parkersburg Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2005

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Athletics	\$ 8,866	\$ 61,212	\$ 60,331	\$ -	\$ 9,747
Music	5,382	1,289	-1,003	-	7,674
Wellness	620	-	-	-	620
All weather track	3,134	1,145	-	-	4,279
Class of 2005	5,227	5,260	10,487	-	-
Class of 2006	6,219	3,554	3,969	-	5,804
Class of 2007	4,240	1,433	-	-	5,673
Class of 2008	1,150	1,343	43	-	2,450
Class of 2009	1,772	2,205	3,065	1,110	2,022
Class of 2010	959	850	850	698	1,657
Class of 2011	-	1,474	1,474	1,084	1,084
National Honor Society	863	874	581	-	1,156
Student Senate	1,267	7,469	7,687	-	1,049
Future Farmers of America	663	13,169	11,199	-	2,633
Cheerleaders	3,092	2,126	420	-	4,798
Musical	1,024	1,422	1,004	-	1,442
Drill Team	857	-	-30	-	887
Spanish Club	10,964	9,195	14,786	-	5,373
Speech & Drama	3,385	1,236	896	-	3,725
Concessions	1,354	14,410	14,501	-	1,263
Popper	989	-	-	-	989
Towel	5,765	948	6,325	-	388
Elementary	1,425	9,073	7,274	-	3,224
Band trip	7,490	5,044	2,986	-	9,548
Athletic resale	374	18,001	17,579	-	796
Lift-A-Thon	588	3,411	2,713	-	1,286
S.A.D.D.	151	-	-	-	151
Awards	82	764	846	-	-
First Aid	182	3,380	2,804	-	758
Auditorium	67	-	-	-	67
N.F.L.	743	10,725	2,524	-	8,944
Greenhouse	634	414	924	-	124
High School Activity	109	175	121	-	163
Industrial Arts Projects	-	1,000	921	-	79
Middle School:					
Athletics	47	-	-	-	47
Special needs athletics	76	-	-	-	76
Promotion	732	6,417	6,624	-	525
Drama	1,250	1,672	1,587	-	1,335
Student Council	2,665	4,876	4,713	597	3,425
Athletic resale	59	405	405	-	59
Magazine sales	-	9,901	6,886	-2,989	26
Library	2,020	3,877	3,725	-	2,172

Aplington-Parkersburg Community School District

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2005

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Middle School (continued)					
Juice sales	\$ 453	\$ -	\$ -	\$ -	\$ 453
Pop sales	371	4,004	4,375	-	-
Pictures	408	2,252	1,631	-500	529
Spanish Club	10	-	-	-	10
Vocal music	90	57	90	-	57
Band	90	143	-	-	233
Elementary:					
Pictures	200	1,432	721	-	911
Summer program	267	-	-	-	267
RAMM	41	-	-	-	41
ATOM Elementary project	194	1,008	903	-	299
Total	\$ 88,610	\$ 218,645	\$ 206,937	\$ -	\$ 100,318

Aplington-Parkersburg Community School District

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Four Years

	Modified Accrual Basis			
	2005	2004	2003	2002
Revenues:				
Local Sources:				
Local tax	\$ 2,833,215	\$ 2,891,080	\$ 2,867,406	\$ 2,641,437
Tuition	298,814	314,914	302,947	227,410
Other	382,787	792,664	774,360	687,043
Intermediate sources	-	-	-	-
State sources	3,640,225	3,194,555	3,480,113	3,287,859
Federal sources	250,388	224,896	181,420	124,412
Total	\$ 7,405,429	\$ 7,418,109	\$ 7,606,246	\$ 6,968,161
Expenditures:				
Instruction:				
Regular instruction	\$ 3,220,726	\$ 3,084,911	\$ 3,200,001	\$ 3,200,661
Special instruction	736,950	1,362,937	902,570	835,137
Other instruction	774,968	545,102	595,717	557,730
Support services:				
Student services	221,810	127,511	146,167	152,390
Instructional staff services	280,722	306,411	304,164	256,183
Administrative services	677,074	795,733	730,072	677,103
Operation and maintenance of plant services	637,839	623,781	533,500	458,133
Transportation services	255,392	308,478	313,313	286,589
Non-instructional programs	4,571	2,188	5,496	11,610
Other expenditures:				
Facilities acquisition	67,076	48,764	174,753	117,062
Long-term debt:				
Principal	286,967	251,835	125,000	115,000
Interest and other charges	93,486	130,622	127,815	135,291
AEA flow-through	238,210	240,613	259,045	253,748
Total	\$ 7,495,791	\$ 7,828,886	\$ 7,417,613	\$ 7,056,637

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

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

To the Board of Education of
Aplington-Parkersburg Community School District:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Aplington-Parkersburg Community School District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued my report thereon dated August 5, 2005. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

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

A material weakness is a reportable 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 caused by error or fraud 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. My 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. However, of the reportable conditions described above, I believe I-A-05 is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Aplington-Parkersburg Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my 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.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Aplington-Parkersburg Community School District and other parties to whom Aplington-Parkersburg 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.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Aplington-Parkersburg Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.


Keith Oltrogge
Certified Public Accountant

August 5, 2005

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2005

Part I – Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

I-A-05 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation – I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances.

Response – We will continue to review our procedures and implement additional controls where possible.

Conclusion – Response accepted.

Aplington-Parkersburg Community School District

Schedule of Findings

Year Ended June 30, 2005

Part II - Other Findings Related to Statutory Reporting:

- II-A-05 Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2005.
- II-B-05 Certified Budget – Disbursements for the year ended June 30, 2005 did not exceed the certified budget.
- II-C-05 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- II-D-05 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-E-05 Business Transactions – No business transactions between the District and District officials or employees are detailed were noted.
- II-F-05 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 the coverage is adequate for current operations.
- II-G-05 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- II-H-05 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- II-I-05 Deposits and Investments – 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 were noted.
- II-J-05 Certified Annual Report – The Certified Annual Report was filed with the Iowa Department of Education timely and I noted no significant deficiencies in the amounts reported.