



# Comprehensive Annual

## FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007**

**OFFICIAL ISSUING REPORT**

**Dr. Craig Hansel, R.S.B.A., Executive Director of Business Services/Board  
Secretary**

**OFFICE ISSUING REPORT**

**Business Office**

## **INTRODUCTORY SECTION**





**Ankeny Community School District  
C O N T E N T S**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Table of contents	i-ii
Letter of transmittal	iii-x
List of principal officials:	
Board of education	xi
District administration	xii
Organizational chart	xiii
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-2
Management's discussion and analysis	3-9
 <b>Basic Financial Statements</b>	
<b>Government-wide financial statements</b>	
Statement of net assets	11
Statement of activities	12-13
<b>Governmental fund financial statements</b>	
Balance sheet – governmental funds	14
Reconciliation of the balance sheet – governmental funds to the statement of net assets	15
Statement of revenues, expenditures and changes in fund balances – governmental funds	16
Reconciliation of the statement of revenues, expenditures and changes in fund balances – governmental funds to the statement of activities	17
<b>Enterprise fund financial statements</b>	
Statement of net assets – proprietary fund	18
Statement of revenues, expenses and changes in fund net assets – proprietary fund	19
Statement of cash flows – proprietary fund	20
<b>Agency funds financial statements</b>	
Statement of fiduciary assets and liabilities	21
Notes to financial statements	22-33
 <b>Required Supplementary Information</b>	
Budgetary comparison schedule of receipts, disbursements and changes in fund balances budget to actual (cash basis) – all governmental funds and proprietary fund	35
Notes to required supplementary information – budgetary reporting	36
 <b>Other Supplementary Information</b>	
<b>General fund</b>	
Statement of revenues, expenditures and changes in fund balance	39-41
<b>Nonmajor governmental funds</b>	
Combining balance sheet	43
Combining statement of revenues, expenditures and changes in fund balances	44
<b>Debt service fund</b>	
Statement of revenues, expenditures and changes in fund balance	46
<b>Agency fund</b>	
Statement of changes in assets and liabilities	48
Schedule of changes in student activity accounts	49-52
Schedule of changes in agency fund – district	53-54
Schedule of revenues by source and expenditures by function	55

**Ankeny Community School District  
C O N T E N T S (continued)**

	<u>Page</u>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Statistical section notes	56
General fund disbursements, by program	57-58
General fund receipts, by source	59
Property tax levies and collections	60-61
Property tax rates per \$1,000 assessed valuation – direct and overlapping governments	62
Assessed and estimated actual value of taxable property	63-64
Comparative ratio of general bonded debt to assessed values and bonded debt per capita	65
Computation of overlapping and direct debt	66
Ratio of annual debt service expenditures for general bonded debt to total general expenditures	67
Demographic statistics	
General analysis of facilities and enrollment	69
District staffing levels	70
Miscellaneous information and demographic statistics	71-76
Ten principal taxpayers in the district	77
Miscellaneous	
Major employers in the district	79
Enrollment by grade	80
Operating cost per pupil	81
Schedule of insurance coverage	82-84
<b>COMPLIANCE SECTION</b>	
Schedule of expenditures of federal awards	86
Independent auditor's report on compliance and on internal control over financial reporting	87-88
Independent auditor's report on compliance with requirements applicable to each major program and the internal control over compliance	89-90
Schedule of findings	91-93



# ANKENY COMMUNITY SCHOOL DISTRICT

EXCELLENCE IN EDUCATION!

December 17, 2007

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, 2007 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 Government 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 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 1992, and the U. S. Office of Management and Budget, Circular A-133. Audits of State, Local Governments, and Non-profit Organizations. Information related to this single audit, including the schedules of state and federal assistance, 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 Baldrige 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 7,355 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 INITIATIVES FOR THE YEAR AND FOR THE FUTURE

The 2006-2007 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 37 new Teachers filling new positions and 48 additional new staff replacing retiring teachers, filling vacancies.
- **Capital Improvement-** The District experienced a facelift at many other sites: Started construction of new elementary #8 and geothermal heating & cooling upgrade at Terrace Elementary School. Completed additions at Crocker Elementary, Parkview Middle School, High School parking lot expansion, High School running track replacement, Northview tennis courts, East Elementary front entrance remodel & outside door replacement, Terrace Elementary classroom windows and door replacements, Westwood brick replacement phase III, and District Office remodel.
- **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 345.5 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 FY07 the Activities Program received the following recognitions:
  - Boys Soccer State Championship
  - Girls Golf State Runner-up
  - Girls Swim Relay State Championship
  - Nationally Ranked Boys Soccer Team
  - Individual State Championships: Jaryn Studer – 200 IM and 100 yd breaststroke
  - CIML Central Conference Championships: boys basketball, boys cross country, girls swimming, boys tennis, boys soccer, and girls golf
  - 86 - All conference athletes
  - 26 - 1<sup>st</sup> Team or conference champions
  - 6 - 1<sup>st</sup> Team All-State Athletes

- 14 - State Tournament Appearances: football, boys golf, girls swimming, girls cross country, volleyball, boys cross country, wrestling (individual), boys swimming, boys basketball, boys track, girls track, boys soccer, boys tennis, girls golf
- 5 - Top Ten finishes: girls swimming (3<sup>rd</sup>), boys golf (4<sup>th</sup>), boys cross country (8<sup>th</sup>), football (quarterfinalist), boys soccer (1<sup>st</sup>)
- 32 - Musicians received All-State recognition
- 17 - Individuals or Groups received Division I ratings in speech
- 3 - 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 2006-07 school year, 308 students who took the exam (80.84%) obtained a score of 20 or higher.
- **Average Daily Attendance** – Ankeny's K-8 average daily attendance rate for the 2006-2007 school year was 96.5%. This compares to 96.6% in 2005-2006. The state average daily attendance rate goal was 95.8%
- **Dropout Rates** - Of the 2,964 students in grades seven through twelve, 5 students dropped out during the 2006-2007 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 (2006-2007) 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 2007 was 98.34% compared to the state graduation rate goal of 90.3%. Ankeny's graduation rate continues to be above the state average.
- **Post Graduation Intentions for 2007 Graduates**
  - **Total Number of Seniors: 465**
    - Attend a four-year private college/university 42 students
    - Attend a four-year college 190 students
    - Attend a two-year college/training program 140 students
    - Total pursuing post-secondary education 372 students
    - Enter the military 6 students
    - Start full-time employment 81 students
    - Unknown 6 students

The Ankeny Community School District will continue to work toward two Early Intervention Goals it started during the 2006-2007 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 assessments to guide instruction. The progress toward each goal is chronicled in the District's Annual Report on the web.

## 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 has been in a banking services agreement with Valley Bank which will be extended an additional year in 2007-2008. 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. Interest revenue of \$743,384 was earned on General Fund investments for the year ended June 30, 2007. This represents an increase of \$112,016 or 17.74% over fiscal year 2006 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 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 Brian Whalen, Business Office 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. Veronica Stalker, Interim 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 financial health.

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.ankenyschools.org>.

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,



Dr. Craig Hansel  
Executive Director of Business  
Services, Board Treasurer



Dr. Matthew Wendt  
Superintendent of Schools

# Ankeny Community Schools Board of Education



		<u>Term Expires</u>
<b>Before September 2006 election:</b>		
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
<b>After September 2006 election:</b>		
Denny Presnall	President	September, 2009
Trent Murphy	Vice-President	September, 2008
Andrew Martin	Member	September, 2007
Randy McMahill	Member	September, 2009
Paula Pearson	Member	September, 2008
Leslie Petersen	Member	September, 2008
George Tracy	Member	September, 2009

## ***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](http://www.ankeny.k12.ia.us)

## **District Administration**

### Year Ended June 30, 2007

**Interim Superintendent of Schools**  
Dr. Veronica Stalker

**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. Kim Neal

**Director of Community Education**  
Mr. Kevin Koester



**Building Administration Year Ended June 30, 2007**

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

**Principal**  
Ms. Brenda Colby

**Associate Principal**  
Dr. Jennifer Lindaman

**Assistant Principal**  
Ms. Patricia Hoffman

**Assistant 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

**Associate Principal**  
Mr. Mike Boyle

**Assistant Principal**  
Mr. Daniel Meyer

**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

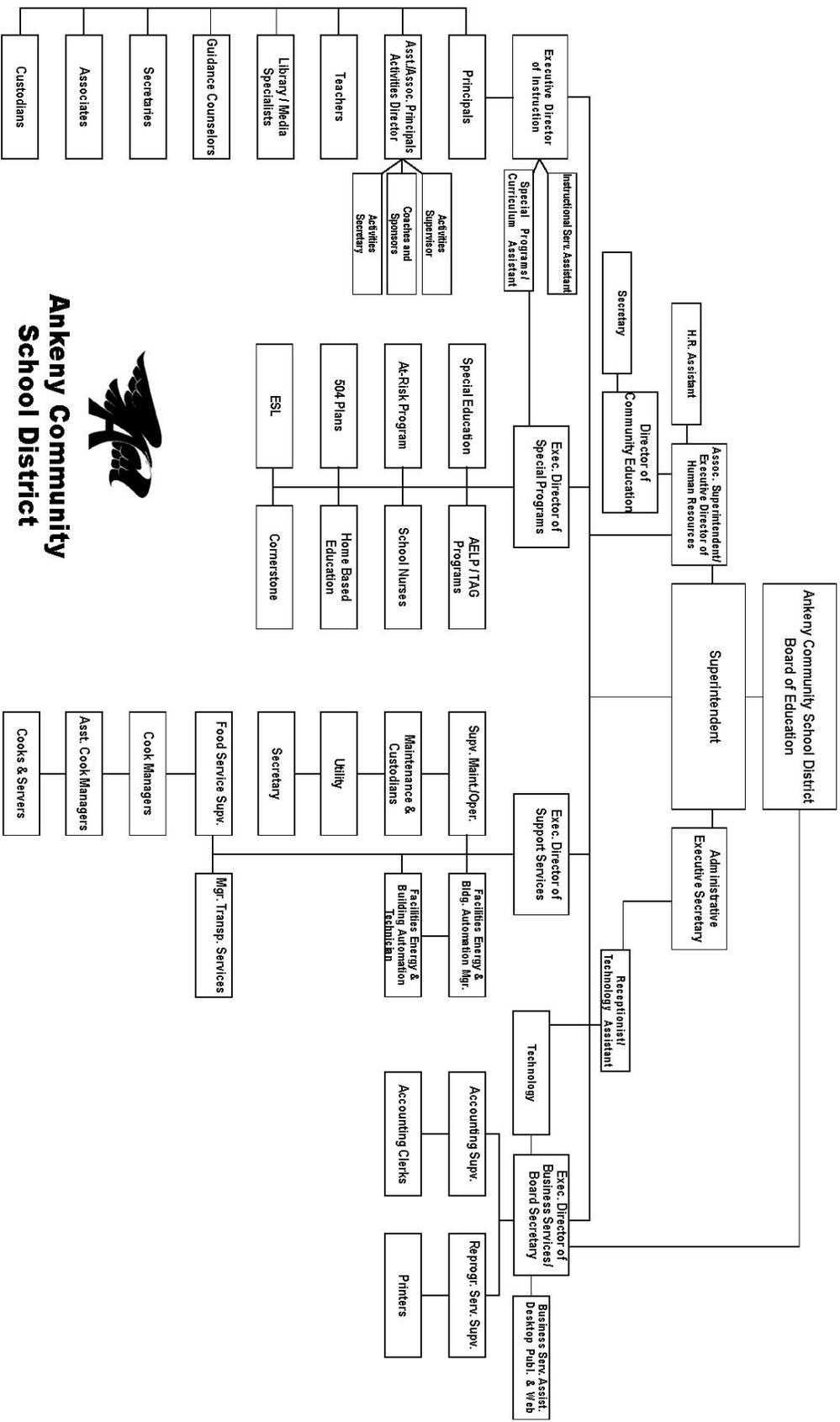
**Terrace Elementary School**  
310 NW School Street  
(515) 965-9670

**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**  
**Personnel Organization**

Revised 6/2005  
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**Ankeny Community School District**

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*Providing  
Excellence  
in Education*

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

## **FINANCIAL SECTION**



## 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, 2007, 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, 2007, 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 December 10, 2007 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.

Management's Discussion and Analysis and budgetary comparison information on pages 3 through 9 and 36 through 37 are not required parts of the basic financial statements, but are supplementary information required by accounting principals generally accepted in the United States of America. 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, 2006 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included on pages 40 through 56 and page 87, 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

West Des Moines, Iowa  
December 10, 2007

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

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, 2007. 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 \$9,186,525 and \$7,440,828 during the years ended June 30, 2007 and 2006, respectively.
- Total revenues for the fiscal year ended June 30, 2007 and 2006 of \$74,478,666 and \$65,896,165 were comprised of General Revenues in the amount of \$62,899,730 and \$56,603,756 and Program Revenues totaling \$11,578,936 and \$9,292,409.
- As of June 30, 2007 the District's governmental funds reported combined ending fund balances of \$51,551,503 an increase of \$23,294,329, in comparison with the prior year. Of the total combined fund balance, \$2,762,173 represents unreserved undesignated fund balances.
- As of June 30, 2007, unreserved undesignated fund balance of the General Fund was \$1,678,885 or 3.1% of total General Fund revenues and \$2,583,476 or 5.5% for 2006.
- The District's general obligation bonded debt increased by \$22,855,000 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.

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

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

**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 eight 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, Capital Projects Fund, Physical Plant and Equipment Fund, Debt Service Fund, and Local Option School Sales and Services 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 this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial 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 34 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 36 through 37 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 40 through 49 of this report.

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

**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 \$56,730,094 to \$64,680,594.

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 \$39,128,752 for 2007 and \$29,610,832 for 2006. 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, 2007 and 2006.

**Table 1 - Total net assets**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total District</u>		<u>Total Change June 30, 2006-2007</u>
	<u>June 30</u>		<u>June 30</u>		<u>June 30</u>		
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<b>ASSETS</b>							
Current assets	\$ 89,934,676	\$ 62,078,238	\$ 888,462	\$772,540	\$90,823,128	\$62,850,778	44.50%
Noncurrent assets	<u>77,501,614</u>	<u>74,335,418</u>	<u>175,803</u>	<u>160,414</u>	<u>77,677,417</u>	<u>74,495,832</u>	4.27%
Total assets	<u>167,436,290</u>	<u>136,413,656</u>	<u>1,064,265</u>	<u>932,954</u>	<u>168,500,555</u>	<u>137,346,610</u>	<u>22.68%</u>
<b>LIABILITIES</b>							
Current liabilities	49,417,800	42,105,054	84,362	80,320	49,502,162	42,185,374	17.34%
Noncurrent liabilities	<u>54,317,799</u>	<u>38,431,142</u>	-	-	<u>54,317,799</u>	<u>38,431,142</u>	41.34%
Total liabilities	<u>103,735,599</u>	<u>80,536,196</u>	<u>84,362</u>	<u>80,320</u>	<u>103,819,961</u>	<u>80,616,516</u>	<u>28.78%</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	38,952,949	28,214,393	175,803	160,414	39,128,752	28,374,807	37.90%
Restricted	18,158,956	16,690,901	-	-	18,158,956	16,690,901	8.80%
Unrestricted	<u>6,588,786</u>	<u>9,736,141</u>	<u>804,100</u>	<u>692,220</u>	<u>7,392,886</u>	<u>10,428,361</u>	<u>-29.11%</u>
Total net assets	<u>\$ 63,700,691</u>	<u>\$ 54,641,435</u>	<u>\$979,903</u>	<u>\$852,634</u>	<u>\$64,680,594</u>	<u>\$ 55,494,069</u>	<u>16.55%</u>

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

- The principal retirement of \$7,255,000 of general obligation and revenue bonds and notes and the payment of \$1,647,068 in interest on this debt.
- The addition of \$6,281,344 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.

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

**Changes in net assets.** The District's net assets increased by \$9,186,525 during the current fiscal year. The governmental activities' net assets increased by \$9,059,256. The business-type activities, which include nutrition, increased by \$127,269. 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, 2007. 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**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total District</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 635,326	\$ 97,201	\$2,237,645	\$2,020,308	\$ 2,872,971	\$ 2,117,509
Operating grants and contributions	8,261,689	6,800,155	444,276	374,745	8,705,965	7,174,900
General revenues						
Local sources	33,966,241	30,065,953	—	—	33,966,241	30,065,953
Investment earnings	1,764,909	1,541,667	50,388	33,978	1,815,297	1,575,645
State sources	26,145,901	23,583,533	—	—	26,145,901	23,583,533
Other	925,678	931,492	—	—	925,678	931,492
Sale of assets	46,613	447,133	—	—	46,613	447,133
Total revenues	<u>71,746,357</u>	<u>63,467,134</u>	<u>2,732,309</u>	<u>2,429,031</u>	<u>74,478,666</u>	<u>65,896,165</u>
<b>EXPENSES</b>						
Instruction						
Regular	25,136,110	22,678,907	—	—	25,136,110	22,678,907
Special	7,025,195	6,401,321	—	—	7,025,195	6,401,321
Vocational and other	4,932,740	3,076,311	—	—	4,932,740	3,076,311
Support services						
Pupil	3,456,227	3,118,663	—	—	3,456,227	3,118,663
Instructional staff	3,431,571	3,392,635	—	—	3,431,571	3,392,635
Administration	5,742,551	4,910,159	—	—	5,742,551	4,910,159
Operation and maintenance of plant services	6,652,180	6,509,464	—	—	6,652,180	6,509,464
Support services - other	2,143,508	1,873,011	—	—	2,143,508	1,873,011
Noninstructional programs	2,519,951	2,235,370	2,605,040	2,377,459	5,124,991	4,612,829
Interest	1,647,068	1,882,037	—	—	1,647,068	1,882,037
Total expenses	<u>62,687,101</u>	<u>56,077,878</u>	<u>2,605,040</u>	<u>2,377,459</u>	<u>65,292,141</u>	<u>58,455,377</u>
Increase in net assets	<u>\$9,059,256</u>	<u>\$ 7,389,256</u>	<u>\$ 127,269</u>	<u>\$ 51,572</u>	<u>\$ 9,186,525</u>	<u>\$ 7,440,828</u>

- The cost of all governmental and business-type activities this year was \$65,292,141.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$11,578,936.
- Net cost of governmental activities \$53,790,086, was financed by general revenues, which are made up of primarily property taxes and local source revenue \$33,966,241 and state sources \$26,145,901.

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

**Table 3 - Governmental Activities**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Primary Government				
Governmental activities				
Instruction				
Regular	\$25,136,110	\$22,678,907	\$(19,475,209)	\$(18,561,372)
Special	7,025,195	6,401,321	(6,749,908)	(6,090,084)
Vocational and other	4,932,740	3,076,311	(4,314,540)	(2,577,939)
Support services				
Pupil	3,456,227	3,118,663	(3,456,227)	(3,118,663)
Instructional staff	3,341,571	3,392,635	(3,232,452)	(3,295,434)
Administration	5,742,551	4,910,159	(5,742,551)	(4,910,159)
Operation and maintenance of plant services	6,652,180	6,509,464	(6,652,180)	(6,509,464)
Support services - other	2,143,508	1,873,011	(2,143,508)	-
Noninstructional programs	2,519,951	2,235,370	(376,443)	(2,235,370)
Interest	1,647,068	1,882,037	(1,647,068)	(1,882,037)
Total governmental activities	<u>62,687,101</u>	<u>56,077,878</u>	<u>(53,790,086)</u>	<u>(49,180,522)</u>
Business-type activities				
Nutrition services	2,605,040	2,377,459	76,881	17,594
Total business-type activities	<u>2,605,040</u>	<u>2,377,459</u>	<u>76,881</u>	<u>17,594</u>
Total primary government	<u>\$65,292,141</u>	<u>\$58,455,337</u>	<u>\$(53,713,205)</u>	<u>\$(49,162,928)</u>

Net cost of services is 82% of total cost of services in 2007.

**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 \$51,551,503, an increase of \$23,294,329 in comparison to the previous year. Approximately 5.4% of this amount, \$2,762,173, constitutes unreserved and undesignated fund balance, which is available for spending at the government's discretion. The remainder of the fund balance of \$48,789,330 is reserved or designated to indicate that it is not available for new spending because it has already been committed for 1) General Fund \$5,959,185; 2) Special Revenues Fund \$2,916,441; 3) Debt Service \$8,131,122; 4) Local Option Sales and Services Tax reserves \$7,024,000; 5) Capital Projects \$24,758,582.

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 \$1,678,885 while total fund balance declined to \$7,638,070. 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 revenues. Unreserved undesignated fund balance represents 3.1% of total General Fund revenues, while total fund balance represents approximately 14.2% of that same amount.

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

The fund balance of the District's General Fund decreased by \$893,029 during the current fiscal year. Key factors in the decrease were the Board imposed limitations to Cash Reserve in order to maintain a more level tax rate and increased Special Education deficit spending. Additional staffing resulting from high student growth continues to place pressure on General Fund resources.

**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 of the District's Budgeted funds with the program budget amounts is as follows:

	<u>Budget</u>		<u>Actual Expenditures</u>	<u>Final Budget to Actual Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Instruction	\$37,567,894	\$37,567,894	\$36,591,751	\$ 976,143
Support services	14,606,745	14,606,745	12,630,349	1,976,396
Noninstructional programs	3,922,842	3,922,842	4,265,608	(342,766)
Other	<u>16,142,370</u>	<u>16,142,370</u>	<u>22,759,506</u>	<u>(6,617,136)</u>
Total	<u>\$72,239,851</u>	<u>\$72,239,851</u>	<u>\$76,247,214</u>	<u>\$(4,007,363)</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of June 30, 2007, the District had invested \$115,119,718 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 \$6,281,344 from last year, primarily due to the completion of the final phases of construction on building additions. Total depreciation expense for the year was \$2,168,906.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2007.

Land and improvements	\$ 11,296,393
Buildings and improvements	62,898,430
Vehicles, furniture and equipment	469,798
Construction in progress	<u>2,812,942</u>
Total	<u>\$77,477,563</u>

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

**Ankeny Community School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For fiscal year ended June 30, 2007**

**Debt Administration.** At year end, the District had \$65,352,426 in general obligation bonds and other long-term debt outstanding, of which \$11,034,627 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, 2007.

General obligation bonds	\$ 39,570,000
General obligation capital loan notes	5,580,000
Revenue bonds	17,870,000
Accrued compensated absences	324,887
Early retirement	<u>2,007,539</u>
 Total	 <u>\$65,352,426</u>

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 \$93,926,988, 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 7% 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 2008 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 Dr. Craig Hansel, 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, 2007**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current assets			
Cash and cash equivalents	\$ 55,611,245	\$ 815,836	\$ 56,427,081
Investments	600,000	-	600,000
Property taxes receivable			
Current year	110,460	-	110,460
Succeeding year	31,731,770	-	31,731,770
Due from other governments	1,305,510	-	1,305,510
Other receivables	389,731	6,879	396,610
Inventories	185,960	65,747	251,707
Total current assets	<u>89,934,676</u>	<u>888,462</u>	<u>90,823,138</u>
Capital assets			
Land	11,113,570	-	11,113,570
Land improvements	192,445	-	192,445
Buildings	97,909,985	-	97,909,985
Equipment	2,187,850	902,926	3,090,776
Accumulated depreciation	(36,915,032)	(727,123)	(37,642,155)
Construction in progress	2,812,942	-	2,812,942
Total noncurrent assets	<u>77,301,760</u>	<u>175,803</u>	<u>77,477,563</u>
Other assets			
Bond discount and issuance costs	199,854	-	199,854
Total assets	<u>167,436,290</u>	<u>1,064,265</u>	<u>168,500,555</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	6,651,403	25,885	6,677,288
Due to students	-	58,477	58,477
Bonds payable	9,250,000	-	9,250,000
Early retirement payable	1,459,740	-	1,459,740
Absences payable	324,887	-	324,887
Deferred revenue--succeeding year property taxes	31,731,770	-	31,731,770
Total current liabilities	<u>49,417,800</u>	<u>84,362</u>	<u>49,502,162</u>
Long-term liabilities			
Bonds payable--long term	53,770,000	-	53,770,000
Early retirement payable--long term	547,799	-	547,799
Total noncurrent liabilities	<u>54,317,799</u>	<u>-</u>	<u>54,317,799</u>
Total liabilities	<u>103,735,599</u>	<u>84,362</u>	<u>103,819,961</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	38,952,949	175,803	39,128,752
Restricted for			
Capital projects	7,111,393	-	7,111,393
Debt service	8,131,122	-	8,131,122
Insurance	2,916,441	-	2,916,441
Unrestricted	6,588,786	804,100	7,392,886
Total net assets	<u>\$ 63,700,691</u>	<u>\$ 979,903</u>	<u>\$ 64,680,594</u>

See Notes to Financial Statements.

**Ankeny Community School District  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2007**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>PRIMARY GOVERNMENT</b>			
Governmental activities			
Instruction			
Regular	\$25,136,110	\$ 436,207	\$5,224,694
Special	7,025,195	-	275,287
Vocational and other	4,932,740	-	618,200
Support services			
Pupil	3,456,227	-	-
Instructional staff	3,431,571	199,119	-
Administration	5,742,551	-	-
Operation and maintenance of plant services	6,652,180	-	-
Support services—other	2,143,508	-	-
Noninstructional programs	2,519,951	-	2,143,508
Interest	<u>1,647,068</u>	<u>-</u>	<u>-</u>
Total governmental activities	62,687,101	635,326	8,261,689
Business-type activities			
Nutrition services	<u>2,605,040</u>	<u>2,237,645</u>	<u>444,276</u>
Total business-type activities	<u>2,605,040</u>	<u>2,237,645</u>	<u>444,276</u>
Total primary government	<u>\$65,292,141</u>	<u>\$2,872,971</u>	<u>\$8,705,965</u>

**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 (as restated)

Net assets, end of year

**Net (Expense) Revenue and  
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$(19,475,209)	\$ —	\$(19,475,209)
(6,749,908)	—	(6,749,908)
(4,314,540)	—	(4,314,540)
(3,456,227)	—	(3,456,227)
(3,232,452)	—	(3,232,452)
(5,742,551)	—	(5,742,551)
(6,652,180)	—	(6,652,180)
(2,143,508)	—	(2,143,508)
(376,443)	—	(376,443)
<u>(1,647,068)</u>	<u>—</u>	<u>(1,647,068)</u>
(53,790,086)	—	(53,790,086)
—	<u>76,881</u>	<u>76,881</u>
—	<u>76,881</u>	<u>76,881</u>
(53,790,086)	<u>76,881</u>	(53,713,205)
20,364,732	—	20,364,732
3,123,363	—	3,123,363
2,808,304	—	2,808,304
543,734	—	543,734
7,126,108	—	7,126,108
26,145,901	—	26,145,901
1,764,909	50,388	1,815,297
925,678	—	925,678
46,613	—	46,613
<u>62,849,342</u>	<u>50,388</u>	<u>62,899,730</u>
9,059,256	127,269	9,186,525
<u>54,641,435</u>	<u>852,634</u>	<u>55,494,069</u>
<u>\$63,700,691</u>	<u>\$ 979,903</u>	<u>\$64,680,594</u>

**Ankeny Community School District  
BALANCE SHEET – GOVERNMENTAL FUNDS  
June 30, 2007**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Local Option Sales and Services Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$12,618,357	\$24,981,470	\$ 7,965,344	\$5,954,437	\$ 578,074	\$3,513,563	\$55,611,245
Investments	-	-	-	600,000	-	-	600,000
Property taxes receivable							
Current year	79,234	-	12,972	-	11,663	6,591	110,460
Succeeding year	20,736,775	-	6,111,862	-	3,128,400	1,754,733	31,731,770
Due from other funds	-	-	-	-	-	-	-
Due from other governments	795,947	-	-	509,563	-	-	1,305,510
Other receivables	-	30,254	153,151	-	18,026	188,300	389,731
Inventories	<u>185,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,960</u>
Total assets	<u>\$34,416,273</u>	<u>\$25,011,724</u>	<u>\$14,243,329</u>	<u>\$7,064,000</u>	<u>\$3,736,163</u>	<u>\$5,463,187</u>	<u>\$89,934,676</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 6,041,428	\$ 253,142	\$ 345	\$ 40,000	\$ 252,244	\$ 64,244	\$ 6,651,403
Deferred revenue—succeeding year property taxes	<u>20,736,775</u>	<u>-</u>	<u>6,111,862</u>	<u>-</u>	<u>3,128,400</u>	<u>1,754,733</u>	<u>31,731,770</u>
Total liabilities	<u>26,778,203</u>	<u>253,142</u>	<u>6,112,207</u>	<u>40,000</u>	<u>3,380,644</u>	<u>1,818,977</u>	<u>38,383,173</u>
<b>Fund balances</b>							
Unreserved							
Undesignated	1,678,885	-	-	-	355,519	727,769	2,762,173
Reserved	<u>5,959,185</u>	<u>24,758,582</u>	<u>8,131,122</u>	<u>7,024,000</u>	<u>-</u>	<u>2,916,441</u>	<u>48,789,330</u>
Total fund balances	<u>7,638,070</u>	<u>24,758,582</u>	<u>8,131,122</u>	<u>7,024,000</u>	<u>355,519</u>	<u>3,644,210</u>	<u>51,551,503</u>
Total liabilities and fund balances	<u>\$34,416,273</u>	<u>\$25,011,724</u>	<u>\$14,243,329</u>	<u>\$7,064,000</u>	<u>\$3,736,163</u>	<u>\$5,463,187</u>	<u>\$89,934,676</u>

See Notes to Financial Statements.

**Ankeny Community School District  
RECONCILIATION OF THE BALANCE SHEET—GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2007**

<b>Total fund balances of governmental funds (page 14)</b>	\$51,551,503
<b><i>Amounts reported for governmental activities in the statement of net assets are different because:</i></b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds	77,301,760
Bond discount and issuance costs are not available to pay current period expenditures and, therefore, are not reported as assets in the governmental funds.	199,854
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.	<u>(65,352,426)</u>
<b>Net assets of governmental activities (page 11)</b>	<u>\$63,700,691</u>

**Ankeny Community School District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES—GOVERNMENTAL FUNDS**  
**Year ended June 30, 2007**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Local Option Sales and Services Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Local taxes	\$19,197,313	\$ —	\$3,183,816	\$7,126,108	\$2,862,659	\$1,596,345	\$33,966,241
Interest income	743,384	88,752	57,890	556,168	208,208	110,507	1,764,909
Other	2,336,639	—	1,219	11,843	283,990	1,603,531	4,237,222
State sources	30,667,370	—	—	—	—	—	30,667,370
Federal sources	<u>1,000,472</u>	—	—	—	—	—	<u>1,000,472</u>
Total revenues	<u>53,945,178</u>	<u>88,752</u>	<u>3,242,925</u>	<u>7,694,119</u>	<u>3,354,857</u>	<u>3,310,383</u>	<u>71,636,214</u>
<b>EXPENDITURES</b>							
Current							
Instruction							
Regular	24,633,816	—	—	—	—	—	24,633,816
Special	7,025,195	—	—	—	—	—	7,025,195
Vocational and other	4,932,740	—	—	—	—	—	4,932,740
Support services							
Pupil	3,456,227	—	—	—	—	—	3,456,227
Instructional staff	3,431,571	—	—	—	—	—	3,431,571
Administration	5,742,551	—	—	—	—	—	5,742,551
Operation and maintenance of plant services	4,527,812	—	—	—	—	—	4,527,812
Support services--other	2,143,508	—	—	—	—	—	2,143,508
Noninstructional programs	—	—	—	—	—	1,660,568	1,660,568
Capital outlay	—	648,376	—	2,020,965	4,516,777	—	7,186,118
Debt service							
Principal retirement	—	—	7,255,000	—	—	—	7,255,000
Interest	—	—	<u>1,647,068</u>	—	—	—	<u>1,647,068</u>
Total expenditures	<u>55,893,420</u>	<u>648,376</u>	<u>8,902,068</u>	<u>2,020,965</u>	<u>4,516,777</u>	<u>1,660,568</u>	<u>73,642,174</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,948,242)</u>	<u>(559,624)</u>	<u>(5,659,143)</u>	<u>5,673,154</u>	<u>(1,161,920)</u>	<u>1,649,815</u>	<u>(2,005,960)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of assets	46,613	—	—	—	—	—	46,613
Operating transfers in (out)	1,008,600	—	6,921,488	(6,088,828)	(832,660)	(945,070)	63,530
Proceeds from general obligation bonds	—	<u>25,190,146</u>	—	—	—	—	<u>25,190,146</u>
Total other financing sources (uses)	<u>1,055,213</u>	<u>25,190,146</u>	<u>6,921,488</u>	<u>(6,088,828)</u>	<u>(832,660)</u>	<u>(945,070)</u>	<u>25,300,289</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(893,029)</u>	<u>24,630,522</u>	<u>1,262,345</u>	<u>(415,674)</u>	<u>(1,994,580)</u>	<u>704,745</u>	<u>23,294,329</u>
<b>FUND BALANCES, beginning of year</b>	<u>8,531,099</u>	<u>128,060</u>	<u>6,868,777</u>	<u>7,439,674</u>	<u>2,350,099</u>	<u>2,939,465</u>	<u>28,257,174</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 7,638,070</u>	<u>\$24,758,582</u>	<u>\$8,131,122</u>	<u>\$7,024,000</u>	<u>\$ 355,519</u>	<u>\$3,644,210</u>	<u>\$51,551,503</u>

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, 2007**

**Net change in fund balances—total governmental funds (page 16)** \$23,294,329

***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	\$6,326,735	
Depreciation expense	<u>(2,124,368)</u>	4,202,367

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.		7,255,000
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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	(524,248)	
Compensated absences	<u>21,954</u>	(502,294)

Proceeds of bond deposit provide current financial resources to governmental funds, but increases current liabilities in the Statement of Net Assets.		(25,390,000)
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Governmental funds report the effect of issuance costs, premiums, discount and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		<u>199,854</u>
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**Change in net assets of governmental activities (page 13)** **\$ 9,059,256**

**Ankeny Community School District**  
**STATEMENT OF NET ASSETS—PROPRIETARY FUND**  
**ENTERPRISE FUND**  
**June 30, 2007**

	<u>School Nutrition</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 815,836
Sundry receivables	6,879
Inventories	65,747
Property and equipment, net of accumulated depreciation	<u>175,803</u>
Total assets	<u>\$1,064,265</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 25,885
Due to students	<u>58,477</u>
Total liabilities	<u>84,362</u>
<b>NET ASSETS</b>	
Invested in capital assets	175,803
Unrestricted	<u>804,100</u>
Total net assets	<u>\$ 979,903</u>

**Ankeny Community School District  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS—PROPRIETARY FUND  
ENTERPRISE FUND  
Year ended June 30, 2007**

	<u>School Nutrition</u>
<b>OPERATING REVENUES</b>	
Local sources	
Other local sources	
Sale of lunches and breakfast	
Students	\$1,175,370
Adults	11,996
A la carte	998,738
Special functions	<u>51,541</u>
Total operating revenues	<u>2,237,645</u>
<b>OPERATING EXPENSES</b>	
Non-instructional programs	
Food service operations	
Salaries	846,547
Employee benefits	340,595
Kitchen supplies	77,803
Food consumed	1,218,871
Other	76,686
Depreciation	<u>44,538</u>
Total operating expenses	<u>2,605,040</u>
<b>OPERATING (LOSS)</b>	<u>(367,395)</u>
<b>NON-OPERATING REVENUES</b>	
Interest income	50,388
State appropriations	43,868
Federal food commodities revenue	66,588
Federal appropriations	<u>333,820</u>
Total non-operating revenues	<u>494,664</u>
Change in net assets	127,269
<b>NET ASSETS—beginning of year</b>	<u>852,634</u>
<b>NET ASSETS—end of year</b>	<u>\$ 979,903</u>

See Notes to Financial Statements.

**Ankeny Community School District**  
**STATEMENT OF CASH FLOWS—PROPRIETARY FUND**  
**ENTERPRISE FUND**  
**Year ended June 30, 2007**

	<u>School Nutrition</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from sale of lunches and breakfasts	\$2,238,648
Cash payments to employees for services	(1,186,729)
Cash payments to suppliers for goods or services	(1,316,798)
Net cash (used in) operating activities	<u>(264,879)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State grants received	43,868
Federal grants received	<u>333,820</u>
Net cash provided by non-capital financing related activities	<u>377,688</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>	
Acquisition of capital assets	<u>(59,927)</u>
Net cash (used in) capital and related financing activities	<u>(59,927)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>50,388</u>
Net cash provided by investing activities	<u>50,388</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	103,270
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning	<u>712,566</u>
Ending	<u>\$ 815,836</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating (loss)	\$ (367,395)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities	
Depreciation	44,538
Federal commodities used	66,588
Change in assets and liabilities	
(Increase) in receivables	(2,626)
(Increase) in inventories	(10,026)
Increase in accounts payable and accrued liabilities	<u>4,042</u>
Net cash (used in) operating activities	<u>\$ (264,879)</u>

Noncash investing, capital and financing activities

During the year ended June 30, 2007, the District received \$66,588 of federal commodities.

**Ankeny Community School District**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**June 30, 2007**

<b>ASSETS</b>	<u><b>District</b></u>	<u><b>Cafeteria</b></u>	<u><b>Total</b></u>
Cash and cash equivalents	\$ 155,066	\$ 222	\$ 155,288
Receivables			
Sundry receivables	<u>12,287</u>	<u>1</u>	<u>12,288</u>
Total assets	<u>\$ 167,353</u>	<u>\$ 223</u>	<u>\$ 167,576</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
Liabilities			
Accounts payable	\$ 2,334	\$ -	\$ 2,334
Due to student groups/employees	<u>165,019</u>	<u>223</u>	<u>165,242</u>
Total liabilities	<u>\$ 167,353</u>	<u>\$ 223</u>	<u>\$ 167,576</u>

**Ankeny Community School District  
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.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

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

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:

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.

YMCA Endowment Fund: Accounts for money held by the District for equipment maintenance.

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.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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 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.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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 Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. 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, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2006.

**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

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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.

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, 2007. 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, 2007, disbursements exceeded the amount budgeted in noninstructional and other functions.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 CASH AND POOLED INVESTMENTS**

The District's deposits in banks at June 30, 2007 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, 2007, the District had the following investments:

	<b>Fair value</b>	<b>Amortized cost</b>
Iowa Schools Joint Investment Trust		
Diversified Portfolio	\$ -	\$35,753,993
Federal Home Loan Bank Bond	600,000	-
	<u>\$ 600,000</u>	<u>\$35,753,993</u>

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 investment 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, 2007 is as follows:

<b>Transfer to</b>	<b>Transfer from</b>	<b>Amount</b>
Debt Service	Capital Projects	
	Local Option Sales and Services Tax	\$6,088,828
	Physical Plant and Equipment Levy	832,660
		<u>\$6,921,488</u>
General	Special Revenue Management	\$ 945,070
	Agency vending	63,530
		<u>\$1,008,600</u>

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

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2007 is as follows:

	<u>Balance beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance end of year</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 9,065,039	\$ 2,048,531	\$ —	\$ 11,113,570
Construction in progress	4,831,029	4,091,901	6,109,988	2,812,942
Total capital assets not being depreciated	<u>13,896,068</u>	<u>6,140,432</u>	<u>6,109,988</u>	<u>13,926,512</u>
Capital assets being depreciated				
Buildings	91,992,441	5,917,544	—	97,909,985
Furniture and equipment	2,105,769	186,302	104,221	2,187,850
Land improvements	—	192,445	—	192,445
Total capital assets being depreciated	<u>94,098,210</u>	<u>6,296,291</u>	<u>104,221</u>	<u>100,290,280</u>
Less accumulated depreciation for				
Buildings	33,073,062	1,938,493	—	35,011,555
Furniture and equipment	1,821,823	176,253	104,221	1,893,855
Land improvements	—	9,622	—	9,622
Total accumulated depreciation	<u>34,894,885</u>	<u>2,124,368</u>	<u>104,221</u>	<u>36,915,032</u>
Total capital assets being depreciated, net	<u>59,203,325</u>	<u>4,171,923</u>	<u>—</u>	<u>63,375,248</u>
Governmental activities capital assets, net	<u>\$73,099,393</u>	<u>\$10,312,355</u>	<u>\$6,109,988</u>	<u>\$ 77,301,760</u>
<b>Business-type activities</b>				
Furniture and equipment	\$ 844,096	\$ 59,927	\$ 1,097	\$ 902,926
Less accumulated depreciation	<u>683,682</u>	<u>44,538</u>	<u>1,097</u>	<u>727,123</u>
Business-type activities capital assets, net	<u>\$ 160,414</u>	<u>\$ 15,389</u>	<u>\$ —</u>	<u>\$ 175,803</u>

Depreciation expense was charged by the District as follows:

Governmental activities		
Instruction		
Regular		\$ <u>2,124,368</u>
Business-type activities		
School nutrition		\$ <u>44,538</u>

Construction in progress at June 30, 2007 consists of costs related to the additions to Terrace, Northview, Ashland Meadows, and the new High School buildings.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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, 2007:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Due within one year</u>
Accrued compensated absences	\$ 346,841	\$ -	\$ 21,954	\$ 324,887	\$ 324,887
General obligation bonds	16,715,000	25,390,000	2,535,000	39,570,000	4,385,000
General obligation capital loan notes	6,200,000	-	620,000	5,580,000	635,000
Revenue bonds	21,970,000	-	4,100,000	17,870,000	4,230,000
Early retirement	<u>1,483,291</u>	<u>524,248</u>	<u>-</u>	<u>2,007,539</u>	<u>1,459,740</u>
Totals	<u>\$46,715,132</u>	<u>\$25,914,248</u>	<u>\$7,276,954</u>	<u>\$65,352,426</u>	<u>\$11,034,627</u>

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 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, 2007 totaled \$893,185.

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 \$3,425,000.
- b) An issue dated January 1, 1999, having an interest rate varying from 4.125% to 4.2% and an unpaid balance of \$2,600,000.
- c) An issue dated October 1, 2001, having an interest rate varying from 3.85% to 4.1% and an unpaid balance of \$5,925,000.
- d) An issue dated March 15, 2004, having an interest rate varying of 2.5% and an unpaid balance of \$2,230,000.
- e) An issue dated June 1, 2007, having an interest rate varying from 4.0% to 4.5% and an unpaid balance of \$25,390,000.

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

- a) An issue dated July 1, 2006, having an interest rate of 3.43% and an unpaid balance of \$5,580,000.

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 \$11,110,000.
- b) An issue dated April 1, 2004, having an interest rate varying from 2.75% to 3.5% and an unpaid balance of \$4,840,000.
- c) An issue dated April 1, 2004, having an interest rate varying from 2.75% to 3.35% and an unpaid balance of \$1,920,000.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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					Total
	April 1, 1998	January 1, 1999	October 1, 2001	March 15, 2004	June 1, 2007	
2008	\$ 425,000	\$ 325,000	\$1,185,000	\$ 725,000	\$1,725,000	\$4,385,000
2009	450,000	325,000	1,230,000	745,000	820,000	3,570,000
2010	450,000	350,000	1,285,000	760,000	855,000	3,700,000
2011	450,000	375,000	2,225,000	—	890,000	3,940,000
2012	550,000	400,000	—	—	925,000	1,875,000
2013-2017	1,100,000	825,000	—	—	5,280,000	7,205,000
2018-2022	—	—	—	—	6,595,000	6,595,000
2022-2027	—	—	—	—	8,300,000	8,300,000
Totals	<u>\$3,425,000</u>	<u>\$2,600,000</u>	<u>\$5,925,000</u>	<u>\$2,230,000</u>	<u>\$25,390,000</u>	<u>\$39,570,000</u>

Annual general obligation capital loan note maturities, are as follows for the notes dated July 1, 2006:

Year ending June 30	
2008	\$ 635,000
2009	655,000
2010	680,000
2011	700,000
2012	730,000
2013-2015	<u>2,180,000</u>
Total	<u>\$5,580,000</u>

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

Year ending June 30	Bond issue date			Total
	December 1, 2002	April 1, 2004	April 1, 2004	
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	<u>2,910,000</u>	<u>1,265,000</u>	<u>555,000</u>	<u>4,730,000</u>
Totals	<u>\$11,110,000</u>	<u>\$4,840,000</u>	<u>\$1,920,000</u>	<u>\$17,870,000</u>

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.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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, 2007, is as follows:

Year ending June 30	<u>General Obligation Bonds</u>			<u>General Obligation Capital Loan Notes</u>			<u>Revenue Obligation Bonds</u>		
	Annual principal and interest requirements			Annual principal and interest requirements			Annual principal and interest requirements		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 4,385,000	\$ 1,624,959	\$ 6,009,959	\$ 635,000	\$ 191,394	\$ 826,394	\$ 4,230,000	\$ 636,809	\$ 4,866,809
2009	3,570,000	1,459,680	5,029,680	655,000	169,614	824,614	4,375,000	483,085	4,858,085
2010	3,700,000	1,326,014	5,026,014	680,000	147,147	827,147	4,535,000	306,273	4,841,273
2011	3,940,000	1,186,084	5,126,084	700,000	123,823	823,823	4,730,000	104,184	4,834,184
2012	1,875,000	1,023,540	2,898,540	730,000	99,813	829,813	-	-	-
2013-2017	7,205,000	4,014,300	11,219,300	2,180,000	148,176	2,328,176	-	-	-
2018-2022	6,595,000	2,715,023	9,310,023	-	-	-	-	-	-
2023-2027	8,300,000	1,153,488	9,453,488	-	-	-	-	-	-
Totals	<u>\$39,570,000</u>	<u>\$14,503,088</u>	<u>\$54,073,088</u>	<u>\$5,580,000</u>	<u>\$ 879,967</u>	<u>\$6,459,967</u>	<u>\$17,870,000</u>	<u>\$1,530,351</u>	<u>\$19,400,351</u>

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, 2007, 2006, and 2005. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were \$1,953,602, \$1,743,031 and \$1,636,339, 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 \$2,143,508 for the year ended June 30, 2007 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**Ankeny Community School District  
NOTES TO 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 \$26,913,236 of which \$11,318,075 has been incurred as of June 30, 2007. The unpaid commitment balance is \$15,595,161.

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

The total minimum commitment at June 30, 2007 is due as follows:

<b>Year ending June 30,</b>	
2008	<u>\$1,037,991</u>

\$1,619,566 was incurred for the year ended June 30, 2007.

**NOTE 9 FUND BALANCE RESERVES**

The District fund balances have been reserved as follows:

General Fund	
Reserved for inventories	\$ 185,960
Reserved for talented and gifted	264,458
Reserved for school improvement technology	109,755
Reserved for At-Risk	2,699,146
Reserved for instructional support levy	996,270
Reserved for Title I program	26,138
Reserved for early intervention state reading	262,505
Reserved from early intervention federal reading	1,426
Reserved for Title II program	98,587
Reserved for salary and professional development	17,307
Reserved for market factor	44,717
Reserved for tech learning grant	17,717
Reserved for Harkin grant	2,591
Reserved for building budget	428,408
Reserved for transportation vehicles	<u>804,200</u>
Total	<u>\$5,959,185</u>
Special Revenue Fund	
Reserved for employee benefits	<u>\$ 2,916,441</u>
Debt Service Fund	
Reserved for debt service	<u>\$ 8,131,122</u>
Capital Projects Fund	
Reserved for construction projects	<u>\$24,758,582</u>
Local Option Sales and Services Tax Fund	
Reserved for construction projects	<u>\$ 7,024,000</u>

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**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, 2007, the Governmental Accounting Standards Board (GASB) has issued five statements not yet implemented by the District. The statements which might impact the District are as follows:

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, 2007, 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.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued November, 2006, will be effective for the District beginning with its year ending June 30, 2009. This Statement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 50, *Pension Disclosures* – an amendment of GASB Statements No. 25 and No. 27, will be effective for the District beginning with its year ending June 30, 2008. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB).

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the District beginning with its year ending June 30, 2008. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets.

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

**NOTE 12 SUBSEQUENT EVENTS**

The District has given notice that it will call for redemption \$3,510,000 of general obligation bonds dated October 1, 2001 and \$760,000 of general obligation bonds dated March 15, 2004 on June 1, 2008.

The District entered into an agreement to sell land to an unrelated third party for approximately \$4,278,000.

**Ankeny Community School District  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 ACCOUNTING RESTATEMENT**

For the year ended June 30, 2007, the District restated the beginning value of the governmental activities net assets for a prior period adjustment. The change in these financial statements includes the correction of the capitalization of capital assets.

<b>Basis Financial Statements</b>	<u><b>Total</b></u>
Governmental activities net assets at June 30, 2006, as previously reported	\$55,877,460
Correction on capitalization of assets	<u>(1,236,025)</u>
Governmental activities net assets July 1, 2006, as restated	<u>\$54,641,435</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**Ankeny Community School District**  
**BUDGETARY COMPARISON SCHEDULE OF RECEIPTS,**  
**DISBURSEMENTS AND CHANGES IN FUND BALANCES**  
**BUDGET TO ACTUAL—ALL GOVERNMENTAL AND PROPRIETARY FUND**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
Year ended June 30, 2007

	<b>Governmental Fund Types Actual</b>	<b>Proprietary Fund Type Actual</b>	<b>Total Actual</b>	<b>Budgeted Amounts Original/ Final</b>	<b>Final Budget to Actual Variance Positive (Negative)</b>
<b>REVENUES</b>					
Local	\$39,968,372	\$2,288,033	\$42,256,405	\$39,399,602	\$ 2,856,803
Federal	1,000,472	400,408	1,400,880	765,000	635,880
State	<u>30,667,370</u>	<u>43,868</u>	<u>30,711,238</u>	<u>30,308,079</u>	<u>403,159</u>
Total revenues	<u>71,636,214</u>	<u>2,732,309</u>	<u>74,368,523</u>	<u>70,472,681</u>	<u>3,895,842</u>
<b>EXPENDITURES</b>					
Current					
Instruction	36,591,751	-	36,591,751	37,567,894	976,143
Support services	12,630,349	-	12,630,349	14,606,745	1,976,396
Noninstructional programs	1,660,568	2,605,040	4,265,608	3,922,842	(342,766)
Other expenditure	<u>22,759,506</u>	<u>-</u>	<u>22,759,506</u>	<u>16,142,370</u>	<u>(6,617,136)</u>
Total expenditures	<u>73,642,174</u>	<u>2,605,040</u>	<u>76,247,214</u>	<u>72,239,851</u>	<u>(4,007,363)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	(2,005,960)	127,269	(1,878,691)	(1,767,170)	(111,521)
<b>OTHER FINANCING SOURCES (USES), NET</b>	<u>25,300,289</u>	<u>-</u>	<u>25,300,289</u>	<u>(552,340)</u>	<u>25,852,629</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$23,294,329</u>	<u>\$ 127,269</u>	<u>\$23,421,598</u>	<u>\$ (2,319,510)</u>	<u>\$25,741,108</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION—BUDGETARY REPORTING**  
**Year ended June 30, 2007**

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 noninstructional and other expenditure functions 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, 2007**

**REVENUES**

Local sources	
Local tax	
Property tax	\$18,801,330
Utility tax replacement excise tax	361,984
Mobile home tax	33,999
	<u>19,197,313</u>
Other local sources	
Interest on investments	743,384
Tuition from other districts	1,186,159
Transportation fees	199,119
Miscellaneous	951,361
	<u>3,080,023</u>
	<u>22,277,336</u>
State appropriations	
State foundation aid	25,719,646
Instructional support state aid	426,255
Educational Excellence program	
Phase I	2,678
Phase II	575,922
Vocational education aid	27,863
Iowa Early Intervention Grant	453,740
Teacher induction allocation	1,277,431
Teacher learning grant	18,881
Truancy Prevention Grant	21,446
AEA flow-through	2,143,508
	<u>30,667,370</u>
Federal appropriations	
Title I Grants to Local Educational Agencies	160,860
Safe and Drug-Free Schools and Communities—State grants	13,763
Federal Teacher Quality Program (Title II program)	96,157
Innovative Education Program Strategies (Title V program)	8,165
Innovative Education Program Strategies (Title VI program)	48,727
Medicaid	275,287
Special Education—Grants to States	329,148
Deaf-blind grant	200
Harkin Grant	24,728
Perkins Grant	43,437
	<u>1,000,472</u>
Total revenues	<u>53,945,178</u>

**Ankeny Community School District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (continued)**  
**GENERAL FUND**  
**Year ended June 30, 2007**

**EXPENDITURES**

Instruction	
General education	
Salaries	\$16,479,519
Benefits	5,627,177
Services	1,353,222
Supplies	777,638
Property	386,733
Other	9,527
	<u>24,633,816</u>
Special education	
Salaries	4,679,092
Benefits	1,546,034
Services	675,341
Supplies	59,567
Property	20,247
Other	44,914
	<u>7,025,195</u>
Career education	
Salaries	720,291
Benefits	202,386
Services	7,487
Supplies	52,490
Property	24,812
	<u>1,007,466</u>
Cocurricular education	
Salaries	480,715
Benefits	79,071
Services	368,497
Supplies	954,762
Property	218,530
Other	129,192
	<u>2,230,767</u>
Other instructional	
Salaries	1,214,905
Benefits	280,191
Services	119,431
Supplies	40,298
Property	39,457
Other	225
	<u>1,694,507</u>
Support service programs	
Student services	
Salaries	1,214,932
Benefits	339,837
Services	1,750,293
Supplies	148,968
Property	2,197
	<u>3,456,227</u>

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, 2007**

**EXPENDITURES (continued)**

Support service programs (continued)	
Media/instruction	
Salaries	\$ 1,678,097
Benefits	403,606
Services	458,906
Supplies	294,807
Property	595,109
Other	<u>1,046</u>
	<u>3,431,571</u>
General administration	
Salaries	3,408,613
Benefits	1,371,134
Services	603,231
Supplies	213,203
Property	72,778
Other	<u>73,592</u>
	<u>5,742,551</u>
Central services	
Salaries	1,589,620
Benefits	680,708
Services	685,032
Supplies	1,490,996
Property	81,151
Other	<u>305</u>
	<u>4,527,812</u>
Other	
AEA flow-through	<u>2,143,508</u>
Total expenditures	<u>55,893,420</u>
Excess of revenues over expenditures	(1,948,242)
<b>OTHER FINANCING SOURCES</b>	
Sale of assets	46,613
Operating transfers in	<u>1,008,600</u>
Total other financing sources	<u>1,055,213</u>
Excess of revenues and other financing sources over expenditures	(893,029)
<b>FUND BALANCE—beginning of year</b>	<u>8,531,099</u>
<b>FUND BALANCE—end of year</b>	<u>\$ 7,638,070</u>

See accompanying independent auditor's report.

**NONMAJOR GOVERNMENTAL FUNDS**

**Ankeny Community School District  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007**

<b>ASSETS</b>	<u>Management</u>	<u>Student Activity</u>	<u>YMCA Endowment</u>	<u>Total</u>
Cash and cash equivalents	\$2,739,388	\$ 761,578	\$ 12,597	\$3,513,563
Receivables				
Property tax				
Current year	6,591	-	-	6,591
Succeeding year	1,754,733	-	-	1,754,733
Sundry receivables	-	17,184	654	17,838
Other	<u>170,462</u>	<u>-</u>	<u>-</u>	<u>170,462</u>
Total assets	<u>\$4,671,174</u>	<u>\$ 778,762</u>	<u>\$ 13,251</u>	<u>\$5,463,187</u>
 <b>LIABILITIES AND DISTRICT EQUITY</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 64,244	\$ -	\$ 64,244
Deferred revenue—succeeding year				
property tax	<u>1,754,733</u>	<u>-</u>	<u>-</u>	<u>1,754,733</u>
Total liabilities	<u>1,754,733</u>	<u>64,244</u>	<u>-</u>	<u>1,818,977</u>
District equity				
Fund balance				
Reserved for employee benefits, insurance, retirement, tort liability, unemployment, and capital projects	2,916,441	-	-	2,916,441
Unreserved	<u>-</u>	<u>714,518</u>	<u>13,251</u>	<u>727,769</u>
Total fund balance	<u>2,916,441</u>	<u>714,518</u>	<u>13,251</u>	<u>3,644,210</u>
Total liabilities and District equity	<u>\$4,671,174</u>	<u>\$ 778,762</u>	<u>\$ 13,251</u>	<u>\$5,463,187</u>

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, 2007**

	<u>Management</u>	<u>Student Activity</u>	<u>YMCA Endowment</u>	<u>Total</u>
<b>REVENUES</b>				
Local sources				
Local tax				
Property tax	\$1,563,402	\$ —	\$ —	\$1,563,402
Utility tax replacement excise tax	30,114	—	—	30,114
Mobile home tax	<u>2,829</u>	<u>—</u>	<u>—</u>	<u>2,829</u>
	<u>1,596,345</u>	<u>—</u>	<u>—</u>	<u>1,596,345</u>
Other local sources				
Interest	56,800	54,059	(352)	110,507
Other	46,942	—	3,000	49,942
Student activities	<u>—</u>	<u>1,553,589</u>	<u>—</u>	<u>1,553,589</u>
	<u>103,742</u>	<u>1,607,648</u>	<u>2,648</u>	<u>1,714,038</u>
Total revenues	<u>1,700,087</u>	<u>1,607,648</u>	<u>2,648</u>	<u>3,310,383</u>
<b>EXPENDITURES</b>				
Noninstructional programs				
Services	92,966	364,543	—	457,509
Supplies	—	1,008,341	—	1,008,341
Property	<u>—</u>	<u>194,718</u>	<u>—</u>	<u>194,718</u>
Total expenditures	<u>92,966</u>	<u>1,567,602</u>	<u>—</u>	<u>1,660,568</u>
Excess of revenues over expenditures	1,607,121	40,046	2,648	1,649,815
<b>OTHER FINANCING (USES)</b>				
Operating transfers (out)	<u>(945,070)</u>	<u>—</u>	<u>—</u>	<u>(945,070)</u>
Total other financing (uses)	<u>(945,070)</u>	<u>—</u>	<u>—</u>	<u>(945,070)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>662,051</u>	<u>40,046</u>	<u>2,648</u>	<u>704,745</u>
<b>FUND BALANCE—beginning of year</b>	<u>2,254,390</u>	<u>674,472</u>	<u>10,603</u>	<u>2,939,465</u>
<b>FUND BALANCE—end of year</b>	<u>\$2,916,441</u>	<u>\$ 714,518</u>	<u>\$ 13,251</u>	<u>\$3,644,210</u>

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, 2007**

**REVENUES**

Local sources	
Local tax	
Property tax	\$3,123,363
Utility tax replacement excise tax	55,262
Mobile home tax	<u>5,191</u>
	<u>3,183,816</u>
Other local sources	
Interest	57,890
Other	<u>1,219</u>
	<u>59,109</u>
Total revenues	<u>3,242,925</u>

**EXPENDITURES**

Debt service	
Principal redemption	7,255,000
Coupon redemption and fees	<u>1,647,068</u>
Total expenditures	<u>8,902,068</u>

(Deficiency) of revenues (under) expenditures (5,659,143)

**OTHER FINANCING SOURCES**

Interfund transfers	<u>6,921,488</u>
Total other financing sources	<u>6,921,488</u>
Excess of revenues and other financing sources over expenditures	1,262,345

**FUND BALANCE**—beginning of year 6,868,777

**FUND BALANCE**—end of year \$8,131,122

**AGENCY FUNDS**

**Ankeny Community School District**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**Year ended June 30, 2007**

	<u>District</u>	<u>Cafeteria</u>	<u>Total</u>
<b>BALANCE</b> , beginning of year	\$ 159,296	\$ 70,730	\$ 230,026
Additions			
Collections	234,721	-	234,721
Interest	<u>4,072</u>	<u>1,244</u>	<u>5,316</u>
	238,793	1,244	240,037
Deductions			
Interfund transfers	63,530	-	63,530
Miscellaneous	<u>169,540</u>	<u>71,751</u>	<u>241,291</u>
<b>BALANCE</b> , end of year	<u>\$ 165,019</u>	<u>\$ 223</u>	<u>\$ 165,242</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS**  
Year ended June 30, 2007

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
District—Wide				
Interest income	\$ 25,093	\$ 51,446	\$ 22,090	\$ 54,449
PE Uniform Account	6,294	31,276	39,649	(2,079)
DW Towel	61,265	605	18,212	43,658
Book Fair	1,676	8,181	8,672	1,185
Elem Musical Recorders	2,969	3,700	3,894	2,775
Total District-Wide	<u>97,297</u>	<u>95,208</u>	<u>92,517</u>	<u>99,988</u>
Senior High School				
Athletic Fund	108,534	512,321	479,153	141,702
Drama/Musical	4,307	6,783	423	10,667
Vocal Music	(63)	106,101	104,640	1,398
Instrumental Music	34,870	48,771	63,225	20,416
Art	1,189	2,548	1,580	2,157
Lock	10,322	150	2,598	7,874
PE Uniforms	77	—	77	—
Industrial Tech	930	4,558	2,091	3,397
Media Special	7,455	2,629	2,031	8,053
Business Ed Special	3,564	38,341	37,788	4,117
Health Special	1,310	—	—	1,310
Language Arts Special	1,016	382	455	943
Math Special	1,247	—	594	653
Modern Language Special	4,245	1,829	2,237	3,837
Science Special	5,941	3,785	3,880	5,846
Social Studies Special	2,567	3,340	3,071	2,836
Industrial Tech Cad Lab	692	—	—	692
Scholastic Bowl	825	630	247	1,208
Drama Club	6,481	11,525	18,538	(532)
Family & Consumer Science	2,713	8,003	6,003	4,713
French Club	3,256	7,370	7,304	3,322
Honor Society	11,519	7,276	8,727	10,068
Journalism Club	2,485	5,501	9,124	(1,138)
Debate Club	(568)	(299)	(1,020)	153
Ecology Club	182	280	296	166
Travel Club	(170)	344	—	174
Ahs Coffee Shop	—	10,530	5,788	4,742
Cheerleaders....Varsity	7,928	90,324	75,731	22,521
Cheerleaders....9 <sup>th</sup> Grade	15,158	29,715	28,209	16,664
Circle Of Friends (Overton)	3,243	1,329	1,932	2,640
Class Of 2007	4,871	—	4,871	—
Class Of 2008	(1,600)	15,825	14,225	—
Drill Team	20	632	651	1
S A D D	421	35	92	364

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS (continued)**  
Year ended June 30, 2007

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
Senior High School (continued)				
Interact	\$ 250	\$ 250	\$ 336	\$ 164
Student Council	3,877	9,924	7,672	6,129
Yearbook	48,427	15,445	11,628	52,244
Textbook Fines	2,301	3,622	62	5,861
Badge Replacement	1,055	1,240	-	2,295
Handbooks	45	55	-	100
Building Trades	6,286	-	2,907	3,379
Peer Helper	574	190	82	682
Student Teacher Scholarship	4,339	4,817	4,200	4,956
Speech/Drama Scholarship	911	-	600	311
Debate Scholarship	5,438	-	-	5,438
Advance Placement Testing	9,475	20,189	20,078	9,586
Academic Awards	500	250	723	27
Cap & Gown	2,847	1,522	5,484	(1,115)
Prom	-	13,611	5,529	8,082
Learning Center Balloons	1,076	309	517	868
Summer Fitness	10,020	11,280	9,155	12,145
Model UN	204	755	882	77
Total Senior High School	<u>342,592</u>	<u>1,004,017</u>	<u>954,416</u>	<u>392,193</u>
Northview Middle School				
Vocal Music	1,622	16,482	14,011	4,093
Instrumental Music	1,112	6,953	6,154	1,911
Art	303	20	30	293
Lock	15,041	147	550	14,638
Towel	602	-	602	-
Media Center Special	1,369	2,200	1,655	1,914
PE Special	-	2,187	2,170	17
Culinary Arts Special	1,634	1,755	81	3,308
Modern Language	-	1,129	395	734
Science Special	10	-	-	10
Student Council Special	26,447	11,004	26,451	11,000
F A H	14,454	8,350	9,075	13,729
Drama Club	-	-	44	(44)
Vocal Music Camp	-	15,067	15,067	-
Student Council	1,323	2,629	3,712	240
Yearbook	3,591	12,817	11,545	4,863
Textbook Fines	5,244	403	-	5,647
Book Store	572	1,054	523	1,103
SOS Club	244	2,160	2,749	(345)
Technology Fundraising	15,519	26,466	21,433	20,552
Special Olympics	325	162	-	487
Total Northview Middle School	<u>89,412</u>	<u>110,985</u>	<u>116,247</u>	<u>84,150</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS (continued)**  
Year ended June 30, 2007

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
Parkview Middle School				
Vocal Music	\$ 245	\$ 265	\$ 510	\$ -
Instrumental Music	1,032	5,575	5,733	874
Lock	269	135	-	404
Towel	3	-	3	-
Media Center Special	2,299	9,884	9,247	2,936
Culinary Arts	3,221	2,709	4,851	1,079
Science Special	-	597	-	597
Parkview Stars	505	-	231	274
6 <sup>th</sup> Grade Silver Team	(34)	1,882	1,815	33
6 <sup>th</sup> Grade Gold Team	338	1,330	903	765
6 <sup>th</sup> Grade Maroon Team	(51)	1,312	1,211	50
6 <sup>th</sup> Grade Teal Team	484	802	840	446
6 <sup>th</sup> Grade Platinum Team	269	1,167	1,407	29
6 <sup>th</sup> Grade Navy Team	383	794	1,127	50
6 <sup>th</sup> Grade Bronze Team	212	595	640	167
6 <sup>th</sup> Grade Crimson Team	(147)	1,490	1,325	18
7 <sup>th</sup> Grade Gold Team	302	535	840	(3)
7 <sup>th</sup> Grade Teal Team	351	460	567	244
7 <sup>th</sup> Grade Bronze Team	232	305	487	50
7 <sup>th</sup> Grade Platinum Team	310	410	490	230
7 <sup>th</sup> Grade Navy Team	404	460	567	297
7 <sup>th</sup> Grade Silver Team	231	355	441	145
7 <sup>th</sup> Grade Maroon Team	-	475	425	50
7 <sup>th</sup> Grade Crimson Team	-	475	425	50
Student Council	41,589	88,448	102,419	27,618
Yearbook	1,861	2,823	1,912	2,772
Textbook Fines	1,689	-	695	994
Total Parkview Middle School	<u>55,997</u>	<u>123,283</u>	<u>139,111</u>	<u>40,169</u>
Crocker Elementary				
Field Trip	490	4,970	5,500	(40)
Media Center Special	5,363	21,465	20,600	6,228
Special Projects	5,244	22,069	22,771	4,542
Total Crocker Elementary	<u>11,097</u>	<u>48,504</u>	<u>48,871</u>	<u>10,730</u>
East Elementary				
Field Trip	313	2,823	3,105	31
Media Center Special	8,639	13,429	17,740	4,328
Special Projects	7,938	14,425	20,925	1,438
Science Special	1,774	4,633	3,283	3,124
Student Council	-	-	-	-
Peer Helper	-	1,000	150	850
Total East Elementary	<u>18,664</u>	<u>36,310</u>	<u>45,203</u>	<u>9,771</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS (continued)**  
Year ended June 30, 2007

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
<b>Northwest Elementary</b>				
Field Trip	\$ 754	\$ 2,915	\$ 3,395	\$ 274
Media Center Special	5,244	9,260	8,146	6,358
Special Projects	1,628	21,145	18,947	3,826
Student Council	<u>2,163</u>	<u>388</u>	<u>699</u>	<u>1,852</u>
Total Northwest Elementary	<u>9,789</u>	<u>33,708</u>	<u>31,187</u>	<u>12,310</u>
<b>Southeast Elementary</b>				
Field Trip	530	690	700	520
Media Center Special	7,951	16,217	21,126	3,042
Special Projects	8,993	19,477	18,734	9,736
Special Ed	-	<u>8,050</u>	<u>4,272</u>	<u>3,778</u>
Total Southeast Elementary	<u>17,474</u>	<u>44,434</u>	<u>44,832</u>	<u>17,076</u>
<b>Terrace Elementary</b>				
Field Trip	1,068	4,129	4,118	1,079
Media Center Special	6,773	19,098	20,842	5,029
Special Projects	<u>1,640</u>	<u>9,000</u>	<u>7,150</u>	<u>3,490</u>
Total Terrace Elementary	<u>9,481</u>	<u>32,227</u>	<u>32,110</u>	<u>9,598</u>
<b>Westwood Elementary</b>				
Field Trip	1,002	6,507	7,161	348
Media Center Special	7,441	17,217	14,086	10,572
Special Activity	-	-	429	(429)
Special Projects	6,569	12,852	8,492	10,929
Science Special	129	-	-	129
Student Council	<u>955</u>	<u>-</u>	<u>-</u>	<u>955</u>
Total Westwood Elementary	<u>16,096</u>	<u>36,576</u>	<u>30,168</u>	<u>22,504</u>
<b>Northeast Elementary</b>				
Field Trip	1,343	7,097	8,066	374
Media Center Special	4,528	14,927	15,731	3,724
Special Projects	<u>702</u>	<u>20,372</u>	<u>9,143</u>	<u>11,931</u>
Total Northeast Elementary	<u>6,573</u>	<u>42,396</u>	<u>32,940</u>	<u>16,029</u>
Totals	<u>\$ 674,472</u>	<u>\$1,607,648</u>	<u>\$1,567,602</u>	<u>\$ 714,518</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN AGENCY FUNDS – DISTRICT**  
Year ended June 30, 2007

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
District wide				
Interest	\$ 4,065	\$ 4,072	\$ –	\$ 8,137
ACSD Pop Machine	(1,036)	1,365	831	(502)
Admin Office Pop Machine	632	893	463	1,062
Maintenance Pop Machine	1,031	323	432	922
Pictures	17,276	21,284	17,963	20,597
Family Fund	(100)	434	243	91
Administrator Social	(124)	489	604	(239)
Admin Cookbook	456	–	456	–
Adult Ed	83,509	68,717	45,225	107,001
Community Ed	7,561	720	593	7,688
Community Ed Task Force	8,387	10,069	3,570	14,886
Iowa Center	14,746	1,235	6,194	9,787
ASAP	(40,636)	54,917	75,129	(60,848)
Community Ed Advisory Council	<u>3,821</u>	<u>–</u>	<u>–</u>	<u>3,821</u>
Total District-Wide	<u>99,588</u>	<u>164,518</u>	<u>151,703</u>	<u>112,403</u>
Senior High School				
Graphics Lab	5	–	–	5
Ahs Pop Fund	3,242	253	283	3,212
Payphone Gym	1,163	–	915	248
Vending Machine Project	22,090	30,657	35,426	17,321
Contributions	<u>1,831</u>	<u>15,227</u>	<u>13,892</u>	<u>3,166</u>
Total Senior High School	<u>28,331</u>	<u>46,137</u>	<u>50,516</u>	<u>23,952</u>
Northview Middle School				
Pop Machine	–	1,404	2,008	(604)
Vending Machine Acct	27,604	8,882	17,931	18,555
Wellness	–	8,620	4,700	3,920
Social Activity Acct	<u>2,263</u>	<u>1,566</u>	<u>866</u>	<u>2,963</u>
Total Northview Middle School	<u>29,867</u>	<u>20,472</u>	<u>25,505</u>	<u>24,834</u>
Parkview Middle School				
Faculty Pop Machine	40	2,328	2,270	98
PV Social Acct	<u>(835)</u>	<u>2,571</u>	<u>1,022</u>	<u>714</u>
Total Parkview Middle School	<u>(795)</u>	<u>4,899</u>	<u>3,292</u>	<u>812</u>
Crocker Elementary				
Faculty Pop Machine	<u>375</u>	<u>67</u>	<u>–</u>	<u>442</u>
East Elementary				
Faculty Pop Machine	<u>–</u>	<u>95</u>	<u>75</u>	<u>20</u>

See accompanying independent auditor's report.

**Ankeny Community School District**  
**SCHEDULE OF CHANGES IN AGENCY FUNDS – DISTRICT**  
**Year ended June 30, 2007**

<u>Account</u>	<u>Balance beginning of year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance end of year</u>
Northwest Elementary Faculty Pop Machine	\$ <u>—</u>	\$ <u>85</u>	\$ <u>—</u>	\$ <u>85</u>
Southeast Elementary Faculty Pop Machine	<u>1,353</u>	<u>1,150</u>	<u>1,550</u>	<u>953</u>
Terrace Elementary Faculty Pop Machine	<u>577</u>	<u>915</u>	<u>336</u>	<u>1,156</u>
Westwood Elementary Faculty Pop Machine	<u>—</u>	<u>293</u>	<u>—</u>	<u>293</u>
Northeast Elementary Faculty Pop Machine	<u>—</u>	<u>162</u>	<u>93</u>	<u>69</u>
Totals	\$ <u>159,296</u>	\$ <u>238,793</u>	\$ <u>233,070</u>	\$ <u>165,019</u>

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**

	<b>Year ended June 30</b>			
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>REVENUES</b>				
Local sources				
Local taxes	\$33,966,241	\$30,065,953	\$28,318,302	\$26,436,682
Interest income	1,764,909	1,541,667	654,717	334,873
Other	4,237,222	3,270,005	2,989,482	5,168,364
State sources	30,667,370	27,255,269	24,777,864	23,354,544
Federal sources	<u>1,000,472</u>	<u>887,107</u>	<u>820,386</u>	<u>474,578</u>
Totals	<u>\$71,636,214</u>	<u>\$63,020,001</u>	<u>\$57,560,751</u>	<u>\$55,769,041</u>
<b>EXPENDITURES</b>				
Instruction				
Regular	\$24,633,816	\$22,577,446	\$23,095,940	\$20,333,859
Special	7,025,195	6,401,321	4,507,078	3,885,672
Vocational and other	4,932,740	3,076,311	1,585,385	1,445,464
Support services				
Pupil	3,456,227	3,118,663	2,795,127	2,333,612
Instructional staff	3,431,571	3,392,635	2,596,540	2,024,659
Administration	5,742,551	4,910,159	3,549,498	3,268,080
Operation and maintenance of plant services	4,527,812	4,254,557	4,476,949	4,068,655
Support services—other	2,143,508	9,890,663	3,888,892	3,222,165
Noninstructional programs	1,660,568	1,488,544	2,305,132	2,217,780
Other expenditures				
Capital outlay	7,186,118	38,025	4,500,988	15,620,458
Long-term debt				
Principal retirement	7,255,000	7,150,000	4,735,000	9,290,000
Interest	<u>1,647,068</u>	<u>1,882,037</u>	<u>1,828,217</u>	<u>1,999,776</u>
Totals	<u>\$73,642,174</u>	<u>\$68,180,361</u>	<u>\$59,864,746</u>	<u>\$69,710,180</u>

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)**

<b>Fiscal year ended June 2004</b>	<b>General education</b>	<b>Career education</b>	<b>Special education</b>	<b>Skill education</b>	<b>Cocurricular education</b>
2007	\$24,633,816	\$1,007,466	\$7,025,195	—	\$2,230,767
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

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

<u>Student services</u>	<u>Media/ Instruction</u>	<u>General administration</u>	<u>Central services</u>	<u>Non-instructional programs</u>	<u>Debt service</u>	<u>Total</u>
\$3,456,227	\$3,431,571	\$5,742,551	\$4,527,812	---	---	\$55,893,420
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

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

<b>Fiscal year ended June 30</b>	<b>Local tax</b>	<b>Appropriations</b>		<b>Other Fund Revenues</b>	<b>Total</b>
		<b>State</b>	<b>Federal</b>		
2007	\$19,197,313	\$28,523,862	\$1,000,472	\$3,080,023	\$51,801,670
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

Total receipts excluded A.E.A. receipts.

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

	<u>Governmental</u>			
	<u>General</u>	<u>Management</u>	<u>Special revenue</u>	
<u>Schoolhouse (\$0.675)</u>			<u>Physical plant and equipment</u>	
<b>PROPERTY TAX LEVIES</b>				
Levy year				
2006	\$19,174,477	\$1,595,636	--	\$2,862,030
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

**PROPERTY TAX COLLECTIONS  
(INCLUDING DELINQUENTS)**

Fiscal year				
2006-07	\$19,197,313	\$1,596,345	--	\$2,862,659
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

**PERCENTAGE COLLECTED**

Fiscal year				
2006-07	100.12%	100.04%	--	100.02%
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

fund types

<u>Debt service</u>	<u>Total</u>
\$3,183,132	\$26,815,275
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

\$3,183,816	\$26,840,133
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

100.02%	100.09%
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

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

<u>Fiscal Year</u>	<u>County Assessor</u>	<u>City of Ankeny</u>	<u>Polk County</u>	<u>Area XI Community College Fund</u>	<u>State</u>	<u>Ankeny Community School District</u>	<u>Total</u>	<u>Ratio of Ankeny Community School District to total</u>
2006-07	---	---	---	---	---	---	---	--
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

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

<u>Valuation year</u>	<u>Collection year</u>	<u>Real property</u>		<u>Utilities</u>	
		<u>Taxable value</u>	<u>100% value</u>	<u>Taxable value</u>	<u>100% value</u>
2006	2006-07	\$1,549,847,251	\$2,790,674,272	\$12,169,067	\$12,169,067
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

<b>Total**</b>		<b>Ratio of taxable to assessed value</b>
<b>Taxable value</b>	<b>100% value</b>	
\$1,562,016,318	\$2,802,843,339	55.73%
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

\*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)**

<b>Fiscal Year (of collection)</b>	<b>Population*</b>	<b>Assessed Property Value</b>	<b>Legal bonded debt limit</b>	<b>Bonded debt</b>	<b>Ratio of Bonded Debt to Assessed value</b>	<b>Bonded debt per capita</b>
2006-07	36,161	\$1,733,617,954	\$86,680,898	\$39,570,000	2.28%	\$1,094
2005-06	36,161	1,576,520,597	78,826,030	16,714,000	1.06	462
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

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

**Ankeny Community School District**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**Year ended June 30, 2007**  
**(Unaudited)**

<b>Name of governmental unit</b>	<b>2006 Valuation</b>	<b>Total Outstanding debt June 30, 2007</b>	<b>Percentage Applicable to School District</b>	<b>School District's share of the Outstanding debt</b>
Polk County	\$17,101,741,082	\$252,441,000	9.52%	\$24,032,383
City of Ankeny	1,689,859,587	64,272,000	100.00	64,272,000
Des Moines Area Community College	29,913,580,271	69,505,000	5.47	3,801,924
Ankeny Community School District	1,873,292,954	63,020,000	100.00	<u>63,020,000</u>
Total direct and overlapping debt		<u>\$449,238,000</u>		<u>\$155,126,308</u>

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)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Services</b>	<b>Total General Expenditures</b>	<b>Ratio of Debt Service To Total Expenditures</b>
2006-07	\$2,535,000	\$648,132	\$2,535,000	\$53,749,912	4.72%
2005-06	2,470,000	732,507	3,202,507	47,833,120	6.70
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

\*Includes all General Fund expenditures except A.E.A. costs.

\*\* FY203 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	570
East	1963, 1966, 1994-95, 2005	K-5	330
Northwest	1963, 1965, 1981,2002	K-5	442
Southeast	1968-69,2003	K-5	527
Terrace	1971,2002, 2005	K-5	516
Westwood	1988-89, 1991-92,2002	K-5	636
Northeast	1992-93, 1996-97, 2000	K-5	663
Parkview Middle School	1950-56, 1963, 1974, 1987 1991, 1993, 1999, 2005	6-9	1067
Northview Middle School	1996, 1999,2001	8-9	1020
Ankeny Senior High	1973-75, 1986, 1999, 2003, 2005	10-12	1,454
*Other		K-12	240.1
Less open enrollment out		K-12	<u>(110)</u>
Total enrollment			<u>7,355.1</u>
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)**

	<u>06-07</u>	<u>05-06</u>	<u>04-05</u>	<u>03-04</u>	<u>02-03</u>	<u>01-02</u>	<u>00-01</u>	<u>99-00</u>	<u>98-99</u>	<u>97-98</u>
<b>Administration</b>										
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	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Assistant principal	10.0	8.0	8.0	8.0	8.0	8.0	6.0	5.0	4.0	4.0
All other administrators	<u>7.0</u>	<u>7.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
Totals	<u>29.0</u>	<u>27.0</u>	<u>28.0</u>	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>	<u>24.0</u>	<u>23.0</u>	<u>22.0</u>	<u>22.0</u>
<b>Instructors</b>										
Teachers	415.0	405.95	377.65	356.75	350.55	346.4	327.7	315.0	298.0	296.1
Curriculum specialist	0	0	0	0	0	.0	.0	.0	.0	1.0
Counselor	13.0	15.0	15.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0
Librarian	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.0</u>
Totals	<u>438.0</u>	<u>430.95</u>	<u>402.65</u>	<u>379.75</u>	<u>373.55</u>	<u>369.4</u>	<u>351.2</u>	<u>337.5</u>	<u>320.5</u>	<u>318.1</u>
<b>Support personnel</b>										
Nurses	10.0	10.0	10.0	9.0	9.0	9.0	9.0	6.8	6.4	6.4
Office/clerical	35.0	34.0	36.0	35.0	35.0	35.0	29.0	33.9	29.0	28.0
Crafts and trades	15.5	15.5	16.0	15.0	5.0	15.0	15.0	11.0	10.0	9.0
Non-instruction	68.0	67.0	66.0	59.0	58.0	57.0	56.0	54.5	53.0	52.0
Instruction	188.4	177.0	167.0	159.0	153.0	152.0	149.0	112.2	105.0	92.0
Supervisors	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Totals	<u>321.9</u>	<u>308.5</u>	<u>300</u>	<u>282</u>	<u>275.0</u>	<u>273.0</u>	<u>263.0</u>	<u>254.4</u>	<u>223.4</u>	<u>208.4</u>
Total district staffing	<u>788.9</u>	<u>766.45</u>	<u>730.65</u>	<u>688.75</u>	<u>675.55</u>	<u>669.4</u>	<u>638.2</u>	<u>623.5</u>	<u>582.9</u>	<u>549.9</u>

\*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 36,161 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.

<u>Schools</u>	<u>06-07</u>	<u>05-06</u>	<u>04-05</u>	<u>03-04</u>	<u>02-03</u>	<u>01-02</u>	<u>00-01</u>	<u>99-00</u>	<u>98-99</u>	<u>97-98</u>	<u>96-97</u>
Crocker Elementary	K-5	K-5									
East Elementary	K-5	K-6	K-6								
Northwest Elementary	K-5	K-6	K-6								
Southeast Elementary	K-5	K-6	K-6								
Terrace Elementary	K-5	K-6	K-6								
Westwood Elementary	K-5	K-6	K-6								
Northeast Elementary	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	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	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	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 1st 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.

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

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.

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

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 purchase land for an addition 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.

**During fiscal 2006-07 the following PPEL & Local Option Sales Tax projects were completed:**

District Administration remodel was completed totaling \$450,982.44. High School portables to accommodate increased high school enrollment for \$207,297. Final payment of \$119,018 for the Support Services building.

Land purchases for future school sites totaling \$2,048,531. Completed the high school road and parking lot expansion totaling \$192,444.92

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 2006 was 7,355.1 students: 1,454 (10-12) senior high students, 1,020 (8-9) middle school, 1,067 (6-7) middle school students, 3,684 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 7,355.1.

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 629,176 student lunches and 36,421 breakfasts during the 2006-07 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, 2007  
(Unaudited)**

<u>Name of Taxpayer</u>	<u>2006 taxable value</u>	<u>Percentage of 2006 District's taxable value</u>
John Deere Des Moines Works	\$25,867,350	1.38%
Tone Brothers	22,632,000	1.20
Casey's General Store	20,580,300	1.10
Perishable Distributors of Iowa, Ltd.	16,974,280	0.91
Signature Properties LLC	14,496,000	0.77
Walmart Real Estate	14,796,000	0.79
Karl Chevrolet	12,880,000	0.69
Target Corp.	12,301,000	0.66
Menard Inc.	11,716,100	0.63
Sun Secured Finance LLC	9,759,000	0.52

District Assessed Value with Gas and Electric = \$ 1,873,292,954

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, 2007  
(Unaudited)**

<u>Employer</u>	<u>Business/Service</u>	<u>Number of Employees</u>	<u>Union</u>
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
Accumold	Micro molded parts	85	None

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

	<u>06-07</u>	<u>05-06</u>	<u>04-05</u>	<u>03-04</u>	<u>02-03</u>	<u>01-02</u>	<u>00-01</u>	<u>99-00</u>	<u>98-99</u>	<u>97-98</u>
Preschool/ Handicapped	20	16	18	19	14	16	8	11	12	10
Developmental										
Kindergarten	0	0	0	0	16	15	17	20	17	19
Kindergarten	665	583	571	522	506	493	455	455	415	401
First	605	602	558	533	510	459	466	434	408	373
Second	617	596	541	528	486	467	445	425	402	431
Third	622	573	542	495	482	462	439	414	444	419
Fourth	577	569	506	501	466	447	433	463	438	415
Fifth	<u>578</u>	<u>532</u>	<u>524</u>	<u>483</u>	<u>466</u>	<u>444</u>	<u>474</u>	<u>455</u>	<u>429</u>	<u>374</u>
Elementary Total	3,684	3,471	3,260	3081	2,946	2,803	2,737	2,677	2,565	2,442
Sixth	533	545	495	475	454	483	468	437	412	404
Seventh	534	514	486	468	496	468	449	395	418	438
Eighth	523	495	473	499	488	468	392	417	443	392
Ninth	<u>497</u>	<u>492</u>	<u>506</u>	<u>480</u>	<u>472</u>	<u>395</u>	<u>416</u>	<u>449</u>	<u>402</u>	<u>436</u>
Middle School Total	2,087	2,046	1,960	1,922	1,910	1,814	1,725	1,698	1,675	1,670
Tenth	487	494	499	473	401	415	445	413	428	399
Eleventh	477	514	470	401	413	433	403	404	399	382
Twelfth	<u>490</u>	<u>469</u>	<u>380</u>	<u>399</u>	<u>403</u>	<u>389</u>	<u>392</u>	<u>397</u>	<u>374</u>	<u>395</u>
High School Total	1,454	1,477	1,349	1,273	1,217	1,237	1,240	1,214	1,201	1,176
Special education	--	--	--	--	--	--	--	--	--	--
Home schooled	--	--	--	--	--	--	--	--	--	--
*Other (net)	130.5	112.5	125.5	170.13	148.2	144	126.4	162.1	127.4	128.9
Totals	<u>7,355.1</u>	<u>7,106.50</u>	<u>6,694.50</u>	<u>6,446.13</u>	<u>6,221.20</u>	<u>5,998.0</u>	<u>5,828.4</u>	<u>5,751.1</u>	<u>5,568.4</u>	<u>5,416.9</u>

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

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

<u>Fiscal year</u>	<u>Total costs*</u>	<u>Average daily attendance</u>	<u>Operating cost per pupil</u>
2006-07	\$55,893,420	6,986	\$8,001.00
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

\*Excludes A.E.A costs

**Ankeny Community School District  
SCHEDULE OF INSURANCE COVERAGE  
June 30, 2007  
(Unaudited)**

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

<b>Liability limits</b>	<b>Annual premium</b>
Coverage 90% of full replace. Cost as per statement of values—deductible \$1,000.	\$ 174,657
\$1,000,000 bodily injury each occurrence, \$2,000,000 aggregate, \$1,000,000 property damage each occurrence, \$1,000,000 aggregate teachers included.	36,471
\$1,000,000 single limit liability, \$5,000 medical payment, ACV comprehensive; \$0; Collision \$250 deductible and; uninsured and underinsured motorist \$50,000	23,378
Statutory	241,011
\$5,000,000 occurrence and aggregate—\$10,000 retained limit.	24,877
\$25,000,000 occurrence and \$50,000,000 group aggregate—IASB Group	9,643
\$5,000 deductible, \$1,000,000 each loss, \$1,000,000 aggregate.	7,200
\$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.	2,732
Coverage \$500,000. \$250 deductible.	1,125
<b>Total</b>	<b>\$525.127</b>

**COMPLIANCE SECTION**

**Ankeny Community School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2007

<u>Grantor/Program</u>	<u>CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
<b>Indirect</b>			
<b>U.S. Bureau of Children, Family &amp; Community Services</b>			
Deaf-blind project funds	84.025	FY07	\$ <u>200</u>
Total Bureau of Children, Family & Community Services			<u>200</u>
<b>U.S. Department of Agriculture</b>			
Iowa Department of Education			
Food Distribution (non-cash)	10.550	FY07	\$ 66,588
School Nutrition Cluster Programs			
School Breakfast Program	10.553	FY07	23,369
National School Lunch Program	10.555	FY07	<u>310,451</u>
Total School Nutrition Cluster			<u>333,820</u>
Total Department of Agriculture			<u>400,408</u>
<b>U.S. Department of Education</b>			
Iowa Department of Education			
Title I Grants to Local Educational Agencies	84.010	FY07	160,860
Improving Teacher Quality Stock Grants	84.367	FY07	96,157
State Grants for Innovative Programs	84.298	FY07	8,165
Safe and Drug-Free Schools and Community - State Grants	84.186	FY07	13,763
Improve Academic Achievement (Title VI)	84.369	FY07	48,727
Special Education - Grants to States	84.027	FY07	329,148
State Children's Insurance Program	93.767	FY07	275,287
Harkin Grant	84.000	FY07	24,728
Ankeny Area Education Agency			
Vocational Education - Basic Grants to States	84.048	FY07	<u>43,437</u>
Total Department of Education			<u>1,000,272</u>
Total			<u>\$1,400,880</u>

**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.

**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, 2007, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated December 10, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Ankeny Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ankeny Community School District's internal control over financial reporting.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Ankeny Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Ankeny Community School District's financial statements that is more than inconsequential will not be prevented or detected by Ankeny Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Ankeny Community School District's internal control.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2007 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.

Ankeny Community School District's responses to findings identified in our audit are described in the accompanying schedule of findings. While we have expressed our conclusions on the City's responses, we did not audit the Ankeny Community School District's responses and, accordingly, we express no opinion on them.

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**

West Des Moines, Iowa  
December 10, 2007

**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 programs for the year ended June 30, 2007. Ankeny Community School District's major federal programs are 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 programs are 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 programs for the year ended June 30, 2007.

### **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 its major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ankeny Community School District's internal control over compliance.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

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

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**

West Des Moines, Iowa  
December 10, 2007

**Ankeny Community School District  
SCHEDULE OF FINDINGS  
Year ended June 30, 2007**

**Part I—Summary of the Independent Auditor's Results**

- (a) An unqualified opinion was issued on the financial statements.
- (b) No significant deficiencies 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 significant deficiencies in internal control over the major programs were 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 programs were as follows:
  - CFDA Number 10.550 – Food Distribution (non-cash)
  - Clustered programs:
    - CFDA Number 10.553 - School Breakfast Program
    - CFDA Number 10.555 - National School Lunch Program
- (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**

**Ankeny Community School District  
SCHEDULE OF FINDINGS (continued)  
Year ended June 30, 2007**

**Part IV—Other Findings Related to Required Statutory Reporting**

**IV-A-07 CERTIFIED BUDGET**

Expenditures during the year ended June 30, 2007 exceeded the amount budgeted in the noninstructional and other functions. 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**

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

**Response**

We will review the budget activity more closely in the future to be sure that an adequate amendment is adopted.

**Conclusion**

Response accepted.

**IV-B-07 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-07 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-07 BUSINESS TRANSACTIONS**

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

**IV-E-07 BOND COVERAGE**

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

**Ankeny Community School District  
SCHEDULE OF FINDINGS (continued)  
Year ended June 30, 2007**

**IV-F-07 BOARD MINUTES**

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

We noted certain minutes were not preceded by proper public notice and certain minutes were not published as required by Chapter 21 and 279.35 of the Code of Iowa.

**Recommendation**

The District should insure that proper public notice is published and should furnish a copy of the Board proceedings to be published within two weeks of each meeting.

**Response**

Procedures have been revised to ensure all meetings are preceded by proper notice and the minutes are published as required.

**Conclusion**

Response accepted.

**IV-G-07 CERTIFIED ENROLLMENT**

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

**IV-H-07 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-07 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.