Comprehensive Annual

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Ankeny Community School District

Providing Excellence in Education

306 S.W. School Street, Ankeny, IA 50023-3033

COMPREHENSIVE ANNUAL FINANCIAL REPORT

ANKENY COMMUNITY SCHOOL DISTRICT
306 S.W. School Street
Ankeny, Iowa 50023

For the fiscal year ended June 30, 2006

OFFICIAL ISSUING REPORT

Kirk J. Naber, R.S.B.O., Executive Director of Business Services/Board Secretary

OFFICE ISSUING REPORT

Business Office

INTRODUCTORY SECTION

Ankeny Community School District
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ANKENY COMMUNITY SCHOOL DISTRICT

EXCELLENCE IN EDUCATION!

December 15, 2006

To the Board of Education and Residents
Ankeny Community School District

The Comprehensive Annual Financial Report of the Ankeny Community School District, (the "District") for the year ending June 30, 2006 is submitted herewith. The District is an independent entity governed by a seven-member board. Responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the District's Business Office. We believe the data presented is accurate in all material respects; the data is presented to fairly set forth the financial position and results of operation of the District as measured by the financial activity of the various funds; and all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

This report is prepared in conformance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). This report is consistent with legal reporting requirements of the State of Iowa. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, and the Board of Education.

The Comprehensive annual financial report is presented in four sections:

1. *Introductory Section:* This section contains the Table of Contents; this Letter of Transmittal; listing of Board of Education Members; a listing of School Officials; and an organizational chart. The introductory section is not audited.

2. *Financial Section:* This section begins with the independent auditor's report. This section includes Management's Discussion and Analysis, Basic Financial Statements, Notes to the Basic Financial Statements, Combining and Individual Fund Statements, and required Budgetary Supplemental Information. All reports of the financial section are audited.

306 S.W. School Street P.O. Box 189 Ankeny, Iowa 50021-0189 515-965-9600 515-965-4234 (Fax)

3. *Statistical Section:* This section, which is not audited, includes selected financial, demographic and economic data, generally presented on a multi-year basis. This section includes all disclosures, not contained elsewhere in the CAFR, to comply with the Securities and Exchange Commission continuing disclosure requirements for general obligation debt issues.

4. *Compliance Section:* The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U. S. Office of Management and Budget, Circular A-133. Audits of States, Local Governments, and Non-profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditor's reports on internal controls, and compliance with applicable laws and regulations is included in this section of the report.

THE REPORTING ENTITY

The Ankeny Community School District was consolidated in 1919. The District is independently supported financially by state aid, state and federal grants for special projects, local revenue received in the form of tuition, and property taxes levied by its Board of Education. The District is governed by a seven-member Board of Education. Information on residents currently serving as Board Members is contained after the transmittal letter. The Board has the power and duty to set budgets, certify tax levies, issue debt, and other tasks necessary to the operation of the District. The District is subject to the general oversight of the Iowa Department of Education. This oversight generally includes an approval process that reviews compliance to standards enacted by legislative mandate.

ECONOMIC CONDITION AND OUTLOOK

Ankeny's location is widely considered as one of the best in the Upper Midwest. Located adjacent to Iowa's greatest metro area and precisely at America's crossroads, Ankeny city limits border the point where U.S. Interstate 35/Interstate 80 intersect. Hometown to headquarters of regional, national, and global corporations; Ankeny is centered on the Des Moines/Iowa State University business and technology corridor. A world-class business park is only "30 seconds off plane" from the main apron of the Ankeny Regional Airport. Businesses and residents continually summarize their reasons for moving to Ankeny as a combination of the internal assets of the community coupled with its proximity to a range of other career and lifestyle amenities. Five minutes to the west of Ankeny is Saylorville Lake with 5,500 acres of water, miles of biking trails, and a complete range of outdoor and wildlife recreational opportunities. Fifteen minutes to the south of Ankeny is Iowa's capitol City of Des Moines, considered one of the most surprising small metropolitan areas in the U.S. In addition, just twenty minutes to the north of Ankeny is the major college atmosphere of Iowa State University and everything the City of Ames has to offer. As many say, "Ankeny has it all."

Ankeny offers ready access to the workforce businesses need to succeed. Labor shed studies completed in 2005 by Iowa Workforce Development indicate an Ankeny location is central to high concentrations of people with skills required by businesses engaged in

Life Sciences, Advanced Manufacturing, and Information Solutions/Financial Services. With a municipal mind for business, the community has proven the desire and capacity to collaborate with industry through very aggressive incentive packages tailored to the facility, labor, and training needs associated with timely expansions and relocations. Ankeny's largest employers include John Deere, Tone's Spices, Casey's General Stores, Inc., SYSCO Foods, Monsanto, Perishable Distributors of Iowa, and the Des Moines Area Community College. A partial list of other world-class employers include Clarke American Checks, Inc. (2001 Malcolm Baldridge National Quality Award Winner), Mrs. Clark's Foods (2002 U.S. Department of Commerce Export Achievement Award Winner), Accumold (Finalist, Excellence in Science, Engineering and Technology Award, 2002 Iowa Da Vinci Award specializing in plastic micro molding), American Protein Corporation (world's largest producer/marketer of spray dried protein products), Techniplas (a QS 9000 and ISO 9001 certified builder and operator of precision plastic molds) -and so goes the prevailing business climate in Ankeny. Ankeny is all about business all the time.

Where are the employed working?

Finance, Insurance, and Real Estate	16.0%
Health Care and Social Services	13.0%
Education	12.6%
Wholesale and Retail Trade	10.6%
Professional Services	8.6%
Government	7.8%
Manufacturing	7.2%
Entertainment	7.0%
Transportation	6.0%
Agriculture	5.0%
Construction	5.0%

There are approximately 10,915 people living in Ankeny who commute out to work. This is approximately 72.9 percent. Two-thirds (66.9%) of those who are commuting out are salaried employees, their current median salary is $55,000 per year. Those working for an hourly rate average $15.00 per hour.

The Ankeny Community School District is the 10th largest school district in the state of Iowa with 7,106.5 students and encompasses approximately 52 square miles. It provides a program of public education from kindergarten through twelfth grade. The District's enrollment has increased every year since FY1987 and is averaging 181 students growth per year since FY1994. The District has grown from an enrollment of 3,927 students in FY1987 to its current enrollment. This growth has had a positive effect on employment and the District's tax base. The District has averaged a 7.58% annual increase in its tax base since 1977. Based on conservative projections this trend is expected to continue. The District population is expected to grow to a population of 39,000 by the year 2010 and to a population of 55,000 by the year 2020 from its current estimated population of 36,161 (2005 Special Census).

Retail sales, building permits, and population increases in Ankeny exceed many other locations in the metropolitan area or in the state of Iowa. These increases are expected

to continue if economic conditions remain favorable to building and home construction in the Metro Des Moines area. Many of the District's residents commute to Des Moines and West Des Moines area for employment. As long as these areas continue to grow, so will Ankeny.

For the past four years, the state of Iowa has faced slow growth in revenues from a previous economic downturn that has severely hampered its ability to fund schools at the same level as in prior years. The District has faced low percentage growth in state funding and will continue to face low growth in state aid and state-funded programs until the statewide economy improves.

MAJOR INTIATIVES FOR THE YEAR AND FOR THE FUTURE

The 2005-2006 school year brought not only the beginning of a new school year, but also many changes to the District, especially in personnel, programs and buildings.

- **New Personnel-** Ankeny Community Schools welcomed 27.3 new Teachers filling new positions and an additional 45 new staff replacing retiring teachers, filling vacancies.

- **Capital Improvement-** The District experienced a facelift at many other sites: Started additions at Crocker Elementary, Parkview Middle School, and completed High School Expansion. Completed construction of Transportation Facility located adjacent to City Maintenance Facility and shared City/School Fuel Depot.

- **Curriculum Programming-**
  High School expanded opportunities with DMACC college for dual credit courses.

- **Student Growth/New Families to Ankeny-** Ankeny Community Schools experienced a growth of 414.4 students, creating additional sections of classes in some of the buildings.

- **Extra Curricular Activities-** The District has had a very successful activities program. The District has won numerous state athletic championships in both girls and boys athletics in the past. During FY06 the Activities Program received the following recognitions:
  - Volleyball State Championship
  - Baseball State Runnerup (2005)
  - Girls Golf State Runnerup
  - Individual State Championships: Jaryn Studer - 100 yd breaststroke and Abbi Sunner - girls golf medalist
  - CIML Central Conference Championships: Baseball, boys cross country, girls swimming, girls golf, volleyball
  - 114 All conference athletes
  - 66 - 1st Team or conference champions
  - 23 All-State Athletes

- 8 - 1st Team All-State Athletes
- 17 State Tournament Appearances: football, boys golf, volleyball, girls cross country, wrestling (individual & dual team), boys swimming, girls swimming, boys track, girls track, girls golf, boys tennis, boys soccer, baseball
- 10 Top Ten finishes: volleyball (1st), baseball (2nd), girls golf (2nd), boys cross country (4th), girls cross country (9th), boys golf (3rd), girls swimming (3rd), football (quarterfinalist), boys track (10th), boys swimming (10th)
- 23 Musicians received All–State recognition
- 17 Individuals or Groups received Division I ratings in speech
- 6 Groups or Individuals received All-State recognition in speech

The fine arts program has had great success at the state level with several state championships in Debate. Few high schools in the state can match the athletic efforts of Ankeny.

- **College Entrance Scores (ACT) -** The American College Testing Program (ACT) is the college entrance exam that most Ankeny High School students take. A score of 20 or higher on the 36-point scale for the test is the score that Iowa's state universities require for acceptance. For the 2005-06 school year, 509 students who took the exam (82.7%) obtained a score of 20 or higher.

- **Average Daily Attendance –** Ankeny's K-8 average daily attendance rate for the 2005-2006 school year was 96.6%. This compares to 96.7% in 2004-2005. The state average daily attendance rate goal for 2005-2006 was 95.8%

- **Dropout Rates -** Of the 2822 students in grades seven through twelve, 19 students dropped out during the 2004-2005 school year. Ankeny Community Schools offer extra assistance to students considered at-risk of dropping out through Learning Center Programs in all secondary buildings.

- **Graduation Rate –** The graduation rate for the District is computed by the Department of Education and is always a year behind the current school year. The graduation rate is computed by dividing the number of high school graduates in a specific year by the sum of the number of graduates in that year (2004-2005) and the sum of drop-outs for that graduation class from ninth grade through twelfth grade. Ankeny Community School's graduation rate for the class of 2005 was 95.06% compared to the state graduation rate of 90.3%. Ankeny's graduation rate continues to be above the state average.

- **Post Graduation Intentions for 2006 Graduates**
  - **Total Number of Seniors: 419**
  - Attend a four-year private college/university 10% or 42 students
  - Attend a four-year college 32% or 134 students
  - Attend a two-year college/training program 22% or 92 students
  - Total pursuing post-secondary education 89.2% or 373.75 students
  - Enter the military 0.7% or 3 students
  - Start full-time employment 1% or 4 students

- Unknown 30.4% or 127 students

The Ankeny Community School District will continue to work toward two Early Intervention Goals it started during the 2005-2006 school year. Goal 1: Continue to reduce the student/teacher ratio in K-3 reading instruction in each of the District's seven elementary buildings. Goal 2: Provide professional development for all K-5, middle school, and high school classroom and special education teachers to identify, select, and implement appropriate assessment and instructional strategies and use the data from these assessment to guide instruction. The progress toward each goal is chronicled in the District's Annual Curriculum Report (http://www.ankeny.k12.ia.us/Admin/Distinfo/InstrucServ/District%20Reports/AR2006.final.pdf).

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes 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 accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit- As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls- In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet the responsibility for sound financial management.

Cash Management- The District had been in a three year banking services agreement with Valley Bank, which will be extended, and an additional year in 2006-2007. The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Due to the sluggish investment rates on CD's and T-Bills, the District kept investments of its idle funds in Valley Bank and Iowa Schools Joint Investment Trust (ISJIT). ISJIT was one of the first local Government Investment Pools in the country when it was created in 1986. During the past seventeen years of continuous operation, ISJIT has assisted more than 360 authorized participants to safely and effectively increase their interest income, providing millions of additional dollars in investment income to increase the quality of educational services available to students across the state. The Federal Reserve increased the Prime Interest Rate several times during FY2006. The rate increases resulted in the large increase in District interest income for all Funds. As the economy continued to expand at a moderate rate, the Federal Reserve focused on its primary objective of controlling inflation. Interest revenue of $631,368 was earned on General Fund investments for the year ended June 30, 2006. This represents an increase of $352,407 or 126% over fiscal year 2005 earnings.

Risk Management- The District's administration is charged with the responsibility of supervising the protection of District's assets by employing various risk management techniques and procedures to reduce, absorb, minimize or transfer risk. The District belongs to a statewide school insurance risk pool sponsored by EMC Insurance Companies, Des Moines, Iowa. The managing agent for the "Safety Group Insurance Program", is Jester Insurance Services, Inc. of Des Moines, Iowa. The District carries a multitude of policies to cover all areas of risk management. These policies are itemized in the statistical section of this report. District property is insured for its replacement value. The administration is also responsible for directing the District's fringe benefits program, which includes the administration of health, life, and disability benefits for all full-time employees.

Independent Audit- The accounting firm of Denman & Company, LLP was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related to OMB circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

Acknowledgement

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation to all District and County employees who assisted in the preparation of this report. A special thank you is extended to Kathy Michelson, Accounting Supervisor, and Janice Eggers, Administrative Assistant, for their assistance in planning, designing, preparing and reviewing this financial report.

I would also like to recognize Dr. Kent Mutchler, Superintendent of Schools for his guidance in helping Ankeny Community School District remain financial healthy, and his support of financial decisions that have improved Ankeny Community School District's financial health. Dr. Mutchler resigned in August of 2006 to become Superintendent of Geneva, Illinois School District after serving in Ankeny since July 2002. We wish him success at his new District.

Some of the information contained in the report was obtained from the City of Ankeny website @ http://www.ci.ankeny.ia.us. Additional information on the curriculum and operations of the Ankeny Community Schools can be obtained from the District's website @ http://www.ankeny.k12.ia.us.

Finally, sincere appreciation is extended to the Board of Education, where the commitment to excellence begins. It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Education.

Respectfully submitted,

Kirk J. Naber
Executive Director of Business Services, Board Treasurer

Dr. Veronica Stalker
Interim Superintendent of Schools

Ankeny Community Schools
Board of Education

		Term Expires
Before September 2005 election:		
Sue Nelson	President	September, 2005
Cindy Miller	Vice President	September, 2006
Pat Cahill	Member	September, 2005
Brian Humke	Member	September, 2006
Andrew Martin	Member	September, 2007
Trent Murphy	Member	September, 2007
Denny Presnall	Member	September, 2005
After September 2005 election:		
Brian Humke	President	September, 2006
Denny Presnall	Vice President	September, 2008
Cindy Miller	Member	September, 2006
Andrew Martin	Member	September, 2007
Trent Murphy	Member	September, 2007
Paula Pearson	Member	September, 2008
Leslie Petersen	Member	September, 2008

We welcome your comments!

This audit report was prepared by the Ankeny Community School District. If you wish to receive additional copies, need more information, or have suggestions or comments about anything in this report, please call (515) 965-9600. This report is also available on our web site at: www.ankeny.k12.ia.us

District Administration

Year Ended June 30, 2006

Superintendent of Schools
Dr. Kent Mutchler

Assistant Superintendent
Dr. Anne Laing

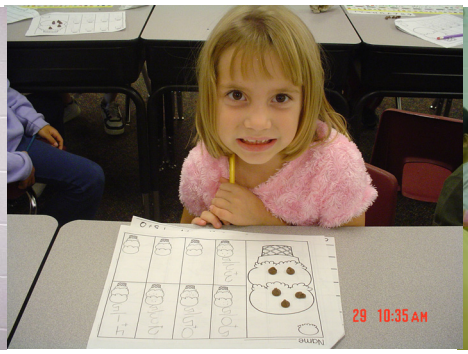
Executive Director of Business Services/Board Secretary
Mr. Kirk Naber

Executive Director of Instruction
Ms. Linda Hoobin

Executive Director of Support Services
Mr. Steve Drake

Special Programs Director
Ms. Pat Sievers

Director of Community Education
Mr. Kevin Koester



Building Administration Year Ended June 30, 2006

Ankeny High School
1302 N. Ankeny Boulevard
(515) 965-9630

Principal
Ms. Brenda Colby

Assistant Principal
Dr. Jennifer Lindaman

Associate Principal
Ms. Patricia Hoffman

Associate Principal
Mr. Jeff Hawkins

Activities Director
Mr. Gary Telford

Events Coordinator
Mr. Randy Hoeck

Northview Middle School
1010 NW Prairie Ridge Drive
(515) 965-9700

Principal
Mr. Scott Osborn

Assistant Principal
Ms. Nina Dunker

Associate Principal
Mr. Mike Boyle

Parkview Middle School
105 NW Pleasant Street
(515) 965-9640

Principal
Mr. Jeff Schumacher

Assistant Principal
Ms. Keri Schlueter

Associate Principal
Ms. Bev Kuehn

East Elementary School
710 SE Third Street
(515) 965-9660

Principal
Mr. Matt Adams

Crocker Elementary School
1705 NE Trilein Drive
(515) 965-9620

Principal
Dr. Tom Muhlenbruck

Northeast Elementary School
1705 NE Trilein Drive
(515) 965-9620

Principal
Ms. Cindy Slauson

Associate Principal
Ms. Pam Dodge

Northwest Elementary School
1202 NW First Street
(515) 965-9680

Principal
Mr. Jason Albrecht

Southeast Elementary School
1005 SE Trilein Drive
(515) 965-9650

Principal
Mr. Dennis Warren

Terrace Elementary School
310 NW School Street
(515) 965-9670

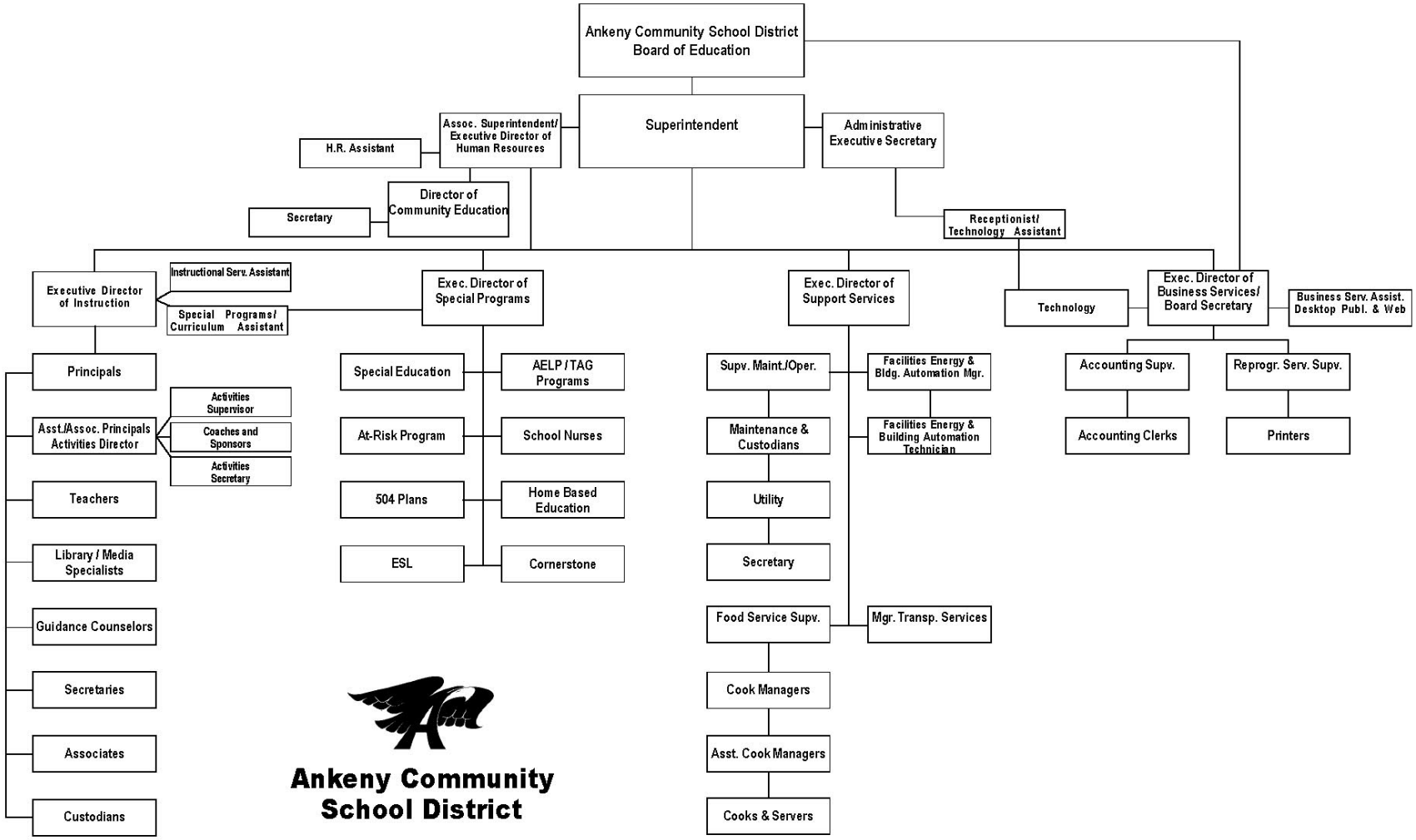
Principal
Ms. Michelle Lettington

Westwood Elementary School
2920 NW Ninth Street
(515) 965-9690

Principal
Mr. Jim Ford

Associate Principal
Ms. Pam Dodge

Ankeny Community School District does not discriminate based on gender, race, national origin, creed, age, marital status, or disability. Inquiries and grievances may be directed to the Associate Superintendent, Ankeny Community School District, 306 S.W. School Street, P.O. Box 189, Ankeny, Iowa 50021-0189, (515) 965-9600, or the Director of the Iowa Civil Rights Commission, 500 West Madison Street, Suite 2800, Chicago, IL 60661.


Ankeny Community School District Board of Education
Superintendent
Assoc. Superintendent/ Executive Director of Human Resources
H.R. Assistant
Director of Community Education
Secretary
Administrative Executive Secretary
Receptionist/ Technology Assistant
Executive Director of Instruction
Instructional Serv. Assistant
Special Programs/ Curriculum Assistant
Principals
Asst./Assoc. Principals Activities Director
Activities Supervisor
Coaches and Sponsors
Activities Secretary
Teachers
Library / Media Specialists
Guidance Counselors
Secretaries
Associates
Custodians
Exec. Director of Special Programs
Special Education
AELP / TAG Programs
At-Risk Program
School Nurses
504 Plans
Home Based Education
ESL
Cornerstone
Exec. Director of Support Services
Supv. Maint./Oper.
Facilities Energy & Bldg. Automation Mgr.
Maintenance & Custodians
Facilities Energy & Building Automation Technician
Utility
Secretary
Food Service Supv.
Mgr. Transp. Services
Cook Managers
Asst. Cook Managers
Cooks & Servers
Technology
Exec. Director of Business Services/ Board Secretary
Business Serv. Assist. Desktop Publ. & Web
Accounting Supv.
Reprogr. Serv. Supv.
Accounting Clerks
Printers
Ankeny Community School District
Personnel Organization
Revised 6/20/05
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Ankeny Community School District

Providing Excellence in Education

306 S.W. School Street, Ankeny, IA 50023-3033

FINANCIAL SECTION

DENMAN
& Company, LLP
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Ankeny Community School District
Ankeny, Iowa

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Ankeny Community School District, as of and for the year ended June 30, 2006, 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 auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, business-type activities, each major fund, and the aggregate remaining fund information of Ankeny Community School District as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2006 on our consideration of Ankeny Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

1601 22nd Street, Suite 400, West Des Moines, Iowa 50266-1453 Telephone: (515) 225-8400 Fax: (515) 225-0149
www.denman-cpa.com e-mail: firm@denman-cpa.com

Management's Discussion and Analysis and budgetary comparison information on pages 3 through 9 and 35 through 36 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ankeny Community School District's basic financial statements. We 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, 2005 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included on pages 39 through 50 and page 81, which includes the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*, 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 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 other data in this report, designated as the "statistical section" on the contents page, was not audited by us and, accordingly, we express no opinion on it.

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
September 13, 2006

Ankeny Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For fiscal year ended June 30, 2006

This section of the Ankeny Community School District annual financial report presents the readers of the District's financial statements a narrative overview and analysis of the financial activity of the District for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information 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 $7,440,828 and $6,041,178 during the years ended June 30, 2006 and 2005, respectively.

- Total revenues for the fiscal year ended June 30, 2006 and 2005 of $65,896,165 and $59,591,013 were comprised of General Revenues in the amount of $56,603,756 and $50,790,417 and Program Revenues totaling $9,292,409 and $8,800,596.

- As of June 30, 2006 the District's governmental funds reported combined ending fund balances of $28,257,174 an increase of $2,583,954, in comparison with the prior year. Of the total combined fund balance, $5,618,650 represents unreserved undesignated fund balances.

- As of June 30, 2006, unreserved undesignated fund balance of the General Fund was $2,583,476 or 5.19% of total General Fund expenditures and $1,855,924 or 4.2% for 2005.

- The District's general obligation bonded debt decreased by $2,470,000 during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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 the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the 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 compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of noninstructional programs 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 Community Education.

The government-wide financial statements can be found on pages 11 through 13 of this report.

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 District 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, government 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 the District's near-term financing 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 District'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 Ankeny 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, Physical Plant and Equipment Fund, Debt Service, and Local Option School Sales Tax 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 nonmajor 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 14 through 17 of this report.

Proprietary funds. There are two types of proprietary funds: enterprise and internal service. The District maintains one type of proprietary funds. The enterprise funds are used to report the same functions presented as business-type activities.

The basic proprietary funds financial statements can be found on pages 18 through 20 of the 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 statements because the resources of those funds are *not* available to support the 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 statement can be found on page 21 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to financial statements can be found on pages 22 through 33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information. The required supplementary information can be found on pages 35 through 36 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the major budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 39 through 48 of this report.

Ankeny Community School District
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For fiscal year ended June 30, 2006

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, net assets have increased from a year ago from $49,289,266 to $56,730,094.

A significant portion of the District's total assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are *not* available for future spending. The District's net assets invested in capital assets, net of related debt, was $29,610,832 for 2006 and $24,723,586 for 2005. 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.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2006 and 2005.

Table 1 - Total net assets

	Governmental Activities June 30		Business-type Activities June 30		Total District June 30		Total Change June 30,
	2006	2005	2006	2005	2006	2005	2005-2006
ASSETS							
Current assets	$ 62,078,238	$ 55,391,097	$772,540	$692,448	$62,850,778	$ 56,083,545	12.07%
Capital assets	74,335,418	69,648,655	160,414	179,931	74,495,832	69,828,586	6.68%
Total assets	136,413,656	125,039,752	932,954	872,379	137,346,610	125,912,131	9.08%
LIABILITIES							
Current liabilities	42,105,054	37,023,991	80,320	71,317	42,185,374	37,095,308	13.72%
Noncurrent liabilities	38,431,142	39,527,557	–	–	38,431,142	39,527,557	(2.77)%
Total liabilities	80,536,196	76,551,548	80,320	71,317	80,616,516	76,622,865	5.21%
NET ASSETS							
Invested in capital assets, net of related debt	29,450,418	24,543,655	160,414	179,931	29,610,832	24,723,586	19.77%
Restricted	16,690,901	14,305,704	–	–	16,690,901	14,305,704	16.67%
Unrestricted	9,736,141	9,638,845	692,220	621,131	10,428,361	10,259,976	1.64%
Total net assets	$ 55,877,460	$ 48,488,204	$852,634	$801,062	$ 56,730,094	$ 49,289,266	15.10%

The following are significant current year transactions that have had an impact on the statement of net assets.

- The principal retirement of $2,470,000 of general obligation bonds and the payment of $732,507 in interest on this debt.
- The addition of $4,667,246 in capital assets through the construction of a new school, and other school improvements, and purchases of furniture, equipment and vehicles, net of current year depreciation expense.

Changes in net assets. The District's net assets increased by $7,440,828 during the current fiscal year. The governmental activities' net assets increased by $7,389,256. The business-type activities, which include nutrition, increased by $51,572. The increase in governmental activities was mainly attributed to cash reserve levy and less than expected expenditures.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2006. These two main components are subtracted to yield the change in net assets. Revenues are made up of Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, operating and capital grants, and contributions. General Revenues include taxes and unrestricted grants such as state foundation support.

Table 2 - Program Revenues and Expenses

	Governmental Activities		Business-type Activities		Total District	
	2006	2005	2006	2005	2006	2005
REVENUES						
Program revenues						
Charges for services	$ 97,201	$ 47,319	$2,020,308	$1,638,491	$ 2,117,509	$ 1,685,810
Operating grants and contributions	6,800,155	6,783,562	374,745	331,224	7,174,900	7,114,786
General revenues						
Local sources	30,065,953	21,835,230	–	–	30,065,953	21,835,230
Investment earnings	1,541,667	654,717	33,978	18,410	1,575,645	673,127
State sources	23,583,533	27,589,920	–	–	23,583,533	27,589,920
Other	931,492	650,003	–	–	931,492	650,003
Sale of assets	447,133	42,137	–	–	447,133	42,137
Total revenues	63,467,134	57,602,888	2,429,031	1,988,125	65,896,165	59,591,013
EXPENSES						
Instruction						
Regular	22,678,907	23,150,489	–	–	22,678,907	23,150,489
Special	6,401,321	4,507,078	–	–	6,401,321	4,507,078
Vocational and other	3,076,311	1,585,385	–	–	3,076,311	1,585,385
Support services						
Pupil	3,118,663	2,795,127	–	–	3,118,663	2,795,127
Instructional staff	3,392,635	2,596,540	–	–	3,392,635	2,596,540
Administration	4,910,159	3,549,498	–	–	4,910,159	3,549,498
Operation and maintenance of plant service	6,509,464	5,371,411	–	–	6,509,464	5,371,411
Support services - other	1,873,011	3,888,892	–	–	1,873,011	3,888,892
Noninstructional programs	2,235,370	2,224,684	2,377,459	2,052,514	4,612,829	4,277,198
Interest	1,882,037	1,828,217	–	–	1,882,037	1,828,217
Total expenses	56,077,878	51,497,321	2,377,459	2,051,514	58,455,377	53,549,835
Increase (decrease) in net assets	$ 7,389,256	$ 6,105,567	$ 51,572	$ (64,389)	$ 7,440,828	$ 6,041,178

- The cost of all governmental and business-type activities this year was $58,455,337.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of $9,292,409.
- Net cost of governmental activities $49,180,522, was financed by general revenues, which are made up of primarily property taxes and local source revenue $30,065,953 and state sources $23,583,533.

Table 3 - Governmental Activities

Functions/Programs	Total Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2006	Net Cost of Services 2005
Primary Government				
Governmental activities				
Instruction				
Regular	$22,678,907	$23,150,489	$(18,561,372)	$(20,042,207)
Special	6,401,321	4,507,078	(6,090,084)	(4,507,078)
Vocational and other	3,076,311	1,585,385	(2,577,939)	379,795
Support services				
Pupil	3,118,663	2,795,127	(3,118,663)	(2,795,127)
Instructional staff	3,392,635	2,596,540	(3,295,434)	(2,549,221)
Administration	4,910,159	3,549,498	(4,910,159)	(3,549,498)
Operation and maintenance of plant service	6,509,464	5,371,411	(6,509,464)	(5,371,411)
Support services - other	1,873,011	3,888,892	–	(3,888,892)
Noninstructional programs	2,235,370	2,224,684	(2,235,370)	(514,584)
Interest	1,882,037	1,828,217	(1,882,037)	(1,828,217)
Total governmental activities	56,077,878	51,497,321	(49,180,522)	(44,666,440)
Business-type activities				
Nutrition services	2,377,459	2,052,514	17,594	(82,799)
Total business-type activities	2,377,459	2,052,514	17,594	(82,799)
Total primary government	$58,455,337	$53,549,835	$(49,162,928)	$(44,749,239)

Net cost of services is 84% of total cost of services in 2006.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the 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 the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Ankeny Community School District's governmental funds reported combined ending fund balances of $28,257,174, an increase of $2,583,954 in comparison to the previous year. Approximately 19.9% of this amount, $5,618,650, constitute unreserved and undesignated fund balance, which is available for spending at the government's discretion. The remainder of the fund balance of $22,638,524 is reserved or designated to indicate that it is not available for new spending because it has already been committed for 1) General Fund $5,947,623; 2) Special Revenues Fund $2,382,450; 3) Debt Service $6,868,777; 4) Local Option Sales Tax reserves $7,439,674.

The General Fund is the principal operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was $2,583,476 while total fund balance declined to $8,531,099. 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 undesignated fund balance represents 5.2% of total General Fund expenditures, while total fund balance represents approximately 17.16% of that same amount.

The fund balance of the District's General Fund decreased by $765,724 during the current fiscal year. Key factors in the decrease were the Board planned expending of reserves for opening a new elementary section in FY06 and growth in staff at High School and Middle School, and the Board commitment to maintain an adequate fund balance, so the District can endure economic downturns in state funding for Iowa schools.

BUDGETARY HIGHLIGHTS

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's Budgeted funds with the final amended program budget amounts is as follows:

	Budget		Actual Expenditures/ Expenses	Final Budget to Actual Variance Positive (Negative)
	Original	Final		
Instruction	$34,971,039	$39,742,824	$32,055,078	$ 7,687,746
Support services	12,893,742	16,490,013	21,312,120	(4,822,107)
Noninstructional programs	2,710,895	5,548,855	3,866,003	1,682,852
Other	16,520,247	20,641,441	13,324,619	7,316,822
Total	$67,095,923	$82,423,133	$70,557,820	$11,865,313

Difference between the original and the final amended are mainly due to a conservative estimate for the general fund for Instruction and increases due to timing in capital outlay projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2006, the District had invested $110,074,399 in capital assets, including land, school buildings, athletic facilities, buses and other vehicles, computers and other equipment. This amount represents a net increase prior to depreciation of $5,411,472 from last year, primarily due to the completion of the final phases of construction on building additions. Total depreciation expense for the year was $2,300,189.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2006.

Land and improvements	$ 9,065,039
Buildings and improvements	58,919,379
Vehicles, furniture and equipment	1,680,385
Construction in progress	4,831,029
Total	$74,495,832

Additional information on the District's capital assets can be found in Note 4 on page 28 of this report.

Debt Administration. At year end, the District had $44,885,000 in general obligation bonds and other long-term debt outstanding, of which $7,255,000 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2006.

General obligation bonds	$16,715,000
General obligation capital loan notes	6,200,000
Revenue bonds	21,970,000
Accrued compensated absences	346,841
Early retirement	1,483,291
Total	$46,715,132

The District maintains an "A+" rating from Standard and Poor's for general obligation debt.

State statutes currently limit the amount of general obligation debt a District may issue to five percent (5%) of its total assessed valuation. The current debt limitation for the District is $76,008,240, which is more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 5 on pages 29 through 31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District is located in the central part of the state at the cross roads of Interstate 35 and Interstate 80; bordering the larger Des Moines metropolitan area and ranks as the tenth largest school district in the state in the heart of one of the top growth areas of the country. The economic condition and outlook has continued to improve since the economic decline of the early 1990's with the last farm crisis. For the past fourteen years the district has had stable growth despite slower economic condition in the state as a whole. The District's tax base is growing in excess of 5% annually.

Based on conservative projections, this trend is expected to continue well into 2030 if interest rates remain affordable to build. While this growth has a positive impact it also brings with it significant challenges in maintaining the District's infrastructure to accommodate this growth in an orderly and efficient manner.

Retail sales, building permits and population increases in Ankeny and the metro area as a whole exceed most state and national trends. These increases are expected to continue if economic conditions remain favorable.

For the past two years, the State of Iowa has faced economic downturns that have severely hampered its ability to fund schools at the same level as in prior years. The District will face reductions in funding for state aid and other state funded programs. The District has been able to maintain its strong financial position in light of the weak economics in the state.

Many factors were considered by the District's administration during the process of developing the 2007 fiscal year budget. The primary factor was the District's student population and employee salaries. Also considered in the development of the budget is the local economy.

Request for Information

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, please write Kirk Naber, Executive Director of Business Services, Ankeny Community School District, 306 S.W. School Street, Ankeny, Iowa 50023-0189.

BASIC FINANCIAL STATEMENTS

Ankeny Community School District
STATEMENT OF NET ASSETS
June 30, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 32,697,841	$ 712,566	$ 33,410,407
Investments	600,000	–	600,000
Property taxes receivable			
Current year	124,349	–	124,349
Succeeding year	26,821,159	–	26,821,159
Due from other governments	914,564	–	914,564
Other receivables	724,536	4,253	728,789
Inventories	195,789	55,721	251,510
Total current assets	62,078,238	772,540	62,850,778
Capital assets			
Land	9,065,039	–	9,065,039
Buildings	91,992,441	–	91,992,441
Equipment	3,341,794	844,096	4,185,890
Accumulated depreciation	(34,894,885)	(683,682)	(35,578,567)
Construction in progress	4,831,029	–	4,831,029
Total capital assets	74,335,418	160,414	74,495,832
Total assets	136,413,656	932,954	137,346,610
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6,999,904	25,472	7,025,376
Due to students	–	54,848	54,848
Bonds and notes payable	7,255,000	–	7,255,000
Early retirement payable	682,149	–	682,149
Compensated absences	346,841	–	346,841
Deferred revenue--succeeding year property taxes	26,821,160	–	26,821,160
Total current liabilities	42,105,054	80,320	42,185,374
Noncurrent liabilities			
Bonds and notes payable--long term	37,630,000	–	37,630,000
Early retirement payable--long term	801,142	–	801,142
Total noncurrent liabilities	38,431,142	–	38,431,142
Total liabilities	80,536,196	80,320	80,616,516
NET ASSETS			
Invested in capital assets, net of related debt	29,450,418	160,414	29,610,832
Restricted for			
Capital projects	7,567,734	–	7,567,734
Debt service	6,868,777	–	6,868,777
Insurance	2,254,390	–	2,254,390
Unrestricted	9,736,141	692,220	10,428,361
Total net assets	$ 55,877,460	$ 852,634	$ 56,730,094

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF ACTIVITIES
Year ended June 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental activities			
Instruction			
Regular	$22,678,907	$ –	$4,117,535
Special	6,401,321	–	311,237
Vocational and other	3,076,311	–	498,372
Support services			
Pupil	3,118,663	–	–
Instructional staff	3,392,635	97,201	–
Administration	4,910,159	–	–
Operation and maintenance of plant services	6,509,464	–	–
Support services—other	1,873,011	–	1,873,011
Noninstructional programs	2,235,370	–	–
Interest	1,882,037	–	–
Total governmental activities	56,077,878	97,201	6,800,155
Business-type activities			
Nutrition services	2,377,459	2,020,308	374,745
Total business-type activities	2,377,459	2,020,308	374,745
Total primary government	$58,455,337	$2,117,509	$7,174,900

General revenues
Taxes
Property taxes for general purposes
Property taxes for debt service
Property taxes for capital outlay
Revenue in lieu of taxes
Sales taxes
State aid
Investment earnings
Miscellaneous
Sale of assets
Total general revenues and transfers
Changes 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	Totals
$(18,561,372)	$ –	$(18,561,372)
(6,090,084)	–	(6,090,084)
(2,577,939)	–	(2,577,939)
(3,118,663)	–	(3,118,663)
(3,295,434)	–	(3,295,434)
(4,910,159)	–	(4,910,159)
(6,509,464)	–	(6,509,464)
–	–	–
(2,235,370)	–	(2,235,370)
(1,882,037)	–	(1,882,037)
(49,180,522)	–	(49,180,522)
–	17,594	17,594
–	17,594	17,594
(49,180,522)	17,594	(49,162,928)
17,612,294	–	17,612,294
3,090,512	–	3,090,512
2,522,124	–	2,522,124
513,459	–	513,459
6,327,564	–	6,327,564
23,583,533	–	23,583,533
1,541,667	33,978	1,575,645
931,492	–	931,492
447,133	–	447,133
56,569,778	33,978	56,603,756
7,389,256	51,572	7,440,828
48,488,204	801,062	49,289,266
$55,877,460	$ 852,634	$56,730,094

See Notes to Financial Statements.

Ankeny Community School District
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2006

	General Fund	Debt Service	Local Option Sales and Services Tax	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$13,141,201	$ 6,344,288	$7,047,802	$3,158,603	$3,005,947	$32,697,841
Investments	–	–	600,000	–	–	600,000
Property taxes receivable						
Current year	93,043	17,463	–	13,843	–	124,349
Succeeding year	19,180,359	3,183,126	–	2,862,030	1,595,644	26,821,159
Due from other governments	482,852	–	431,712	–	–	914,564
Other receivables	–	507,420	52,931	25,343	138,842	724,536
Inventories	195,789	–	–	–	–	195,789
Total assets	$33,093,244	$10,052,297	$8,132,445	$6,059,819	$4,740,433	$62,078,238
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	$ 5,381,786	$ 394	$ 692,771	$ 847,690	$ 77,263	$ 6,999,904
Deferred revenue—succeeding year property taxes	19,180,359	3,183,126	–	2,862,030	1,595,645	26,821,160
Total liabilities	24,562,145	3,183,520	692,771	3,709,720	1,672,908	33,821,064
Fund balances						
Unreserved						
Undesignated	2,583,476	–	–	2,350,099	685,075	5,618,650
Reserved	5,947,623	6,868,777	7,439,674	–	2,382,450	22,638,524
Total fund balances	8,531,099	6,868,777	7,439,674	2,350,099	3,067,525	28,257,174
Total liabilities and fund balances	$33,093,244	$10,052,297	$8,132,445	$6,059,819	$4,740,433	$62,078,238

See Notes to Financial Statements.

Ankeny Community School District
RECONCILIATION OF THE BALANCE SHEET—GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2006

Total fund balances of governmental funds (page 14)	$28,257,174
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 the governmental funds	74,335,418
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(46,715,132)
Net assets of governmental activities (page 11)	$55,877,460

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
Year ended June 30, 2006

	General Fund	Debt Service	Local Option Sales and Services Tax	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local taxes	$16,586,800	$3,152,384	$6,327,564	$2,573,794	$1,425,411	$30,065,953
Interest income	631,368	63,751	440,984	298,524	107,040	1,541,667
Other	1,950,512	1,264	15,843	2,568	1,299,818	3,270,005
State sources	27,255,269	–	–	–	–	27,255,269
Federal sources	887,107	–	–	–	–	887,107
Total revenues	47,311,056	3,217,399	6,784,391	2,874,886	2,832,269	63,020,001
EXPENDITURES						
Current						
Instruction						
Regular	22,577,446	–	–	–	–	22,577,446
Special	6,401,321	–	–	–	–	6,401,321
Vocational and other	3,076,311	–	–	–	–	3,076,311
Support services						
Pupil	3,118,663	–	–	–	–	3,118,663
Instructional staff	3,392,635	–	–	–	–	3,392,635
Administration	4,910,159	–	–	–	–	4,910,159
Operation and maintenance of plant services	4,254,557	–	–	–	–	4,254,557
Support services--other	1,873,011	–	–	–	–	1,873,011
Noninstructional programs	102,028	–	–	–	1,386,516	1,488,544
Capital outlay	–	–	38,025	7,914,465	103,187	8,055,677
Debt service						
Principal retirement	–	7,150,000	–	–	–	7,150,000
Interest	–	1,882,037	–	–	–	1,882,037
Total expenditures	49,706,131	9,032,037	38,025	7,914,465	1,489,703	68,180,361
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,395,075)	(5,814,638)	6,746,366	(5,039,579)	1,342,566	(5,160,360)
OTHER FINANCING SOURCES (USES)						
Sale of assets	814,314	–	–	–	–	814,314
Operating transfers in (out)	815,037	7,106,663	(6,086,571)	(1,016,092)	(819,037)	–
Proceeds from bond deposit	–	–	–	6,930,000	–	6,930,000
Total other financing sources	1,629,351	7,106,663	(6,086,571)	5,913,908	(819,037)	7,744,314
NET CHANGES IN FUND BALANCES	(765,724)	1,292,025	659,795	874,329	523,529	2,583,954
FUND BALANCES, beginning of year	9,296,823	5,576,752	6,779,879	1,475,770	2,543,996	25,673,220
FUND BALANCES, end of year	$ 8,531,099	$6,868,777	$7,439,674	$2,350,099	$3,067,525	$28,257,174

See Notes to Financial Statements.

Ankeny 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, 2006

Net change in fund balances—total governmental funds (page 16)		$2,583,954
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 outlays	$7,308,851	
Depreciation expense	(2,254,907)	5,053,944
Proceeds from the sale of capital assets are reported in the governmental funds as other financing sources. However, those proceeds are reported in the Statement of Activities net of the book value of the capital assets sold.		(367,181)
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets.		7,150,000
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	$ (58,418)	
Compensated absences	(43,043)	(101,461)
Proceeds of bond deposit provide current financial resources to governmental funds but increase current liabilities in the Statement of Net Assets.		(6,930,000)
Change in net assets of governmental activities (page 13)		$7,389,256

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF NET ASSETS—PROPRIETARY FUND
ENTERPRISE FUND
June 30, 2006

	School Nutrition
ASSETS	
Cash and cash equivalents	$ 712,566
Sundry receivables	4,253
Inventories	55,721
Property and equipment, net of accumulated depreciation	160,414
Total assets	$ 932,954
LIABILITIES	
Accounts payable and accrued liabilities	$ 25,472
Due to students	54,848
Total liabilities	80,320
NET ASSETS	
Invested in capital assets	160,414
Unrestricted	692,220
Total net assets	$ 852,634

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS—PROPRIETARY FUND
ENTERPRISE FUND
Year ended June 30, 2006

	School Nutrition
OPERATING REVENUES	
Local sources	
Other local sources	
Sale of lunches and breakfast	
Students	$1,109,354
Adults	12,594
A la carte	807,620
Special functions	90,740
Total operating revenues	2,020,308
OPERATING EXPENSES	
Non-instructional programs	
Food service operations	
Salaries	772,247
Employee benefits	277,142
Kitchen supplies	72,387
Food consumed	1,122,277
Other	88,124
Depreciation	45,282
Total operating expenses	2,377,459
OPERATING (LOSS)	(357,151)
NON-OPERATING REVENUES	
Interest income	33,978
State appropriations	20,602
Federal food commodities revenue	67,908
Federal appropriations	286,235
Total non-operating revenues	408,723
Change in net assets	51,572
NET ASSETS—beginning of year	801,062
NET ASSETS—end of year	$ 852,634

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF CASH FLOWS—PROPRIETARY FUND
ENTERPRISE FUND
Year ended June 30, 2006

	School Nutrition
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sale of lunches and breakfasts	$2,020,626
Cash payments to employees for services	(1,056,882)
Cash payments to suppliers for goods or services	(1,175,405)
Net cash (used in) operating activities	(211,661)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State grants received	20,602
Federal grants received	286,235
Net cash provided by non-capital financing related activities	306,837
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(27,765)
Net cash (used in) capital and related financing activities	(27,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	33,978
Net cash provided by investing activities	33,978
NET INCREASE IN CASH AND CASH EQUIVALENTS	101,389
CASH AND CASH EQUIVALENTS	
Beginning	611,177
Ending	$ 712,566
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating (loss)	$ (357,151)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities	
Depreciation	45,282
Federal commodities used	67,908
Change in assets and liabilities	
(Increase) in receivables	(1,192)
Decrease in inventories	24,489
Increase in accounts payable and accrued liabilities	9,003
Net cash (used in) operating activities	$ (211,661)

Noncash investing, capital and financing activities
During the year ended June 30, 2006, the District received $67,908 of federal commodities.

See Notes to Financial Statements.

Ankeny Community School District
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2006

ASSETS	Vending	Cafeteria	Total
Cash and cash equivalents	$ 156,104	$ 70,410	$ 226,514
Receivables			
Sundry receivables	6,499	320	6,819
Total assets	$ 162,603	$ 70,730	$ 233,333
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	$ 3,307	$ –	$ 3,307
Due to student groups/employees	159,296	70,730	230,026
Total liabilities	$ 162,603	$ 70,730	$ 233,333

See Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ankeny Community School District is a political subdivision of the State of Iowa. The affairs of the district are conducted by a Board of Education. The District operates seven elementary schools, two middle schools, a high school and a building for special programs. The District's comprehensive annual financial report includes all of the District operations. The accounting policies of the Ankeny Community School District conform to generally accepted accounting principles, as applicable to governmental units. The following is a summary of such significant policies.

Reporting Entity

For financial reporting purposes, Ankeny 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. The Ankeny 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 Polk County Assessor's Conference Board.

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 service.

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 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 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 are 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

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 Physical Plant and Equipment Levy (PPEL) Fund is utilized to account for the resources to be used to pay for the purchase of grounds, construction of buildings, purchase of buildings, equipment and repairs, remodeling, reconstructing, improving or expanding schoolhouses or buildings. The PPEL fund is required to be accounted for as a special revenue fund by statutes.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Local Option Sales and Services Tax Fund, a capital projects fund, accounts for all financial transactions from the local option sales and services tax for school infrastructure authorized by Iowa Code chapter 422E.

The other governmental funds of the District are considered nonmajor and are as follows:

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

Special Revenue Funds are used to account for the revenue sources that are legally restricted to expenditures for specific purposes.

Management Fund: Accounts for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

Student Activity Fund: Accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular or extracurricular activities of the District.

The District reports the following major proprietary fund:

School Nutrition Fund: Accounts 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 fund includes the following.

The Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Funds are custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The Government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The Government-wide and proprietary fund financial statements are reported using 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 fund of the District applied 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 are 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Fund Equity

Cash and Cash Equivalents – The cash balances 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.

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, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the 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 that 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 Eduction 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. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2% per month penalty for delinquent payments; is based on January 1, 2004 assessed property valuations; is for the tax accrual period July 1, 2005 through June 30, 2006 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2005.

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.

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 repairs that do not add to the value of the asset or materially extend assets 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.

Land	$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Fund Equity (continued)

Capital Assets (continued)

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

Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities included with accounts payable and accrued 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 represent 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 the succeeding year property tax receivable as well as delinquent property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental funds only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2006. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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.

Fund Balances – 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.

Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2006, disbursements exceeded the amount budgeted in the support services function.

NOTE 2 CASH AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2006 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.

At June 30, 2006, the District had the following investments:

	Fair value	Amortized cost
Iowa Schools Joint Investment Trust		
Diversified Portfolio	$ –	$5,579,934
Federal Home Loan Bank Bond	600,000	–
	$ 600,000	$5,579,934

The investments in the Iowa Schools Joint Investment Trust are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

Credit risk. The investments in the Iowa Schools Joint Investment Trust were both rated Aaa by Moody's Investors Service.

NOTE 3 INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2006 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects	
	Local Option Sales and Services Tax	$6,086,571
	Physical Plant and Equipment Levy	1,020,092
		$7,106,663
General	Special Revenue Management	$ 819,037
Physical Plant and Equipment Levy	General	$ 4,000

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

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2006 is as follows:

	Balance beginning of year	Increases	Decreases	Balance end of year
Governmental activities				
Capital assets not being depreciated				
Land	$ 9,065,039	$ –	$ –	$ 9,065,039
Construction in progress	971,423	5,910,107	2,050,501	4,831,029
Total capital assets not being depreciated	10,036,462	5,910,107	2,050,501	13,896,068
Capital assets being depreciated				
Buildings	89,941,940	2,050,501	–	91,992,441
Furniture and equipment	3,866,194	1,398,744	1,923,144	3,341,794
Total capital assets being depreciated	93,808,134	3,449,245	1,923,144	95,334,235
Less accumulated depreciation for				
Buildings	31,033,935	2,039,127	–	33,073,062
Furniture and equipment	3,162,006	215,780	1,555,963	1,821,823
Total accumulated depreciation	34,195,941	2,254,907	1,555,963	34,894,885
Total capital assets being depreciated, net	59,612,193	1,193,338	367,181	60,439,350
Governmental activities capital assets, net	$69,648,655	$7,104,445	$2,417,682	$74,335,418
Business-type activities				
Furniture and equipment	$ 818,331	$ 25,765	$ –	$ 844,096
Less accumulated depreciation	638,400	45,282	–	683,682
Business-type activities capital assets, net	$ 179,931	$ (19,517)	$ –	$ 160,414

Depreciation expense was charged by the District as follows:

Governmental activities	
Instruction	
Regular	$2,254,907
Business-type activities	
School nutrition	$ 45,282

Construction in progress at June 30, 2006 consists of costs related to the additions to Parkview and Crocker buildings.

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of accrued compensated absences, general obligation bonds, general obligation capital loan notes, revenue bonds and early retirement transactions for the governmental funds of the District for the year ended June 30, 2006:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due within one year
Accrued compensated absences	$ 303,798	$ 43,043	$ –	$ 346,841	$ 346,841
General obligation bonds	19,185,000	–	2,470,000	16,715,000	2,535,000
General obligation capital loan notes	–	7,000,000	800,000	6,200,000	620,000
Revenue bonds	25,850,000	–	3,880,000	21,970,000	4,100,000
Early retirement	1,424,873	58,418	–	1,483,291	682,149
Totals	$46,763,671	$7,101,461	$7,150,000	$46,715,132	$8,283,990

The District offers a voluntary early retirement plan to its employees. Eligible employees must be at least age fifty-five and employees must have completed twelve years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to a) 60% of the employee's salary or b) 30% of the employee's salary plus continued health insurance of up to a maximum of five years. Currently, thirty-nine retirees meet the eligibility requirements. Expenditures for early retirement are recognized as benefits are paid. Early retirement benefits paid during the year ended June 30, 2006 totaled $660,733.

The District's general obligation bond debt is as follows:

a) An issue dated April 1, 1998, having an interest rate varying from 4.50% to 4.75% and an unpaid balance of $3,825,000.

b) An issue dated January 1, 1999, having an interest rate varying from 4.125% to 4.2% and an unpaid balance of $2,900,000.

c) An issue dated June 1, 2001, having an interest rate of 4.0% and an unpaid balance of $705,000.

d) An issue dated October 1, 2001, having an interest rate varying from 3.5% to 4.1% and an unpaid balance of $6,350,000.

e) An issue dated March 15, 2004, having an interest rate varying from 2.25% to 2.5% and an unpaid balance of $2,935,000.

The District's general obligation capital loan note debt is as follows:

a) An issue dated July 1, 2005, having an interest rate of 3.43% and an unpaid balance of $6,200,000.

The District's revenue obligation bond debt, which is payable from revenues of the Local Option Sales and Services Tax Fund, is as follows:

a) An issue dated December 1, 2002 having an interest rate varying from 4.0% to 5.0% and an unpaid balance of $13,670,000.

b) An issue dated April 1, 2004, having an interest rate varying from 2.5% to 3.5% and an unpaid balance of $5,980,000.

c) An issue dated April 1, 2004, having an interest rate varying from 2.25% to 3.35% and an unpaid balance of $2,320,000.

NOTE 5 LONG-TERM LIABILITIES (continued)

Annual general obligation bond principal maturities, by issue and in total, are as follows:

Year ending June 30	Bond issue date April 1, 1998	January 1, 1999	June 1, 2001	October 1, 2001	March 15, 2004	Total
2007	$ 400,000	$ 300,000	$ 705,000	$ 425,000	$ 705,000	$2,535,000
2008	425,000	325,000	–	1,185,000	725,000	2,660,000
2009	450,000	325,000	–	1,230,000	745,000	2,750,000
2010	450,000	350,000	–	1,285,000	760,000	2,845,000
2011	450,000	375,000	–	2,225,000	–	3,050,000
2012-2014	1,650,000	1,225,000	–	–	–	2,875,000
Totals	$3,825,000	$2,900,000	$ 705,000	$6,350,000	$2,935,000	$16,715,000

Annual general obligation capital loan note maturities, are as follows for the notes dated July 1, 2005:

Year ending June 30	
2007	$ 620,000
2008	635,000
2009	655,000
2010	680,000
2011	700,000
2012-2015	2,910,000
Total	$6,200,000

Annual revenue obligation bond principal maturities, by issue and in total, are as follows:

Year ending June 30	Bond issue date December 1, 2002	April 1, 2004	April 1, 2004	Total
2007	$ 2,560,000	$1,140,000	$ 400,000	$ 4,100,000
2008	2,665,000	1,160,000	405,000	4,230,000
2009	2,725,000	1,190,000	460,000	4,375,000
2010	2,810,000	1,225,000	500,000	4,535,000
2011	2,910,000	1,265,000	555,000	4,730,000
Totals	$13,670,000	$5,980,000	$2,320,000	$21,970,000

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

a) 10% of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Capital Project Account.

NOTE 5 LONG-TERM LIABILITIES (continued)

b) All proceeds from the local option sales and services tax shall be place in a Revenue Account.

c) Monies in the Revenue Account shall disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

All District bond principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of general and revenue obligation bond and general obligation capital loan note debt service requirements to maturity as of June 30, 2006, is as follows:

	General Obligation Bonds			General Obligation Capital Loan Notes			Revenue Obligation Bonds		
	Annual principal and interest requirements			Annual principal and interest requirements			Annual principal and interest requirements		
Year ending June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2007	$ 2,535,000	$ 648,132	$ 3,183,132	$ 620,000	$ 212,660	$ 832,660	$ 4,100,000	$ 781,578	$ 4,881,578
2008	2,660,000	558,819	3,218,819	635,000	191,394	826,394	4,230,000	636,809	4,866,809
2009	2,750,000	462,540	3,212,540	655,000	169,614	824,614	4,375,000	483,085	4,858,085
2010	2,845,000	361,674	3,206,674	680,000	147,147	827,147	4,535,000	306,273	4,841,223
2011	3,050,000	255,944	3,305,944	700,000	123,823	823,823	4,730,000	104,184	4,834,184
2012-2015	2,875,000	259,600	3,134,600	2,910,000	247,989	3,157,989	–	–	–
Totals	$16,715,000	$2,546,709	$19,261,709	$6,200,000	$1,092,627	$7,292,627	$21,970,000	$3,237,668	$29,087,668

Principal payments on general obligation bonds and capital loan notes are due annually on June 1, and interest payments are due semiannually on June 1 and December 1. Principal payments on revenue bonds are due annually on July 1, and interest payments are due semiannually on January 1 and July 1.

The bond issues include provisions whereby the District has the option to call general obligation bonds for early redemption that mature after stated dates.

NOTE 6 DEFINED BENEFIT PENSION PLAN

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, 2006, 2005, and 2004. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2006, 2005 and 2004 were $1,743,031, $1,636,339 and $1,497,338, respectively, equal to the required contributions for each year.

NOTE 7 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 $1,873,011 for the year ended June 30, 2006 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 8 COMMITMENTS

The District entered into contract commitments with contractors for the completion of several construction projects. The total contract commitments are $4,947,864 of which $3,938,209 has been incurred as of June 30, 2006. The unpaid commitment balance is $1,009,655.

The District has entered into an agreement for the provision of transportation services to students for the years ended June 30, 2006 through 2008.

The total minimum commitment at June 30, 2006 is due as follows:

Year ending June 30,	
2007	$1,009,719
2008	1,037,991
Total	$2,047,710

$1,414,059 was incurred for the year ended June 30, 2006.

NOTE 9 FUND BALANCE RESERVES

The District fund balances have been reserved as follows:

General Fund	
Reserved for inventories	$ 195,789
Reserved for talented and gifted	239,055
Reserved for school improvement technology	144,573
Reserved for At-Risk	2,368,860
Reserved for instructional support levy	1,347,478
Reserved for Title I program	41,421
Reserved for early intervention state reading	276,931
Reserved from early intervention federal reading	39,615
Reserved for Title II program	97,744
Reserved for building budget	391,957
Reserved for transportation vehicles	804,200
Total	$5,947,623
Special Revenue Fund	
Reserved for employee benefits	$2,254,390
Debt Service Fund	
Reserved for debt service	$6,868,777
Capital Projects Fund	
Reserved for construction projects	$ 128,060
Local Option Sales and Services Tax Fund	
Reserved for construction projects	$7,439,674

NOTE 10 RISK MANAGEMENT

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 from independent third parties. 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.

NOTE 11 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

As of June 30, 2006, the Governmental Accounting Standards Board (GASB) has issued three statements not yet implemented by the District. The statements which might impact the District are as follows:

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the District beginning with its year ending June 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the District beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefit expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September, 2006, will be effective for the District beginning with its year ending June 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues.

The District's management has not yet determined the effect these statements will have on the District's financial statements.

The District adopted Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries,* Statement No. 44, *Economic Condition Reporting*, Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and Statement No. 47, *Accounting for Termination Benefits*, during the year ended June 30, 2006. Those statements had no significant impact on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Ankeny Community School District
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL—ALL GOVERNMENTAL AND PROPRIERTARY FUND
REQUIRED SUPPLEMENTAL INFORMATION
Year ended June 30, 2006

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Total Actual	Budgeted Amounts Original/ Final	Final Budget to Actual Variance Positive (Negative)
REVENUES					
Local	$34,877,625	$2,054,286	$36,931,911	$34,675,558	$ 2,256,353
Federal	887,107	354,143	1,241,250	789,000	452,250
State	27,255,269	20,602	27,275,871	27,871,547	(595,676)
Total revenues	63,020,001	2,429,031	65,449,032	63,336,105	2,112,927
EXPENDITURES					
Current					
Instruction	32,055,078	–	32,055,078	39,742,824	7,687,746
Support services	21,312,120	–	21,312,120	16,490,013	(4,822,107)
Noninstructional programs	1,488,544	2,377,459	3,866,003	5,548,855	1,682,852
Other	13,324,619	–	13,324,619	20,641,441	7,316,822
Total expenditures	68,180,361	2,377,459	70,557,820	82,423,133	11,865,313
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	(5,160,360)	51,572	(5,108,788)	(19,087,028)	13,978,240
OTHER FINANCING SOURCES, NET	7,744,314	–	7,744,314	–	7,744,314
NET CHANGE IN FUND BALANCE	$ 2,583,954	$ 51,572	$ 2,635,526	$(19,087,028)	$21,722,554

See accompanying independent auditor's report.

Ankeny Community School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION—BUDGETARY REPORTING
Year ended June 30, 2006

This budgetary comparison is presented as Required Supplementary Information in accordance with *Governmental Accounting Standard 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 which is consistent with generally accepted accounting principles. Encumbrances are not recognized and appropriations as adopted and amended lapse at year end.

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, noninstructional 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 that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, disbursements in the support services function exceeded the amount budgeted.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

Ankeny Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
Year ended June 30, 2006

REVENUES	
Local sources	
Local tax	
Property tax	$16,218,535
Utility tax replacement excise tax	332,862
Mobile home tax	35,403
	16,586,800
Other local sources	
Interest on investments	631,368
Tuition from other districts	952,104
Transportation fees	97,201
Miscellaneous	901,207
	2,581,880
	19,168,680
State appropriations	
State foundation aid	23,339,104
Instructional support state aid	244,429
Educational Excellence program	
Phase I	2,678
Phase II	540,033
Vocational education aid	42,757
Iowa Early Intervention Grant	386,399
Teacher induction allocation	806,037
Truancy Prevention Grant	20,821
AEA flow-through	1,873,011
	27,255,269
Federal appropriations	
Title I Grants to Local Educational Agencies	146,556
Safe and Drug-Free Schools and Communities—State grants	16,666
Federal Teacher Quality Program (Title II program)	97,132
Innovative Education Program Strategies (Title V program)	15,494
Innovative Education Program Strategies (Title VI program)	39,366
Vocational Education—Basic Grants to States	39,490
Community Reform Grant	45,000
Medicaid	169,709
Special Education—Grants to States	311,237
Harkin Grant	6,457
	887,107
Total revenues	47,311,056

See accompanying independent auditor's report.

Ankeny Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (continued)
GENERAL FUND
Year ended June 30, 2006

EXPENDITURES	
Instruction	
General education	
Salaries	$14,963,580
Benefits	5,324,936
Services	1,229,806
Supplies	673,804
Property	371,385
Other	13,935
	22,577,446
Special education	
Salaries	4,601,724
Benefits	1,136,741
Services	573,634
Supplies	49,656
Property	39,566
	6,401,321
Career education	
Salaries	300,950
Benefits	277,976
Services	279,278
Supplies	801,639
Property	194,717
Other	113,909
	1,968,469
Cocurricular education	
Salaries	643,836
Benefits	203,275
Services	104,989
Supplies	138,815
Property	16,927
	1,107,842
Support service programs	
Student services	
Salaries	1,253,366
Benefits	288,361
Services	1,420,524
Supplies	155,897
Property	515
	3,118,663
Media/instruction	
Salaries	1,426,759
Benefits	337,738
Services	465,153
Supplies	309,270
Property	847,136
Other	6,579
	3,392,635

See accompanying independent auditor's report.

Ankeny Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (continued)
GENERAL FUND
Year ended June 30, 2006

EXPENDITURES (continued)	
Support service programs (continued)	
General administration	
Salaries	$ 3,289,145
Benefits	859,394
Services	497,500
Supplies	183,926
Property	24,245
Other	55,949
	4,910,159
Central services	
Salaries	1,432,713
Benefits	559,750
Services	692,131
Supplies	1,430,142
Property	138,838
Other	983
	4,254,557
Other	
AEA flow-through	1,873,011
Noninstructional programs	
Salaries	102,028
Total expenditures	49,706,131
(Deficiency) of revenues under expenditures	(2,395,075)
OTHER FINANCING SOURCES	
Sale of assets	814,314
Operating transfers in	815,037
Total other financing sources	1,629,351
Excess of revenues and other financing sources over expenditures	(765,724)
FUND BALANCE—beginning of year	9,296,823
FUND BALANCE—end of year	$ 8,531,099

See accompanying independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

Ankeny Community School District
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2006

ASSETS	Capital Projects	Management	Student Activity	Total
Cash and cash equivalents	$ 156,648	$2,132,732	$ 716,567	$3,005,947
Receivables				
Property tax				
Succeeding year	–	1,595,644	–	1,595,644
Sundry receivables	–	–	16,345	16,345
Other	838	121,659	–	122,497
Total assets	$ 157,486	$3,850,035	$ 732,912	$4,740,433
LIABILITIES AND DISTRICT EQUITY				
Liabilities				
Accounts payable and accrued liabilities	$ 29,426	$ –	$ 47,837	$ 77,263
Deferred revenue—succeeding year property tax	–	1,595,645	–	1,595,645
Total liabilities	29,426	1,595,645	47,837	1,672,908
District equity				
Fund balance				
Reserved for employee benefits, insurance, retirement, tort liability, unemployment, and capital projects	128,060	2,254,390	–	2,382,450
Unreserved	–	–	685,075	685,075
Total fund balance	128,060	2,254,390	685,075	3,067,525
Total liabilities and District equity	$ 157,486	$3,850,035	$ 732,912	$4,740,433

See accompanying independent auditor's report.

Ankeny Community School District
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2006

	Capital Projects	Management	Student Activity	Total
REVENUES				
Local sources				
Local tax				
Property tax	$ –	$1,393,759	$ –	$1,393,759
Utility tax replacement excise tax	–	28,609	–	28,609
Mobile home tax	–	3,043	–	3,043
	–	1,425,411	–	1,425,411
Other local sources				
Interest	8,875	65,273	32,892	107,040
Other	–	7,610	3,000	10,610
Student activities	–	–	1,289,208	1,289,208
	8,875	72,883	1,325,100	1,406,858
Total revenues	8,875	1,498,294	1,325,100	2,832,269
EXPENDITURES				
Noninstructional programs				
Services	–	151,568	282,724	434,292
Supplies	–	–	823,566	823,566
Property	–	–	128,658	128,658
	–	151,568	1,234,948	1,386,516
Other				
Facilities acquisition				
Construction services	103,187	–	–	103,187
Total expenditures	103,187	151,568	1,234,948	1,489,703
Excess (deficiency) of revenues over (under) expenditures	(94,312)	1,346,726	90,152	1,342,566
OTHER FINANCING (USES)				
Operating transfers (out)	–	(819,037)	–	(819,037)
NET CHANGES IN FUND BALANCES	(94,312)	527,689	90,152	523,529
FUND BALANCE—beginning of year	222,372	1,726,701	594,923	2,543,996
FUND BALANCE—end of year	$ 128,060	$2,254,390	$ 685,075	$3,067,525

See accompanying independent auditor's report.

DEBT SERVICE FUND

Ankeny Community School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
Year ended June 30, 2006

REVENUES	
Local sources	
Local tax	
Property tax	$3,087,202
Utility tax replacement excise tax	58,916
Mobile home tax	6,266
	3,152,384
Other local sources	
Interest	63,751
Other	1,264
	65,015
Total revenues	3,217,399
EXPENDITURES	
Debt service	
Principal redemption	7,150,000
Coupon redemption and fees	1,882,037
Total expenditures	9,032,037
(Deficiency) of revenues (under) expenditures	(5,814,638)
OTHER FINANCING SOURCES	
Interfund transfers	7,106,663
Excess of revenues and other financing sources over expenditures	1,292,025
FUND BALANCE—beginning of year	5,576,752
FUND BALANCE—end of year	$6,868,777

See accompanying independent auditor's report.

AGENCY FUNDS

Ankeny Community School District
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2006

	Vending	Cafeteria	Total
BALANCE, beginning of year	$ 99,258	$ 130,706	$ 229,964
Additions			
Collections	181,258	–	181,258
Interest	3,685	3,438	7,123
	184,943	3,438	188,381
Deductions			
Miscellaneous	124,905	63,414	188,319
BALANCE, end of year	$ 159,296	$ 70,730	$ 230,026

See accompanying independent auditor's report.

Ankeny Community School District
SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS
Year ended June 30, 2006

Account	Balance beginning of year	Revenues	Expenditures	Balance end of year
District—wide	$ 127,523	$ 71,356	$ 49,745	$ 149,134
Senior High School	167,550	394,180	328,756	232,974
Northview Middle School	17,061	90,502	101,216	6,347
Parkview Middle School	106,273	85,493	87,470	104,296
East Elementary	9,751	41,213	31,086	19,878
Northwest Elementary	9,585	17,349	17,215	9,719
Southeast Elementary	15,926	18,058	19,485	14,499
Terrace Elementary	3,469	23,263	17,722	9,010
Westwood Elementary	9,123	36,278	29,316	16,085
Northeast Elementary	3,835	32,247	33,085	2,997
Crocker Elementary	2,758	29,757	21,722	10,793
Athletics	122,069	485,404	498,130	109,343
Totals	$ 594,923	$1,325,100	$1,234,948	$ 685,075

See accompanying independent auditor's report.

Ankeny Community School District
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
For the Last Four Years

	Year ended June 30			
	2006	**2005**	**2004**	**2003**
REVENUES				
Local sources				
Local taxes	$30,065,953	$28,318,302	$26,436,682	$24,997,947
Interest income	1,541,667	654,717	334,873	124,795
Other	3,270,005	2,989,482	5,168,364	2,684,494
State sources	27,255,269	24,777,864	23,354,544	22,808,857
Federal sources	887,107	820,386	474,578	534,548
Totals	$63,020,001	$57,560,751	$55,769,041	$51,150,641
EXPENDITURES				
Instruction				
Regular	$22,577,446	$23,095,940	$20,333,859	$18,649,743
Special	6,401,321	4,507,078	3,885,672	3,575,071
Vocational and other	3,076,311	1,585,385	1,445,464	1,589,342
Support services				
Pupil	3,118,663	2,795,127	2,333,612	2,544,736
Instructional staff	3,392,635	2,596,540	2,024,659	2,316,569
Administration	4,910,159	3,549,498	3,268,080	3,254,563
Operation and maintenance of plant services	4,254,557	4,476,949	4,068,655	3,891,169
Support services—other	9,890,663	3,888,892	3,222,165	2,717,427
Noninstructional programs	1,488,544	2,305,132	2,217,780	2,054,389
Other expenditures				
Capital outlay	38,025	4,500,988	15,620,458	6,629,738
Long-term debt				
Principal retirement	7,150,000	4,735,000	9,290,000	4,095,000
Interest	1,882,037	1,828,217	1,999,776	1,488,531
Totals	$68,180,361	$59,864,746	$69,710,180	$52,806,278

See accompanying independent auditor's report.

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION NOTES

The following statistical schedules recommended by the Governmental Accounting Standards Board and the Association of School Business Officials are not included for the reasons stated below:

A. The School District has no special assessments; therefore, a special assessment collection schedule is not presented.

Ankeny Community School District
GENERAL FUND DISBURSEMENTS, BY PROGRAM
Last ten fiscal years
(Unaudited)

Fiscal year ended June 30	General education	Career education	Special education	Skill education	Cocurricular education
2006	$22,577,446	$1,968,469	$6,401,321	__	$1,107,842
2005	23,095,940	912,444	4,507,078	__	672,941
2004	20,333,859	803,119	3,885,672	__	642,345
2003	18,649,743	815,629	3,757,264	__	591,520
2002	17,899,431	768,302	3,871,714	__	574,605
2001	16,494,978	723,310	3,283,873	__	558,326
2000	15,487,102	671,941	2,990,632	__	511,180
1999	14,550,406	642,340	2,653,199	__	522,999
1998	13,952,005	604,578	2,399,876	__	456,403
1997	14,037,710	596,074	2,119,830	__	459,936
1996	12,107,000	519,484	1,918,015	317,934	427,439

Skill development was reclassified to general education in 1997. Total costs excludes A.E.A. costs.

Student services	Media/ Instruction	General administration	Central services	Non-instructional programs	Debt service	Total
$3,118,663	$3,392,635	$4,910,159	$4,254,557	$102,028	__	$47,833,120
2,795,127	2,596,540	3,549,498	4,476,949	199,276	__	42,805,793
2,333,612	2,024,659	3,268,080	4,068,655	191,288	__	37,551,289
2,544,736	2,316,569	3,254,563	3,891,169	161,961	__	35,983,154
2,264,210	2,211,791	3,070,212	3,600,566	155,188	__	34,416,019
2,123,923	2,141,604	2,758,972	3,615,288	139,782	__	31,840,056
2,010,947	2,186,075	2,578,603	3,040,578	115,065	__	29,592,123
1,829,978	2,058,686	2,420,220	2,993,012	114,105	__	27,784,945
1,646,890	2,054,912	2,295,201	2,999,538	114,166	__	26,523,569
1,601,883	1,115,631	2,140,072	2,763,168	126,570	23,285	24,984,159
1,728,424	1,496,998	2,187,017	2,534,114	149,892	23,257	23,409,574

Ankeny Community School District
GENERAL FUND RECEIPTS, BY SOURCE
Last ten fiscal years
(Unaudited)

Fiscal year ended June 30	Local tax	Appropriations State	Appropriations Federal	Other Fund Revenues	Total
2006	$16,586,800	$25,382,258	$887,107	$2,581,880	$45,438,045
2005	16,626,276	23,067,764	547,042	2,172,442	42,413,524
2004	15,269,117	21,724,396	474,578	1,852,248	39,320,339
2003	14,368,847	21,154,968	534,548	1,401,714	37,460,077
2002	13,159,840	19,928,311	414,758	1,486,332	34,989,241
2001	12,055,780	19,480,420	673,287	1,546,255	33,755,742
2000	11,413,500	18,685,713	490,658	1,273,875	31,863,746
1999	10,515,097	16,773,065	252,007	1,223,700	28,763,869
1998	9,541,063	15,800,844	239,280	1,206,272	26,787,459
1997	8,629,847	15,347,959	160,302	895,980	25,034,088
1996	8,691,117	11,999,784	199,441	846,015	21,736,357

Total receipts excluded A.E.A. receipts.

Ankeny Community School District
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years
(Unaudited)

				Governmental
		Special revenue		
	General	Management	Schoolhouse ($0.675)	Physical plant and equipment
PROPERTY TAX LEVIES				
Levy year				
2005	$16,638,590	$1,430,049	--	2,538,675
2004	16,676,596	1,112,115	--	1,416,849
2003	14,858,113	870,376	--	1,265,264
2002	14,059,943	685,718	--	1,184,397
2001	13,153,952	651,549	--	1,140,489
2000	11,645,554	583,094	--	1,016,591
1999	10,998,709	492,836	--	889,452
1998	10,596,219	288,971	--	814,484
1997	9,537,660	273,222	--	738,358
1996	8,717,478	221,448	458,239	224,028
1995	8,675,310	156,195	423,319	206,956
PROPERTY TAX COLLECTIONS (INCLUDING DELINQUENTS)				
Fiscal year				
2005-06	$16,586,800	$1,422,368	--	$2,573,794
2004-05	16,216,278	1,081,329	--	1,379,793
2003-04	14,846,278	869,492	--	1,264,012
2002-03	13,964,530	680,941	--	1,198,720
2001-02	13,159,840	651,662	--	1,140,740
2000-01	12,055,780	603,519	--	996,459
1999-00	11,413,500	496,307	--	895,714
1998-99	10,515,097	289,068	--	814,759
1997-98	9,541,063	276,986	--	748,098
1996-97	8,629,847	221,155	457,637	223,732
1995-96	8,609,257	154,769	419,953	205,310
PERCENTAGE COLLECTED				
Fiscal year				
2005-06	99.69%	99.46%	--	101.38%
2004-05	97.24	97.23	--	97.38
2003-04	99.92	99.90	--	99.90
2002-03	99.32	99.30	--	101.21
2001-02	100.04	100.02	--	100.02
2000-01	103.52	103.50	--	98.02
1999-00	103.77	100.70	--	100.70
1998-99	99.23	100.03	--	100.03
1997-98	100.04	101.38	--	101.32
1996-97	98.99	99.87	99.87	99.87
1995-96	99.24	99.09	99.20	99.20

fund types

Debt service	Total
$3,202,501	$23,809,815
3,242,488	22,448,048
3,243,504	20,237,257
3,209,171	19,139,229
3,310,679	18,256,669
3,174,794	16,420,033
2,990,925	15,371,922
2,756,763	14,456,437
2,491,801	13,041,041
2,414,386	12,035,579
2,433,989	11,895,769

$3,152,384	$23,735,346
3,157,677	21,835,077
3,325,042	20,304,824
3,166,444	19,010,635
3,311,407	18,263,649
3,277,514	16,933,272
3,011,305	15,816,826
2,756,389	14,373,133
2,499,373	13,065,520
2,410,124	11,942,495
2,416,089	11,805,378

98.44%	99.69%
97.38	97.27
102.51	100.33
98.67	99.33
100.02	100.04
103.24	103.13
100.68	102.89
99.99	99.42
100.30	100.19
99.82	99.23
99.26	99.24

Ankeny Community School District
PROPERTY TAX RATES PER $1,000
ASSESSED VALUATION—ALL OVERLAPPING GOVERNMENTS
Last ten fiscal years
(Unaudited)

Fiscal Year	County Assessor	City of Ankeny	Polk County	Area XI Community College Fund	State	Ankeny Community School District	Total	Ratio of Ankeny Community School District to total
2005-06	$0.35437	$10.38956	$9.58881	$0.68408	$0.004	$16.70201	$37.72283	44.28%
2004-05	0.31745	10.35126	9.64715	0.59856	0.004	16.90251	37.82093	44.69
2003-04	0.31715	9.90126	9.44511	0.58184	0.004	17.10241	37.35177	45.79
2002-03	0.34363	9.90126	9.37854	0.54584	0.004	17.24845	37.42172	45.09
2001-02	0.31454	9.65126	8.39917	0.54506	0.005	17.09290	36.54793	46.77
2000-01	0.30594	9.52084	8.97280	0.52451	0.005	17.09029	36.41938	46.93
1999-00		9.65126	9.11536	0.47230	0.005	17.38533	36.62925	47.46
1998-99		9.90126	9.22055	0.50661	0.005	17.44987	37.08329	47.06
1997-98		10.20126	9.67195	0.48988	0.005	18.72181	39.08990	47.89
1996-97		10.25304	9.83982	0.48398	0.005	18.73037	39.31221	47.65
1995-96		9.67050	9.53630	0.50664	0.005	19.49511	39.21355	49.72

Ankeny Community School District
TAXABLE AND ASSESSED VALUE OF TAXABLE PROPERTY
Last ten fiscal years
(Unaudited)

		Real property		Utilities	
Valuation year	Collection year	Taxable value	100% value	Taxable value	100% value
2005	2005-06	$1,537,678,184	$2,778,505,205	$12,169,067	$12,169,067
2004	2004-05	1,480,938,309	2,494,286,179	10,744,675	10,744,675
2003	2003-04	1,266,411,402	2,177,202,273	9,731,708	9,731,708
2002	2002-03	1,149,825,987	1,877,404,167	11,898,903	11,898,903
2001	2001-02	1,078,330,641	1,755,207,265	10,801,381	10,801,381
2000	2000-01	1,013,647,140	1,539,375,860	9,465,826	9,465,826
1999	1999-00	932,876,632	1,435,438,115	9,970,189*	9,970,189
1998	1998-99	846,070,767	1,262,399,867	43,380,778	43,380,778
1997	1997-98	764,687,599	1,174,771,439	49,795,942	49,843,679
1996	1996-97	640,622,650	928,764,990	40,750,232	40,813,249
1995	1995-96	585,909,843	771,815,613	41,228,850	42,412,585

Total**		Ratio of taxable to assessed value
Taxable value	100% value	
$1,549,847,251	$2,790,674,272	55.54%
1,491,682,984	2,505,030,854	59.55
1,276,143,100	2,186,933,981	58.35
1,161,724,890	1,889,303,070	61.49
1,089,132,022	1,766,008,646	61.67
1,023,112,966	1,548,841,686	66.06
942,846,821	1,445,408,304	65.23
889,451,545	1,305,780,645	68.12
814,483,541	1,224,615,118	66.51
681,372,882	969,578,239	70.28
627,138,693	814,228,198	77.02

*Valuation Year 1999 – 2003 – Utilities without gas and electric
**Total has been reduced by the amount of Military Tax Credit

Ankeny Community School District
COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
Last ten fiscal years
(Unaudited)

Fiscal Year (of collection)	Population*	Assessed Property Value	Legal bonded debt limit	Bonded debt	Ratio of Bonded Debt to Assessed value	Bonded debt per capita
2005-06	36,161	$1,576,520,597	$78,826,030	$22,915,000	1.45%	$634
2004-05	27,117	1,520,164,796	76,008,240	21,595,000	1.42	796
2003-04	27,117	1,295,672,527	64,738,626	23,890,000	1.84	881
2002-03	27,117	1,184,397,022	59,219,851	26,065,000	2.20	961
2001-02	27,117	1,023,112,966	51,155,648	29,105,000	2.84	1,073
2000-01	27,117	1,023,112,966	51,155,648	31,685,000	3.10	1,168
1999-00	26,500	943,366,545	47,168,327	29,740,000	3.15	1,122
1998-99	24,500	879,218,541	43,960,927	31,195,000	3.55	1,273
1997-98	23,000	804,354,149	40,217,707	28,075,000	3.49	1,221
1996-97	21,485	736,643,506	36,832,175	24,390,000	3.31	1,135
1995-96	21,485	669,973,595	33,498,680	25,640,000	3.83	1,193
1994-95	21,485	753,411,009	37,670,550	26,120,000	3.47	1,216

*Population figures relate to census taken in 1990, 2000.
Population estimated in 1997 and 1998. Special Census was taken in 1996.
City of Ankeny estimated in 1998-01.
Special Census was taken in 2005.

Ankeny Community School District
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
Year ended June 30, 2006
(Unaudited)

Name of governmental unit	2005 Valuation	Total Outstanding debt June 30, 2006	Percentage Applicable to School District	School District's share of the Outstanding debt
Polk County	$16,558,531,887	$154,193,969	9.52%	$14,680,647
City of Ankeny	1,193,490,219	51,930,000	100.00	51,930,000
Des Moines Area Community College	28,839,152,844	50,885,000	5.47	2,781,678
Ankeny Community School District	1,576,520,597	22,915,000	100.00	22,915,000
Total direct and overlapping debt		$279,923,969		$92,307,325

Source: State Department of Management and State Treasurer

Ankeny Community School District
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Last ten fiscal years
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Services	Total General Expenditures	Ratio of Debt Service To Total Expenditures
2005-06	$3,270,000	$952,599	$4,222,599	$47,833,120	8.83%
2004-05	2,410,000	830,269	3,240,269	42,805,793	7.57
2003-04	2,295,000	1,024,354	3,319,354	37,551,289	8.84
2002-03	4,095,000	1,488,531	5,583,531	35,983,154	14.84
2001-02**	7,807,494	1,608,136	9,415,630	34,416,019	27.36
2000-01	2,020,128	1,801,297	3,821,425	31,840,056	12.00
1999-00	1,624,477	1,561,346	3,185,823	29,637,787	10.74
1998-99	1,380,000	1,377,390	2,757,390	27,784,945	9.92
1997-98	1,315,000	1,177,668	2,492,668	26,523,569	9.40
1996-97	1,250,000	1,250,689	2,500,689	24,984,132	10.01
1995-96	1,025,000	1,374,066	2,399,066	23,460,342	10.23

*Includes all General Fund expenditures except A.E.A. costs.
** FY02 included expenditures in debt service for refunded bonds.

DEMOGRAPHIC STATISTICS

Ankeny Community School District
GENERAL ANALYSIS OF FACILITIES AND ENROLLMENT
(Unaudited)

Name of School	Date Constructed	Grades Served	Enrollment
Elementary schools			
Crocker	2004, 2005	K-5	461
East	1963, 1966, 1994-95, 2005	K-5	325
Northwest	1963, 1965, 1981, 2002	K-5	434
Southeast	1968-69, 2003	K-5	493
Terrace	1971, 2002, 2005	K-5	503
Westwood	1988-89, 1991-92,2002	K-5	599
Northeast	1992-93, 1996-97, 2000	K-5	656
Parkview Middle School	1950-56, 1963, 1974, 1987 1991, 1993, 1999, 2005	6-7	1059
Northview Middle School	1996, 1999, 2001	8-9	987
Ankeny Senior High	1973-75, 1986, 1999, 2003, 2005	10-12	1,477
*Other		K-12	224.1
Less open enrollment out		K-12	(111.6)
Total enrollment			7,106.50
Recreation/Pool complex	1988-89, 2005	K-12, YMCA	
Other facilities—non-student occupancy			
Bus garage	1978, 2005	Transportation	
Administrative annex—Neveln	1967, 1986	Administration	
Storage building	1974	Maintenance	
Neveln	1921, 1971	Special Programs, YMCA Afternoon Connection, Community Program	

*Special education, tuitioned out, at-risk consortium, home school weighting

Ankeny Community School District
DISTRICT STAFFING LEVELS—F.T.E.'s*
(Unaudited)

	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97
Administration										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principal	10.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Assistant principal	8.0	8.0	8.0	8.0	8.0	6.0	5.0	4.0	4.0	4.0
All other administrators	7.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	5.0
Totals	27.0	28.0	27.0	27.0	27.0	24.0	23.0	22.0	22.0	20.0
Instructors										
Teachers	405.95	377.65	356.75	350.55	346.4	327.7	315.0	298.0	296.1	287.1
Curriculum specialist	0	0	0	0	.0	.0	.0	.0	1.0	1.0
Counselor	15.0	15.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0	12.0
Librarian	10.0	10.0	9.0	9.0	9.0	9.5	9.5	9.5	9.0	7.0
Totals	430.95	402.65	379.75	373.55	369.4	351.2	337.5	320.5	318.1	307.1
Support personnel										
Nurses	10.0	10.0	9.0	9.0	9.0	9.0	6.8	6.4	6.4	6.2
Office/clerical	34.0	36.0	35.0	35.0	35.0	29.0	33.9	29.0	28.0	27.0
Crafts and trades	15.5	16.0	15.0	5.0	15.0	15.0	11.0	10.0	9.0	8.0
Non-instruction	67.0	66.0	59.0	58.0	57.0	56.0	54.5	53.0	52.0	52.0
Instruction	177.0	167.0	159.0	153.0	152.0	149.0	112.2	105.0	92.0	83.0
Supervisors	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Totals	308.5	300	282	275.0	273.0	263.0	254.4	223.4	208.4	191.4
Total district staffing	766.45	730.65	688.75	675.55	669.4	638.2	623.5	582.9	549.9	530.5

*Does not include Food Service employees

Ankeny Community School District
MISCELLANEOUS DEMOGRAPHIC STATISTICS
(Unaudited)

The Ankeny Community School District is located in Crocker and a portion of Douglas Township, in the City of Ankeny, County of Polk, State of Iowa. The District encompasses an area of 52 square miles. The Ankeny Community School District is ranked 10th largest in total enrollment among 371 school districts in Iowa.

The Ankeny Community School District serves about 27,117 people living in and around the City of Ankeny.

Located just north of Des Moines, along Interstate 35, Ankeny is the home of Des Moines Area Community College and Faith Baptist Bible College. Saylorville Lake, on the District's western border, adds to local recreation opportunities which include golf, tennis, swimming, biking, hunting, boating, fishing, and a variety of other activities.

Proximity to Des Moines and Ames insures a wide variety of cultural and entertainment events, plus a choice of colleges which includes Iowa State University and Drake University.

The District owns and operates nine schools, a building for special programs, plus an Administrative Annex and a Transportation/Maintenance Complex.

Schools	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97
Crocker Elementary	K-5									
East Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Northwest Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Southeast Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Terrace Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Westwood Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Northeast Elementary	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-5	K-6	K-6
Parkview Middle School	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7	6-7
Northview Middle School	8-9	8-9	8-9	8-9	8-9	8-9	8-9	8-9	8-9	8-9
Ankeny High School	10-12	10-12	10-12	10-12	10-12	10-12	10-12	10-12	10-12	10-12

Consolidation came to Ankeny in 1919 at which time the oldest part of the present Neveln building was built. Several country schoolhouses were moved to the grounds to accommodate the increased enrollment.

There was no new construction until 1952 when the original part of the Parkview building was constructed. In 1957, the west wing was added and in 1964 an east wing was completed at which time Parkview became Ankeny High School.

In 1959, an addition consisting of offices, a small gym, and classrooms joined the two buildings on the corner of 3rd and School Streets.

As Ankeny grew from a small town to a suburb, the story of education has been one of increased enrollment and continuous building. Six buildings now house the kindergarten through sixth grade students. Northwest Elementary on West lst Street was the first building after the original Parkview building. It was completed in 1962 with an open house held on September 23. The next grade building was East Elementary, opened in 1963. The third building, Southeast Elementary on South Trilein, was occupied in 1969. Running out of points of the compass for designations, the fourth building on School Street was completed and opened in 1972 as Terrace Elementary.

Ankeny Community School District
MISCELLANEOUS DEMOGRAPHIC STATISTICS (continued)
(Unaudited)

Ankeny High School, Phase I, was opened in 1975-76 and fully completed for full occupancy for the 1976-77 school year. With the addition of the new high school, Parkview housed the 9th grade and the elementary overflow from Northwest Elementary.

During the summer of 1986, the District completed additions to the High School to accommodate the addition of the 9th grade. This allowed the District to remodel Parkview School during the school year to accommodate the 7th and 8th grades. The 7th and 8th grades occupied the Parkview facility at the start of the 1987 school year. The 5th and 6th grades occupied the remodeled south wing of Neveln. The District's administration moved into the north wing of Neveln, during the fall of 1987.

During the spring of 1988 the District started construction of Westwood Elementary School in the northwestern part of the city and a recreation/pool complex at the High School. Both projects were completed in the fall of 1989.

During fiscal 1991-92 the District completed construction on a $9.35 million facility expansion program. The construction program included a $1,034,000 addition to Westwood Elementary, $3,821,310 addition to Parkview Junior High and a new $4,495,700 Northeast Elementary School. The Westwood facility was finished for occupancy in fall of 1991 and Parkview and Northeast facilities ready for occupancy in the fall of 1992.

During fiscal 1995-96 the District completed a $10.5 million facility expansion program. The major portion of which was the construction of the $8.5 million Northview Middle School. This facility was opened in the fall of 1996.

During fiscal 1997-98 the District passed a $9.5 million bond referendum for additions to Parkview Middle School, Northview Middle School, and Ankeny High School. Work began during the fall and spring of the 1998-99 school year.

During fiscal 1998-99 the District completed work on an addition to Parkview Middle School and continued HVAC work at Ankeny High School. Bids were received and accepted for additions to Ankeny High School and Northview Middle School as part of the $9.5 million bond referendum previously passed. Work was completed during the spring and summer of 2000. This construction will allow these facilities to accommodate class sizes of 500.

During fiscal 1999-00 the District started work on a Local Option Sales Tax Building Plan. This is a 10-year building plan with an estimated cost of $50 million or $5.0 million per year. This construction will allow existing facilities and new facilities to accommodate classes sizes of 600.

During fiscal 2000-01 the following Local Option Sales Tax projects were started or near completing:

At the High School, the Local Option Sales Tax provided funding for interior painting, carpeting, lockers, new gymnasium bleachers, and new flooring in the main halls. Over the summer, the lockers were removed from the commons area so a new floor could be installed. The new lockers were installed before school started in August. It was the first time in 25 years the lockers had been replaced.

At Northview Middle School, the Local Option Sales Tax provided funding to expand the physical education locker rooms and lunchroom. The total cost of this project was approximately $537,000.

At Parkview Middle School, the Local Option Sales Tax funded new gymnasium bleachers that were installed during the summer.

Northwest Elementary School is being expanded to serve three sections per grade with Local Option Sales Tax monies. In addition, the building is being renovated to provide additional space for a new media center, computer labs, multi-purpose room, and an art room. Land for future school sites was also purchased using the Local Option Sales Tax. One site is located in the northern part of the District, and one site is in the southern part of the District. These sites will be used to handle growth in these areas.

Facility expansions at Westwood and Southeast Elementary Schools will also take place during fiscal year 2001-02, using Local Option Sales Tax funding.

During fiscal 2001-02 the following Local Option Sales Tax projects were completed:

Final retainage for boys and girls locker room addition at the Northview middle school was completed in fall of 2001. Total cost of project was $549,873.

The High School update project was completed in Fall of 2001 at cost of $152,764. This project was started in the fall of 2000 and included new flooring and painting updates to the building. New student lockers were also a part of this project.

The Northeast Elementary addition was completed at a cost of $3,580,715. This project added 18 classrooms, media center computer lab and special education area and the music area extended.

The Westwood Elementary addition was completed at a cost of $1,752,887. This project added 6 classrooms, computer lab and remodeled the existing computer lab, music areas and building office area.

The Northwest Elementary addition was completed at a cost of $3,929,375. This project added 6 classrooms, new gymnasium, media center, computer lab, music and art areas, and building offices. Some existing space was converted to include 6 additional classrooms.

The Southeast Elementary building remodel was begun. The estimated budget for this project is $4,522,373. This project will add 7 classrooms, new media center, new gymnasium, and special areas.

The Neveln Boiler project was completed at a cost of $70,255. This project replaced the original 1910 boiler with a new boiler. The Electrical update projects was partially completed.

During fiscal 2002-03 the following Local Option Sales Tax projects were completed:

The Northeast Elementary addition final punch list was completed. An additional $44,478 was expended bringing the 3 year project total to $3,625,193.

The Westwood Elementary addition final punch list was completed. An additional $419,802 was expended bringing the 3-year total cost to $2,172,688.

The Northwest Elementary addition final punch list was completed. An additional $747,430 was expended bringing the 3-Year total cost to $4,676,805.

The Southeast Elementary building remodel was almost finished with project expenses to date of $4,484,327. There was a large final punch list to be completed in FY04

The Neveln Electrical update project was completed. An additional $151,804 was expended bring the project total to $286,612.

The new Crocker Elementary facility was start in the spring of FY2003 with a total expenditure of $1,789,426 being made in this fiscal year. The District also purchased land for an additional elementary in southeast part of the District.

During fiscal 2003-04 the following Local Option Sales Tax projects were completed:

Northeast Elementary addition final punch list was completed. An additional $22,272 was expended bringing the 4 year project total to $3,647,465.

Westwood Elementary addition final punch list was completed. An additional $31,572 was expended bringing the 4-year total cost to $2,204,261.

Northwest Elementary addition final punch list was completed. An additional $25,272 was expended bringing the 4-Year total cost to $4,702,077.

Southeast Elementary addition and final punch list was completed. An additional $653,381 was expended bringing the 3-Year total cost to $5,137,707.

Crocker Elementary facility was almost complete except for final punch list. An additional $6,660,385 was expended bringing the 2-Year total cost to $8,660,385.

High School / YMCA project was down to the final 20% of completion in the summer of 2004. An additional $3,376,312 was expended bringing the 2-Year total cost to $3,547,855.

Terrace Elementary facility received $34,556 in remodeling update from the projects fund

The District also spent $3,672,154 acquiring building sites for future growth and $63,065 to connect Crocker Elementary to the existing fiber network.

During fiscal 2004-05 the following Local Option Sales Tax projects were completed:

Crocker Elementary addition was completed with a final payment of $1,481,316. This payment brought the final project total to $9,563,288.

High School / YMCA project was completed to the retainage with payment totaling $1,167,729, bring the project total to $4,706,960.

Land purchases at the High School site were completed with the payment of $1,290,785. An additional three sites totaling 110 acres were purchased for $3,684,209

During fiscal 2005-06 the following PPEL Local Option Sales Tax projects were completed:

Parkview Middle School and Crocker Elementary additions were completed with payment totaling $2,492,266 and $2,118,684 respectively. The District was also in the process of closing on two school sites, which carried into the next fiscal year.

The District is large enough to provide a full curriculum yet small enough to offer personal touches. Some examples are: buddy systems for kindergartners in their first few days of school, teacher contacts with parents, new family orientations, student orientations whenever they change facilities, and many others.

Ankeny takes a strong stand on attendance and discipline. The attendance policy and the in-school suspension programs in the secondary schools exemplify these concerns.

Each building has a new or updated media center; carpeted classrooms; well-equipped, and safe playgrounds.

The Ankeny Community School District has an ongoing curriculum review and update program. There are standing committees (grades K-12) in each area to ensure curriculum coordination and articulation. Yearly in-service time updates the staff. A seven-year curriculum rotation plan guarantees each area is studied in depth during the summer workshop. All schools in the District are NCA accredited.

These efforts result in a well-rounded, organized program of studies emphasizing the mastery of basic skills. Typically Ankeny students perform above grade level on standardized achievement tests.

STUDENT POPULATION

The school enrollment in September 2005 was 7,106.5 students: 1,477(10-12) senior high students, 987 (8-9) middle school, 1059 (6-7) middle school students, 3,471 elementary students. Prior to this year, the District's enrollment reached its previous peak enrollment of 4,319 in 1978-79. The District's enrollment dropped to a low of 3,896 in 1984-85 and has continued to grow each year since to the current 7,106.5.

The District contracts out the student transportation services to Durham School Services. Student lunches and breakfasts are prepared at two central locations and are trucked to the attendance centers for distribution. The Food Service Program prepared 583,707 student lunches and 33,862 breakfasts during the 2005-06 school year.

Ankeny Community School District
MISCELLANEOUS DEMOGRAPHIC STATISTICS (continued)
(Unaudited)

STATISTICAL REVIEW

Area: 52 square miles

Recreational facilities:

Number of facilities in city or within 10 miles:
16+ public golf courses
19+ public tennis courts
16 public parks
3 public swimming pools

Number of country clubs available—2
Public access to lake or river—yes
Activities allowed—swimming, water skiing, fishing, and motor boating

Remarks: Saylorville and Big Creek reservoirs offer many water sport activities

Location: Distance in miles from center of the City of Ankeny.

Atlanta	875	Detroit	579	Minneapolis	247
Chicago	332	Houston	910	New Orleans	983
Cleveland	657	Kansas City	200	New York	1,114
Denver	674	Los Angeles	1,732	Omaha	137
Des Moines	13	Milwaukee	356	St. Louis	338

Churches: 25 (24 Protestant, 1 Catholic)

Public Library: City of Ankeny library contains over 60,690 volumes

Newspapers: One weekly, one daily in Des Moines metropolitan area

Education: Seven public schools in Des Moines Metro area. Number of pupils in Ankeny Community Schools, 6,694, number of teachers, 402.65 (full-time equivalent).

Climate: Average winter temperature, 20.8 degrees
Average summer temperature, 71.8 degrees
Average annual rainfall, 33.4 inches
Average annual snowfall, 30.8 inches

Health Facilities: Number of hospitals serving the county: 9
Total number of beds: 2,614
Drive time to nearest facility: 10 minutes

Municipal Services: Council/City Manager; volunteer fire department; full-time police force; industrial waste and garbage collection is contracted out.

Ankeny Community School District
TOP PRINCIPAL TAXPAYERS IN THE DISTRICT
June 30, 2006
(Unaudited)

Name of Taxpayer	2005 taxable value	Percentage of 2004 District's taxable value
John Deere Des Moines Works	$25,866,070	1.64%
Tone Brothers	22,632,000	1.44
Casey's General Store	16,519,820	1.05
Perishable Distributors of Iowa, Ltd.	15,595,390	0.99
Wal-Mart Real Estate	14,536,510	0.92
Karl Chevrolet	12,399,810	0.79
Target Corp.	12,196,550	0.77
Menards, Inc	11,373,340	0.72
Dennis L. Elwell	9,079,070	0.58
Signature Properties LLC	8,672,240	0.55

District Assessed Value with Gas and Electric = $ 1,576,520,597

Note: This list represents some of the top taxpayers in this jurisdiction, not necessarily the Top Ten Taxpayers. The source of the this information is the Polk County Auditors Office.

MISCELLANEOUS

Ankeny Community School District
MAJOR EMPLOYERS IN THE DISTRICT
June 30, 2006
(Unaudited)

Employer	Business/Service	Number of Employees	Union
John Deere Des Moines Works	Farm implements	1,250	UAW/IAM
Ankeny Community School District	Primary and secondary education	875	ISEA/PPME
Des Moines Area Community College	Post secondary education	700	ISEA
Casey's General Stores	Distribution center for Casey's General Stores	526	Teamsters
Tone Brothers, Inc.	Manufacturer of spices	500	Teamsters
Perishable Distributors of Iowa, Ltd.	Distribution center for frozen foods	465	None
Wal-Mart	Wholesale/retail outlet	175	None
City of Ankeny	City Services	154	Teamsters
Snyder & Associates	Engineering and surveying	140	None
Mrs. Clark's Foods	Mfg. and distributor of salad dressings and juices	140	None
Praxair	Mfg. gases, welding equipment	133	None
On With Life	Head injury rehabilitation facility	122	None
Techniplas	Custom injection mold plastics	80	None
Younkers Distribution Center	Distribution center for retail department store	56	Teamsters

Ankeny Community School District
ENROLLMENT BY GRADE
Last ten fiscal years
(Unaudited)

	05-06	04-05	03-04	02-03	01-02	00-01	99-00	98-99	97-98	96-97
Preschool/ Handicapped	16	18	19	14	16	8	11	12	10	18
Developmental Kindergarten	0	0	0	16	15	17	20	17	19	33
Kindergarten	583	571	522	506	493	455	455	415	401	371
First	602	558	533	510	459	466	434	408	373	411
Second	596	541	528	486	467	445	425	402	431	403
Third	573	542	495	482	462	439	414	444	419	407
Fourth	569	506	501	466	447	433	463	438	415	365
Fifth	532	524	483	466	444	474	455	429	374	374
Elementary Total	3,471	3,260	3081	2,946	2,803	2,737	2,677	2,565	2,442	2,382
Sixth	545	495	475	454	483	468	437	412	404	412
Seventh	514	486	468	496	468	449	395	418	438	385
Eighth	495	473	499	488	468	392	417	443	392	421
Ninth	492	506	480	472	395	416	449	402	436	411
Middle School Total	2,046	1,960	1,922	1,910	1,814	1,725	1,698	1,675	1,670	1,629
Tenth	494	499	473	401	415	445	413	428	399	380
Eleventh	514	470	401	413	433	403	404	399	382	391
Twelfth	469	380	399	403	389	392	397	374	395	336
High School Total	1,477	1,349	1,273	1,217	1,237	1,240	1,214	1,201	1,176	1,107
Special education	–	–	–	–	–	–	–	–	–	–
Home schooled	–	–	–	–	–	–	–	–	–	–
*Other (net)	112.5	125.5	170.13	148.2	144	126.4	162.1	127.4	128.9	133
Totals	7,106.50	6,694.50	6,446.13	6,221.20	5,998.0	5,828.4	5,751.1	5,568.4	5,416.9	5,251.0

*Open enrollment tuitioned in, open enrollment tuitioned out, alternative programs

Ankeny Community School District
OPERATING COST PER PUPIL
Last ten fiscal years
(Unaudited)

Fiscal year	Total costs*	Average daily attendance	Operating cost per pupil
2005-06	$47,833,120	6,672	$7,169.00
2004-05	42,805,793	6,392	6,697.00
2003-04	37,551,289	5,992	6,267.00
2002-03	35,983,154	5,853	6,148.00
2001-02	34,416,019	5,616	6,128.00
2000-01	31,840,056	5,481	5,809.00
1999-00	29,637,787	5,421	5,467.22
1998-99	27,784,945	5,212	5,330.96
1997-98	26,523,569	5,060	5,241.81
1996-97	24,984,132	4,936	5,061.62
1995-96	23,409,574	4,865	4,811.83
1994-95	21,430,968	4,619	4,639.74

*Excludes A.E.A costs

Ankeny Community School District
SCHEDULE OF INSURANCE COVERAGE
June 30, 2005
(Unaudited)

Detail of coverage	Carrier/ policy number	Policy period From	Policy period Through
PROPERTY Coverage A—buildings Coverage B—personal property School floater endorsement	Employers 8X6894706	07/01/05	7/01/06
LIABILITY Premises, contractual, personal injury, teachers liability, nurses professional liability, garage keepers, employee benefit, additional insureds	Employers 8A6894706	07/01/05	7/01/06
FLEET Bodily injury, property damage, medical, uninsured motorist, comprehensive, collision. Includes nonowned.	Employers 8E6894706	07/01/05	7/01/06
WORKERS' COMPENSATION	Employers 8H6894706	07/01/05	7/01/06
COMMERCIAL UMBRELLA (EXCESS LIABILITY)	Employers 8J6894706	07/01/05	7/01/06
GROUP EXCESS LIABILITY INSURANCE	Employers 8Y6894706	07/01/05	7/01/06
SCHOOL ADMINISTRATION ERROR AND OMISSION LIABILITY PROJECTION Includes prior acts, 36-month discovery period extension, teacher negotiation—covers school board and all employees	Employers 8K6894706	07/01/05	7/01/06
INLAND MARINE Earthquake Coverage Builders Risk	Employers 8M6894706	07/01/05	7/01/06
PUBLIC SCHOOL EMPLOYEES BLANKET BOND		07/01/05	07/01/06
COMMERCIAL CRIME	Employers 8F6894706	07/01/05	7/01/06
POLLUTION LIABILITY	Employers 8P6894706	07/01/05	7/01/06

Liability limits	Annual premium
Coverage 90% of full replace. Cost as per statement of values—deductible $1,000.	$ 163,049
$1,000,000 bodily injury each occurrence, $2,000,000 aggregate, $1,000,000 property damage each occurrence, $1,000,000 aggregate teachers included	34,289
$1,000,000 single limit liability, $5,000 medical payment, ACV comprehensive; $0; Collision $250 deductible and; uninsured and underinsured motorist $50,000	19,902
Statutory	167,011
$5,000,000 occurrence and aggregate—$10,000 retained limit.	24,877
$25,000,000 occurrence and $50,000,000 group aggregate—IASB Group	8,547
$5,000 deductible, $1,000,000 each loss, $1,000,000 aggregate	7,138
$50,000 deductible; $10,000,000	4,033
Dishonesty Coverage $500,000; $10,000 deductible. $250 deductible & $10,000 Limit forgery or alteration.	-
Coverage Form C—individual premise limits for nine different sites.	2,552
Coverage $500,000. $250 deductible.	1,125
Total	**$432,523**

COMPLIANCE SECTION

Ankeny Community School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2006

Grantor/Program	CFDA number	Grant number	Expenditures
Indirect			
U.S. Department of Agriculture			
Iowa Department of Education			
Food Distribution (non-cash)	10.550	FY06	$ 67,908
School Nutrition Cluster Programs			
School Breakfast Program	10.553	FY06	20,076
National School Lunch Program	10.555	FY06	266,159
Total School Nutrition Cluster			286,235
Total Department of Agriculture			354,143
U.S. Department of Education			
Iowa Department of Education			
Title I Grants to Local Educational Agencies	84.010	FY06	146,556
Improving Teacher Quality Stock Grants	84.367	FY06	97,132
State Grants for Innovative Programs	84.298	FY06	15,494
Safe and Drug-Free Schools and Community - State Grants	84.186	FY06	16,666
Comprehensive School Reform Demonstration	84.332	FY06	45,000
Improve Academic Achievement (Title VI)	84.369	FY06	39,366
Special Education - Grants to States	84.027	FY06	311,237
State Childrens Insurance Program	93.767	FY06	169,709
Harkin Grant		FY06	6,457
Ankeny Area Education Agency			
Vocational Education - Basic Grants to States	84.048	FY06	39,490
Total Department of Education			887,107
Total			$1,241,250

Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Ankeny 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 basic financial statements.

See accompanying independent auditor's report.

DENMAN
& Company, LLP
Certified Public Accountants and Business Consultants

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
Ankeny Community School District
Ankeny, 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 Ankeny Community School District as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated September 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ankeny Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ankeny Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that are described in Part IV of the accompanying schedule of findings.

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Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2006 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.

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

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
September 13, 2006

DENMAN
& Company, LLP
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education of
Ankeny Community School District
Ankeny, Iowa

Compliance

We have audited the compliance of Ankeny 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 its major federal program for the year ended June 30, 2006. Ankeny Community School District's major federal program is identified in Part I of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of Ankeny Community School District's management. Our responsibility is to express an opinion on Ankeny Community School District's compliance based on our audit.

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

In our opinion, Ankeny Community School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

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Internal Control Over Compliance

The management of Ankeny Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements 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 the 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 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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 the 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 Ankeny Community School District and other parties to whom Ankeny 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.

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
September 13, 2006

Ankeny Community School District
SCHEDULE OF FINDINGS
Year ended June 30, 2006

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 the major program was disclosed by the audit of the financial statements.

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

(f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(g) Major program was as follows:

CFDA Number 84.027 - Special Education - Grants to States

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

(i) Ankeny Community School District qualified as a low-risk auditee.

Part II—Findings Related to the General Purpose Financial Statements

NONE

Part III—Findings and Questioned Costs for Federal Awards

NONE

Part IV—Other Findings Related to Required Statutory Reporting

IV-A-06 CERTIFIED BUDGET

Expenditures during the year ended June 30, 2006 exceeded the amount budgeted in the support services function. Chapter 24.9 of the Code of Iowa states, in part, that public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation

The amendment to the budget should have been in an amount adequate so that expenditures do not exceed budget in any of the functions.

Response

We will review the budget activity more closely in the future to be sure that the amendments are adequate.

Conclusion

Response accepted.

IV-B-06 QUESTIONABLE EXPENDITURES

No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-06 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.

IV-D-06 BUSINESS TRANSACTIONS

No business transactions between the District and District officials or employees were noted.

IV-E-06 BOND COVERAGE

Surety bond coverage of District officials and employees is in accordance with statutory provisions.

IV-F-06 BOARD MINUTES

No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-06 CERTIFIED ENROLLMENT

No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-06 DEPOSITS AND INVESTMENTS

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

IV-I-06 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.