

CARLISLE COMMUNITY SCHOOL DISTRICT  
CARLISLE, IOWA

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2009

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CARLISLE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2008 Election)		
Ann Polito	President	2009
Rob Joiner	Vice President	2008
Michelle Tish	Board Member	2008
John Judisch	Board Member	2009
Mark Randleman	Board Member	2009
<u>Board of Education</u>		
(After September 2008 Election)		
John Judisch	President	2009
Rob Joiner	Vice President	2011
Mark Randleman	Board Member	2009
Ann Polito	Board Member	2009
Michelle Tish	Board Member	2011
<u>School Officials</u>		
Dr. Tom Lane	Superintendent	2012
Jean Flaws	District Secretary/Treasurer	2009
Ron Peeler	Attorney	Indefinite

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Carlisle Community School District:

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 Carlisle Community School District, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of the District's 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carlisle Community School District at June 30, 2009, 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 October 26, 2009 on our consideration of Carlisle Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. 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.

The Management's Discussion and Analysis and Budgetary Comparison Information on pages 6 through 16 and 50 through 51 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carlisle 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 four years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 7 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.

Oskaloosa, Iowa  
October 26, 2009

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Carlisle Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Because the District has implemented new reporting standards last fiscal year, comparisons are made in explaining the District's financial position and results of operations.

### **Financial Highlights**

- General Fund revenues increased from \$13,811,275 in fiscal year 2008 to \$14,344,631 in fiscal year 2009, while General Fund expenditures increased from \$14,260,507 in fiscal year 2008 to \$14,508,999. The General Fund balance as of June 30, 2009 was \$2,128,198 compared to \$2,329,869 at June 30, 2008.
- The increase in General Fund revenues was attributable to an increase in property valuations and open enrolled students in to the district. The increase in expenditures was due primarily to an increase in the negotiated salary and benefits expenditures, increased costs of supplies and additional repairs & maintenance.
- The district approved a general obligation school capital loan note to be funded through the PPEL fund. Payments began during fiscal year 2009 and will end July 2012.
- Sales tax revenue bonds were sold on April 7, 2009 in the amount of \$11,325,000 to fund remodeling and construction projects at the Hartford Upper Elementary building, the high school building and the athletic field. Re-payment will begin in FY 2010 and end in FY 2030.
- A 1.5% ATB cut was received in the spring of 2009. Education Stabilization money in the amount of \$143,000 was received to help offset the ATB cut.

## Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements. Fund statements include the following:

The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

The statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

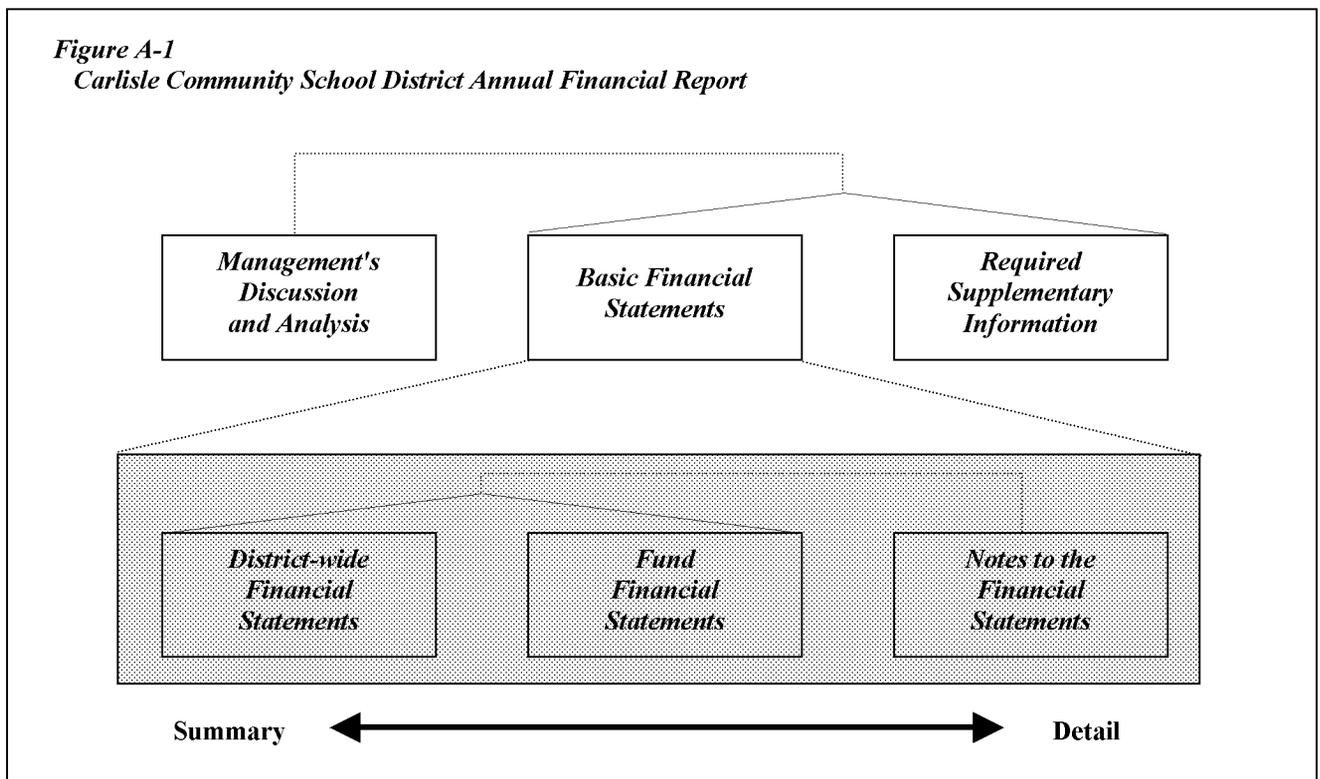


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of the management’s discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2 Major Features of the District-Wide and Fund Financial Statements</b>				
	District-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## **District-wide Statements**

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

The two District-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

## **Fund Financial Statements**

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.

- The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
  - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds, the School Nutrition Fund, the Building Trades Fund, and the Adult Education Fund.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust funds.
  - Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund and the Carlisle Empowering Foundation.

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

### Financial Analysis of the District as a Whole

**Net assets** - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2009.

Figure A-3 Condensed Statement of Net Assets	Governmental		Business-type		Total		Total
	Activities		Activities		School District		% Change
	2009	2008	2009	2008	2009	2008	2008-2009
Current and other assets	20,989,272	8,914,917	136,235	156,803	21,125,507	9,071,720	132.87%
Capital assets	20,691,756	19,373,872	205,802	217,456	20,897,558	19,591,328	6.67%
Total assets	41,681,028	28,288,789	342,037	374,259	42,023,065	28,663,048	46.61%
Long-term obligations	22,862,036	12,049,687			22,862,036	12,049,687	89.73%
Other liabilities	7,334,780	5,167,226	44,909	54,369	7,379,689	5,221,595	41.33%
Total liabilities	30,196,816	17,216,913	44,909	54,369	30,241,725	17,271,282	75.10%
Net assets:							
Invested in capital assets,							
net of related debt	7,240,020	8,228,872	205,802	217,456	7,445,822	8,446,328	-11.85%
Restricted	3,265,884	1,256,238			3,265,884	1,256,238	159.97%
Unrestricted	978,308	1,586,766	91,326	102,434	1,069,634	1,689,200	-36.68%
Total net assets	11,484,212	11,071,876	297,128	319,890	11,781,340	11,391,766	3.42%

The District's combined net assets were \$11,781,340 at June 30, 2009.

**Changes in net assets** – Figure A-4 shows the changes in net assets for the year ended June 30, 2009. The District's improved financial position is the product of many factors. Growth due to revenue increase from increased open enrollment is one of the reasons.

Property and other taxes and unrestricted state grants account for 77 percent of the total revenue. The District's expenses primarily relate to instruction and support services which account for 84 percent of the total expenses.

Figure A-4 Changes in Net Assets	Governmental Activities		Business-type Activities		Total School District		Total % Change
	2009	2008	2009	2008	2009	2008	2008-09
Revenues:							
Program revenues:							
Charges for service and sales	970,182	862,462	445,159	599,457	1,415,341	1,461,919	-3.2%
Operating grants, contributions and restricted interest	2,233,104	2,008,092	235,979	226,714	2,469,083	2,234,806	10.5%
Capital grants, contributions and restricted interest		52,465				52,465	%
General revenues:							
Property and other taxes	5,607,994	5,186,737			5,607,994	5,186,737	8.1%
Unrestricted state grants	8,388,857	8,242,173			8,388,857	8,242,173	1.8%
Unrestricted investment earnings	142,508	103,064	1,643	2,658	144,151	105,722	36.2%
Capital Contributions				221,686		221,686	
Other	125,004	159,9215			125,004	159,925	-21.8%
Total revenues	17,467,649	16,614,918	682,781	1,050,515	18,150,430	17,665,433	2.7%
Program expenses:							
Governmental activities:							
Instruction	9,404,845	9,043,148	4,772	3,410	9,409,617	9,046,558	4.0%
Support services	5,526,026	5,066,567	7,716	4,518	5,533,742	5,071,085	9.11%
Non-instructional programs			693,055	906,939	693,055	906,939	-23.6%
Other expenses	2,124,442	1,630,166			2,124,442	1,630,166	30.3%
Total expenses	17,055,313	15,739,881	705,543	914,867	17,760,856	16,654,748	6.6%
Change in net assets	412,336	875,037	-22,762	135,648	389,574	1,010,685	-61.5%

## Governmental Activities

Revenues for governmental activities were \$17,467,649 and expenses were \$17,055,313.

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

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

	Total Cost of Services	Net Cost of Services
Instruction	9,404,845	6,865,504
Support services	5,526,026	5,477,613
Other expenses	2,124,442	1,508,910
Totals	17,055,313	13,852,027

- The cost financed by users of the District's programs was \$970,182.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$2,233,104.
- The remaining cost of governmental activities was financed with \$5,607,994 in property and other taxes, \$8,388,857 in state foundation aid, \$142,508 in interest income and \$125,004 in miscellaneous revenues.

## Business-Type Activities

Revenues of the District's business-type activities were \$682,781 and expenses were \$705,543. The District's business-type activities include the School Nutrition, Building Trades, and Adult Education Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements, sale of house, rent and investment income. Expenses in the District's business-type activities are recorded primarily as non-instructional programs.

## Financial Analysis of the District's Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$13,816,299.

### **Governmental Fund Highlights**

- The District's financial position remains in good condition. The school board has emphasized they wish to maintain at least a 3 month reserve as a back up in case of future cuts.
- The General Fund balance decreased from \$2,329,869 to 2,128,198.
- The Physical Plant and Equipment Levy (PPEL) Fund balance increased from \$71,387 in fiscal 2008 to \$129,800 in fiscal 2009. The voter approved \$1.00 PPEL levy ended June 30, 2007. Patrons voted to re-instate the voter approved PPEL levy in the amount of \$1.34 effective July 1, 2008.
- The Capital Projects Fund is comprised of several projects: Local Option Sales Tax that has been received since July, 2000, renovations to the Football Stadium, remodeling of the High School Gym, and completion of the new Early Childhood facility which opened in the Fall of 2005. A new middle school facility funded through general obligation bonds was completed in the fall of 2007.

### **Proprietary Fund Highlights**

The School Nutrition Fund net assets decreased from \$246,736 at June 30, 2008 to \$226,683 at June 30, 2009.

## **Budgetary Highlights**

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 its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional revenue that was received along with expenses associated with the capital project activity and capital loan note for updating technology equipment. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

### **Legal Budgetary Highlights**

The District's total actual revenues were \$374,636 more than the total budgeted revenues, a variance of 2.1 %.

Total expenditures were less than budgeted by \$7,558,199, a variance of 29.5%. The District manages or controls spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year in total.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2009, the District had invested \$20,897,558 net of accumulated depreciation of \$5,784,116, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment (see Figure A-6). More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year totaled \$573,352.

The original cost of the District's capital assets was \$26,681,674. Governmental funds account for \$ 26,247,292 with the remainder of \$ 434,382 in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress and buildings category.

**Figure A-6**  
**Capital Assets, net of Depreciation**

	Governmental Activities		Business-type Activities		Total School District	
	2009	2008	2009	2008	2009	2008
Land	831,177	831,177			831,177	831,177
Construction in progress	1,686,630				1,686,630	
Buildings	17,537,201	17,990,653			17,537,201	17,990,653
Improvements other than buildings						
Furniture and equipment	636,748	552,042	205,802	217,456	842,550	769,498
<b>Totals</b>	<b>20,691,756</b>	<b>19,373,872</b>	<b>205,802</b>	<b>217,456</b>	<b>20,897,558</b>	<b>19,591,328</b>

## Long-Term Liabilities

At June 30, 2009, the District had \$22,862,036 in general obligation bonds and other long-term liabilities outstanding. This represents an increase of approximately 89.7% percent from last year (see Figure A-7). More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

In December 2005 and April 2006 a total of \$9,000,000 in bonds were sold to fund the middle school construction project. Interest payments began in FY 07 with final payment in FY 2026.

The district took out a \$230,000 School Equipment Purchase Note on August 15, 2007 to purchase technology equipment. The general fund is providing the resources for repayment beginning in January, 2008 and ending in July, 2011.

In August of 2008, the district took out a general obligation school capital loan note in the amount of \$443,000 to upgrade technology equipment district-wide. Repayment began in January, 2009 ending in July, 2012 and is funded by the voted PPEL.

In May of 2009 the district received money from the sale of sales tax revenue bonds in the amount of \$11,325,000 to fund remodeling and construction projects at the high school building, athletic field and the Hartford building. Repayment will begin in fiscal year 2010 and end in fiscal year 2030.

**Figure A-7**  
**Outstanding Long-Term Obligations**

	Total School District		Total Change
	2009	2008	2008-2009
Notes payable	615,500	230,000	1.6761
General obligation bonds	8,535,000	8,870,000	-0.0378
Revenue bonds	12,970,000	2,045,000	5.3423
Early retirement	735,543	902,029	-0.1846
Compensated absences	5,993	2,658	1.2547
<b>Totals</b>	<b>22,862,036</b>	<b>12,049,687</b>	<b>0.8973</b>

## **Factors Bearing on the District's Future**

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

- The District experienced a decrease in enrollment by 32 students for the 2008-2009 school year. Enrollment for the 2009-2010 school year is up by 6.1 with numbers for 2010-2011 not anticipated to change much.
- The District evaluated the condition of its transportation vehicles and determined that one bus would be added to the district's fleet in FY10. With the variable enrollment numbers, the number and condition of the transportation vehicles is closely monitored.
- Insurance costs always play a big factor in negotiating with the Carlisle Community Education Association (CCEA). Insurance packages will be reviewed again during FY10.
- A special election was held on January 13, 2004 asking Warren County residents to pass a Local Option Sales Tax. Income from this tax did not start until July 1, 2004 and will be collected for a 10 year period. Polk County Local Option Sales Tax began July 1, 2001 and will end June 30, 2010. The revenue from sales tax in the two counties is funding the revenue bond issue that was approved FY04 and sold in FY05. The State Legislature passed legislation for a statewide penny in the spring of 2008. The legislation will replace the previous local option sales tax as their 10 year periods end. The statewide penny will increase the per pupil calculation for the district allowing for more money to be invested in infrastructure projects allowed by the Revenue Purpose Statement which was approved by the voters on Sept. 9, 2008.
- The district funded new technology equipment purchased in 2008-2009 with general obligation school capital loan notes in the amount of \$443,000 dated August 1, 2008. Repayment begins January, 2009 and ends July, 2012 with voter approved PPEL funds as the funding source.
- Due to previous increased enrollment needs, construction on a new middle school facility began in FY 06. General Obligation Bonds were sold in December 2005 and April 2006 to pay for this new facility with repayment scheduled through FY 2026.
- The District is proceeding with infrastructure renovation projects at the Hartford and high school buildings and the athletic field. Planning began during the 2008-09 school year and the work began at the close of the 2008-2009 school year. These projects will be funded with the statewide penny funds. Anticipated completion date is the fall of 2010. This project will be the last big project for the district for some time as there is very limited bonding capacity available.
- President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) on February 17, 2009. This provides districts with funding in the areas of general education, Title I and Special Education Part B. The district received \$201,741 in FY 2009. Most of the remaining funds will be distributed in FY 2010 with a small amount to be received in FY 2011.

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

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jean Flaws, District Secretary/Treasurer and Business Manager, Carlisle Community School District, 430 School Street, Carlisle, Iowa, 50047.

## Basic Financial Statements

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS  
June 30, 2009

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 15,709,670	\$ 89,974	\$ 15,799,644
Receivables:			
Property tax:			
Current year	53,800	-	53,800
Succeeding year	4,499,670	-	4,499,670
Interfund receivable (payable)	155,469	(155,469)	-
Accounts	101	-	101
Due from other governments	570,562	-	570,562
Inventories	-	201,730	201,730
Capital assets, net of accumulated depreciation (note 5)	20,691,756	205,802	20,897,558
<b>Total assets</b>	<b>41,681,028</b>	<b>342,037</b>	<b>42,023,065</b>
<b>Liabilities</b>			
Accounts payable	1,098,062	1,064	1,099,126
Salaries and benefits payable	1,356,690	32,720	1,389,410
Accrued interest payable	177,917	-	177,917
Deferred revenue:			
Succeeding year property tax	4,499,670	-	4,499,670
Other	202,441	11,125	213,566
Long-term liabilities (note 6):			
Portion due within one year:			
Early retirement	187,660	-	187,660
Bonds payable	765,000	-	765,000
Notes payable	168,250	-	168,250
Compensated absences	5,993	-	5,993
Portion due after one year:			
Early retirement	547,883	-	547,883
Bonds payable	20,740,000	-	20,740,000
Notes payable	447,250	-	447,250
<b>Total liabilities</b>	<b>30,196,816</b>	<b>44,909</b>	<b>30,241,725</b>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS  
June 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 7,240,020	\$ 205,802	\$ 7,445,822
Restricted for:			
Categorical funding	569,349	-	569,349
Physical plant and equipment levy	133,717	-	133,717
Other special revenue purposes	129,800	-	129,800
Debt service	1,807,036	-	1,807,036
Capital projects	625,982	-	625,982
Unrestricted	<u>978,308</u>	<u>91,326</u>	<u>1,069,634</u>
Total net assets	<u>\$ 11,484,212</u>	<u>\$ 297,128</u>	<u>\$ 11,781,340</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions and Restricted Interest
Governmental Activities:			
Instruction:			
Regular instruction	\$ 6,478,036	\$ 559,412	\$ 1,441,388
Special instruction	1,914,107	90,777	92,634
Other instruction	1,012,702	296,882	58,248
	<u>9,404,845</u>	<u>947,071</u>	<u>1,592,270</u>
Support services:			
Student services	596,033	-	862
Instructional staff services	734,224	-	11,486
Administration services	2,028,937	-	-
Operation and maintenance of plant services	1,481,022	22,236	-
Transportation services	685,810	875	12,954
	<u>5,526,026</u>	<u>23,111</u>	<u>25,302</u>
Other expenditures:			
Facilities acquisition	374,002	-	-
Long-term debt interest and fiscal charges	681,456	-	-
AEA flowthrough	615,532	-	615,532
Depreciation (unallocated) *	453,452	-	-
	<u>2,124,442</u>	<u>-</u>	<u>615,532</u>
Total governmental activities	<u>17,055,313</u>	<u>970,182</u>	<u>2,233,104</u>
Business-Type Activities:			
Instruction:			
Purchased services	4,772	-	-

Net (Expense) Revenue  
and Changes in Net Assets

---

Governmental Activities	Business-Type Activities	Total
\$ (4,477,236)	\$ -	\$ (4,477,236)
(1,730,696)	-	(1,730,696)
(657,572)	-	(657,572)
(6,865,504)	-	(6,865,504)
(595,171)	-	(595,171)
(722,738)	-	(722,738)
(2,028,937)	-	(2,028,937)
(1,458,786)	-	(1,458,786)
(671,981)	-	(671,981)
(5,477,613)	-	(5,477,613)
(374,002)	-	(374,002)
(681,456)	-	(681,456)
-	-	-
(453,452)	-	(453,452)
(1,508,910)	-	(1,508,910)
(13,852,027)	-	(13,852,027)
-	(4,772)	(4,772)

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants, Contributions and Restricted Interest
Business-Type Activities (continued):			
Support services:			
Food service operations	\$ 6,670	\$ -	-
Other	<u>1,046</u>	<u>-</u>	<u>-</u>
	<u>7,716</u>	<u>-</u>	<u>-</u>
Non-instructional programs:			
Food service operations	681,286	430,567	235,979
Other	<u>11,769</u>	<u>14,592</u>	<u>-</u>
	<u>693,055</u>	<u>445,159</u>	<u>235,979</u>
 Total business-type activities	 <u>705,543</u>	 <u>445,159</u>	 <u>235,979</u>
 Total	 <u>\$ 17,760,856</u>	 <u>\$ 1,415,341</u>	 <u>\$ 2,469,083</u>

General Revenues:

Property tax levied for:  
    General purposes  
    Debt service  
    Capital outlay  
Statewide sales and services tax  
Unrestricted state grants  
Unrestricted investment earnings  
Other

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

\* = This amount excludes the depreciation included  
in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Assets

---

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>Total</u>
\$	-	\$ (6,670)	\$	(6,670)
	-	(1,046)		(1,046)
	-	(7,716)		(7,716)
	-	(14,740)		(14,740)
	-	2,823		2,823
	-	(11,917)		(11,917)
	-	(24,405)		(24,405)
	(13,852,027)	(24,405)		(13,876,432)
\$	3,301,939	\$ -	\$	3,301,939
	698,038	-		698,038
	367,240	-		367,240
	1,240,777	-		1,240,777
	8,388,857	-		8,388,857
	142,508	1,643		144,151
	125,004	-		125,004
	14,264,363	1,643		14,266,006
	412,336	(22,762)		389,574
	11,071,876	319,890		11,391,766
\$	<u>11,484,212</u>	<u>\$ 297,128</u>	\$	<u>11,781,340</u>

## CARLISLE COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and pooled investments	\$ 3,520,196	\$ 11,121,902	\$ 1,051,463	\$ 15,693,561
Receivables:				
Property tax:				
Current year	36,037	-	17,763	53,800
Succeeding year	2,904,058	-	1,595,612	4,499,670
Interfund receivable (note 3)	155,469	-	-	155,469
Accounts	101	-	-	101
Due from other governments	182,592	387,969	-	570,561
<b>Total assets</b>	<b>\$ 6,798,453</b>	<b>\$ 11,509,871</b>	<b>\$ 2,664,838</b>	<b>\$ 20,973,162</b>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 209,973	\$ 884,705	\$ 3,384	\$ 1,098,062
Salaries and benefits payable	1,353,783	-	2,907	1,356,690
Deferred revenue:				
Succeeding year property tax	2,904,058	-	1,595,612	4,499,670
Other	202,441	-	-	202,441
<b>Total liabilities</b>	<b>4,670,255</b>	<b>884,705</b>	<b>1,601,903</b>	<b>7,156,863</b>
Fund balance:				
Reserved for:				
Categorical funding	569,349	-	-	569,349
Debt service	-	1,330,420	654,533	1,984,953
Unreserved, reported in:				
General fund	1,558,849	-	-	1,558,849
Special revenue funds	-	-	408,402	408,402
Capital projects fund	-	9,294,746	-	9,294,746
<b>Total fund balances</b>	<b>2,128,198</b>	<b>10,625,166</b>	<b>1,062,935</b>	<b>13,816,299</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,798,453</b>	<b>\$ 11,509,871</b>	<b>\$ 2,664,838</b>	<b>\$ 20,973,162</b>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS  
 June 30, 2009

Total fund balances of governmental funds	\$ 13,816,299
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	20,691,756
The balance of the Internal Service Fund is considered to be an overcharge to the governmental activities and is therefore incorporated back into the overall net governmental assets.	16,110
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(177,917)
Long-term liabilities, including early retirement, bonds payable, notes 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>(22,862,036)</u>
Net assets of governmental activities	<u><u>\$ 11,484,212</u></u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2009

	General	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:				
Local sources:				
Local tax	\$ 2,923,323	\$ 1,240,777	\$ 1,440,983	\$ 5,605,083
Tuition	531,953	-	-	531,953
Other	261,817	46,600	327,613	636,030
Intermediate sources	10,000	-	-	10,000
State sources	10,381,695	-	960	10,382,655
Federal sources	235,843	-	-	235,843
Total revenues	<u>14,344,631</u>	<u>1,287,377</u>	<u>1,769,556</u>	<u>17,401,564</u>
Expenditures:				
Current:				
Instruction	9,056,196	-	475,980	9,532,176
Support services:				
Student services	592,126	-	-	592,126
Instructional staff services	365,333	-	368,895	734,228
Administration services	1,860,810	-	191,521	2,052,331
Operation and maintenance of plant services	1,407,495	-	71,406	1,478,901
Transportation services	611,507	-	95,558	707,065
	<u>4,837,271</u>	<u>-</u>	<u>727,380</u>	<u>5,564,651</u>
Other expenditures:				
Facilities acquisition	-	2,147,570	216,409	2,363,979
Long term debt:				
Principal	-	-	792,500	792,500
Interest and fiscal charges	-	-	444,237	444,237
AEA flowthrough	615,532	-	-	615,532
	<u>615,532</u>	<u>2,147,570</u>	<u>1,453,146</u>	<u>4,216,248</u>
Total expenditures	<u>14,508,999</u>	<u>2,147,570</u>	<u>2,656,506</u>	<u>19,313,075</u>
Deficiency of revenues under expenditures	<u>(164,368)</u>	<u>(860,193)</u>	<u>(886,950)</u>	<u>(1,911,511)</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Other financing sources (uses):				
Interfund transfers in (note 4)	\$ 29,153	\$ -	\$ 527,934	\$ 557,087
Interfund transfers out (note 4)	(66,456)	(484,466)	(6,165)	(557,087)
Revenue bonds issued	-	11,401,769	-	11,401,769
Capital loan notes issued	-	-	443,000	443,000
Total other financing sources (uses)	<u>(37,303)</u>	<u>10,917,303</u>	<u>964,769</u>	<u>11,844,769</u>
Net change in fund balances	(201,671)	10,057,110	77,819	9,933,258
Fund balances beginning of year	<u>2,329,869</u>	<u>568,056</u>	<u>985,116</u>	<u>3,883,041</u>
Fund balances end of year	<u>\$ 2,128,198</u>	<u>\$ 10,625,166</u>	<u>\$ 1,062,935</u>	<u>\$ 13,816,299</u>

See notes to financial statements.

## CARLISLE 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, 2009

Net change in fund balances - total governmental funds \$ 9,933,258

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 not 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:

Expenditures for capital assets	\$ 1,874,653	
Depreciation expense	<u>(556,769)</u>	1,317,884

The net gain in the Internal Service Fund represents an overcharge to governmental activities. 837

Certain federal revenues deferred in the governmental funds were recognized in the Statement of Activities. (10,684)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities. (11,768,000)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets. 792,500

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (16,610)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	166,486	
Compensated absences	<u>(3,335)</u>	<u>163,151</u>

Change in net assets of governmental activities \$ 412,336

See notes to financial statements.

## CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2009

	Enterprise Funds			Internal Service Fund
	School Nutrition	Non-Major Enterprise	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 43,802	\$ 46,172	\$ 89,974	\$ 16,110
Inventories	21,324	180,406	201,730	-
Capital assets, net of accumulated depreciation (note 5)	205,802	-	205,802	-
<b>Total assets</b>	<b>270,928</b>	<b>226,578</b>	<b>497,506</b>	<b>16,110</b>
<b>Liabilities</b>				
Due to other funds	-	155,469	155,469	-
Accounts payable	400	664	1,064	-
Salaries and benefits payable	32,720	-	32,720	-
Deferred revenue	11,125	-	11,125	-
<b>Total liabilities</b>	<b>44,245</b>	<b>156,133</b>	<b>200,378</b>	<b>-</b>
<b>Net Assets</b>				
Invested in capital assets	205,802	-	205,802	-
Unrestricted	20,881	70,445	91,326	16,110
<b>Total net assets</b>	<b>\$ 226,683</b>	<b>\$ 70,445</b>	<b>\$ 297,128</b>	<b>\$ 16,110</b>

See notes to financial statements.

## CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2009

	Enterprise Funds			Internal Service Fund
	School Nutrition	Non-Major Enterprise	Total	
Operating revenues:				
Local sources:				
Charges for services	\$ 430,567	\$ 14,592	\$ 445,159	\$ 58,166
Operating expenses:				
Instruction:				
Purchased services	-	4,772	4,772	57,329
Support services:				
Purchased services	4,887	66	4,953	-
Supplies	1,783	-	1,783	-
Other	-	980	980	-
	6,670	1,046	7,716	-
Non-instructional programs:				
Salaries	220,729	-	220,729	-
Benefits	72,567	-	72,567	-
Supplies	371,166	11,769	382,935	-
Depreciation	16,583	-	16,583	-
Other	241	-	241	-
	681,286	11,769	693,055	-
Total expenses	687,956	17,587	705,543	57,329
Operating income (loss)	(257,389)	(2,995)	(260,384)	837
Non-operating revenues:				
Interest on investments	1,357	286	1,643	-
State sources	7,922	-	7,922	-
Federal sources	228,057	-	228,057	-
Total non-operating revenues	237,336	286	237,622	-
Change in net assets	(20,053)	(2,709)	(22,762)	837
Net assets beginning of year	246,736	73,154	319,890	15,273
Net assets end of year	\$ 226,683	\$ 70,445	\$ 297,128	\$ 16,110

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2009

	Enterprise Funds			Internal Service Fund
	School Nutrition	Non-Major Enterprise	Total	
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 420,986	\$ -	\$ 420,986	\$ -
Cash received from miscellaneous operating activities	8,346	14,592	22,938	58,166
Cash payments to employees for services	(294,529)	-	(294,529)	(57,329)
Cash payments to suppliers for goods or services	(345,157)	(205,356)	(550,513)	-
Net cash provided by (used by) operating activities	(210,354)	(190,764)	(401,118)	837
Cash flows from non-capital financing activities:				
State grants received	7,922	-	7,922	-
Federal grants received	190,693	-	190,693	-
Increase in due to other funds	-	155,469	155,469	-
Net cash provided by non-capital financing activities	198,615	155,469	354,084	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(4,929)	-	(4,929)	-
Cash flows from investing activities:				
Interest on investments	1,357	286	1,643	-
Net increase (decrease) in cash and cash equivalents	(15,311)	(35,009)	(50,320)	837
Cash and cash equivalents beginning of year	59,113	81,181	140,294	15,273
Cash and cash equivalents end of year	\$ 43,802	\$ 46,172	\$ 89,974	\$ 16,110

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2009

	Enterprise Funds		Total	Internal Service Fund
	School Nutrition	Non-Major Enterprise		
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ (257,389)	\$ (2,995)	\$ (260,384)	\$ 837
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation	16,583	-	16,583	-
Commodities used	37,364	-	37,364	-
(Increase) in inventories	(4,815)	(180,406)	(185,221)	-
Increase (decrease) in accounts payable	370	(7,363)	(6,993)	-
(Decrease) in salaries and benefits payable	(1,233)	-	(1,233)	-
(Decrease) in deferred revenue	(1,234)	-	(1,234)	-
Net cash provided by (used by) operating activities	\$ <u>(210,354)</u>	\$ <u>(190,764)</u>	\$ <u>(401,118)</u>	\$ <u>837</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2009, the District received \$37,364 of federal commodities.

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 June 30, 2009

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Assets:	
Cash and pooled investments	\$ <u>27,183</u>
Liabilities:	
None	<u>-</u>
Net assets:	
Reserved for scholarships	\$ <u><u>27,183</u></u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 Year Ended June 30, 2009

		<u>Private Purpose Trust</u>
		<u>Scholarship</u>
Additions:		
Local sources:		
Gifts and contributions	\$ 2,919	
Interest	125	
Total additions		<u>3,044</u>
Deductions:		
Instruction:		
Supplies		<u>741</u>
Change in net assets		2,303
Net assets beginning of year		<u>24,880</u>
Net assets end of year	\$	<u><u>27,183</u></u>
See notes to financial statements.		

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Carlisle 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. Carlisle Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Warren County Assessor's Conference Board.

B. Basis of Presentation

District-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 attributable to the acquisition, construction, or improvement of those assets.

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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 restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the District-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 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 revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

The District reports the following major proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

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

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments 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, and non-negotiable certificates of deposit, which are stated at 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, have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the 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.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2008.

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

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

Asset Class	Amount
Land	\$ 1,500
Buildings	1,500
Improvements other than buildings	1,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,500

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

Asset Class	Estimated Useful Lives
Buildings	40-50 years
Improvements other than buildings	20 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, unearned meal revenues, and unearned federal grants.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Long-term Liabilities – In the District-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.

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 fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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.

Invested in capital assets, net of related debt – In the District-wide Statement of Net Assets, the net asset balance invested in capital assets, net of related debt is equal to the capital assets balances, including restricted capital assets, less accumulated depreciation and the outstanding balances of any bonds, notes, or other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – In the District-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. Net assets restricted through enabling legislation as of June 30, 2009 consists of \$3,265,884

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, expenditures in the instruction function exceeded the amount budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2009 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 2. Cash and Pooled Investments (continued)

At June 30, 2009, the District had the following investments:

	<u>Fair Value</u>
Iowa Schools Joint Investment Trust, Diversified Portfolio	\$ 721,934
Money market mutual funds	<u>2,155,486</u>
	<u>\$ 2,877,420</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. The investments in money market mutual funds are stated at fair value.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust and in all money market mutual funds were rated Aaa by Moody’s Investors Service.

Note 3. Interfund Receivables/Payables

A summary of interfund receivables and payables at June 30, 2009 is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Enterprise, Building and Trades Fund	\$ <u>155,469</u>

The General Fund subsidizes the Proprietary Fund, Building and Trades by covering the costs of the house under construction during the year. The amount at year end is a result of not selling the current year construction project prior to year end.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Capital Projects	\$ 29,153
Debt Service	Capital Projects	455,313
	General	66,456
	Special Revenue: Physical Plant and Equipment Levy	<u>6,165</u>
Total		<u>\$ 557,087</u>

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

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2009 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>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 831,177	\$ -	\$ -	\$ 831,177
Construction in progress	-	1,686,630	-	1,686,630
<b>Total capital assets not being depreciated</b>	<u>831,177</u>	<u>1,686,630</u>	<u>-</u>	<u>2,517,807</u>
<b>Capital assets being depreciated:</b>				
Buildings	21,821,807	-	-	21,821,807
Furniture and equipment	1,724,089	188,023	4,434	1,907,678
<b>Total capital assets being depreciated</b>	<u>23,545,896</u>	<u>188,023</u>	<u>4,434</u>	<u>23,729,485</u>
<b>Less accumulated depreciation for:</b>				
Buildings	3,831,154	453,452	-	4,284,606
Furniture and equipment	1,172,047	103,317	4,434	1,270,930
<b>Total accumulated depreciation</b>	<u>5,003,201</u>	<u>556,769</u>	<u>4,434</u>	<u>5,555,536</u>
<b>Total capital assets being depreciated, net</b>	<u>18,542,695</u>	<u>(368,746)</u>	<u>-</u>	<u>18,173,949</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 19,373,872</u>	<u>\$ 1,317,884</u>	<u>\$ -</u>	<u>\$ 20,691,756</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 5. Capital Assets (continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 429,453	\$ 4,929	\$ -	\$ 434,382
Less accumulated depreciation	211,997	16,583	-	228,580
Business-type activities capital assets, net	<u>\$ 217,456</u>	<u>\$ (11,654)</u>	<u>\$ -</u>	<u>\$ 205,802</u>

Depreciation expense was charged by the District to the following functions:

Governmental activities:	
Instruction	\$ 7,260
Support services:	
Student	3,902
Administration	11,649
Operation and maintenance of plant services	25,824
Transportation	54,682
	<u>103,317</u>
Unallocated depreciation	<u>453,452</u>
Total governmental activities depreciation expense	<u>\$ 556,769</u>
Business-type activities:	
Enterprise operations	<u>\$ 16,583</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	\$ 902,029	\$ 15,242	\$ 181,728	\$ 735,543	\$ 187,660
General obligation bonds	8,870,000	-	335,000	8,535,000	350,000
Revenue bonds	2,045,000	11,325,000	400,000	12,970,000	415,000
Notes payable	230,000	443,000	57,500	615,500	168,250
Compensated absences	2,658	5,993	2,658	5,993	5,993
<b>Total</b>	<b>\$ 12,049,687</b>	<b>\$ 11,789,235</b>	<b>\$ 976,886</b>	<b>\$ 22,862,036</b>	<b>\$ 1,126,903</b>

Early Retirement

For the year ended June 30, 2009, the District offered a voluntary early retirement plan only to administrators who were at least age 55 years of age and had seven years of service with the District. The early retirement incentive was health insurance paid by the District at the District's single rate premium until the employee reached age 65 or otherwise became eligible for Medicare. The District had no new participants in the early retirement plan for the years ended June 30, 2008 and 2009.

The District has offered various early retirement incentive plans in past years. Details of these plans are available upon request at the District administrative office.

At June 30, 2009, the District had obligations to 30 participants with a total liability of \$735,543. Actual early retirement expenditures for the year ended June 30, 2009 totaled \$181,728. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

Notes Payable

During the year ended June 30, 2009, the District issued \$443,000 in Capital Loan Notes for the purpose of purchasing technical and data processing equipment. The notes have an interest rate of 3.34% and are payable through the year ending June 30, 2013.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

Notes Payable (continued)

Details of the District's June 30, 2009 notes payable indebtedness are as follows:

Year Ending June 30,	Note Issue dated August 15, 2007			Note Issue dated August 1, 2008			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2010	4.45 %	\$ 57,500	\$ 6,397	3.34 %	\$ 110,750	\$ 12,947	\$ 168,250	\$ 19,344
2011	4.45	57,500	3,838	3.34	110,750	9,248	168,250	13,086
2012	4.45	57,500	1,279	3.34	110,750	5,549	168,250	6,828
2013	-	-	-	3.34	110,750	1,849	110,750	1,849
		<u>\$ 172,500</u>	<u>\$ 11,514</u>		<u>\$ 443,000</u>	<u>\$ 29,593</u>	<u>\$ 615,500</u>	<u>\$ 41,107</u>

General Obligation Bonds Payable

Details of the District's June 30, 2009 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue dated January 1, 2006			Bond Issue dated May 2006			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2010	3.90 %	\$ 185,000	\$ 169,887	3.75 %	\$ 165,000	\$ 176,318	\$ 350,000	\$ 346,205
2011	3.90	195,000	162,673	3.75	170,000	170,130	365,000	332,803
2012	3.90	205,000	155,067	3.75	175,000	163,755	380,000	318,822
2013	3.90	215,000	147,072	3.75	185,000	157,192	400,000	304,264
2014	4.75	225,000	138,688	4.25	190,000	150,255	415,000	288,943
2015	4.75	235,000	128,000	5.00	200,000	142,180	435,000	270,180
2016	3.75	245,000	116,838	5.00	210,000	132,180	455,000	249,018
2017	3.80	255,000	107,650	3.80	220,000	121,680	475,000	229,330
2018	3.85	265,000	97,960	3.85	225,000	113,320	490,000	211,280
2019	3.90	275,000	87,757	3.85	240,000	104,658	515,000	192,415
2020	3.95	285,000	77,033	3.90	250,000	95,418	535,000	172,451
2021	3.95	300,000	65,775	4.00	255,000	85,667	555,000	151,442
2022	4.00	315,000	53,925	4.00	265,000	75,468	580,000	129,393
2023	4.00	325,000	41,325	4.05	280,000	64,867	605,000	106,192
2024	4.05	340,000	28,325	4.10	290,000	53,527	630,000	81,852
2025	4.10	355,000	14,555	4.15	305,000	41,638	660,000	56,193
2026	-	-	-	4.20	690,000	28,980	690,000	28,980
		<u>\$ 4,220,000</u>	<u>\$ 1,592,530</u>		<u>\$ 4,315,000</u>	<u>\$ 1,877,233</u>	<u>\$ 8,535,000</u>	<u>\$ 3,469,763</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

Revenue Bonds Payable

During the year ended June 30, 2009, the District issued \$11,325,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds with interest rates ranging from 4.25% to 5.70%. The proceeds will be used by the District to renovate, equip, and upgrade several buildings.

Details of the District's June 30, 2009 local option sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Issue dated July 1, 2004			Bond Issue dated May 1, 2009			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2010	3.30 %	\$ 415,000	\$ 54,052	4.25 %	\$ -	\$ 379,563	\$ 415,000	\$ 433,615
2011	3.50	425,000	39,768	4.25	-	569,345	425,000	609,113
2012	3.80	230,000	27,960	4.25	80,000	567,645	310,000	595,605
2013	4.00	185,000	19,890	4.25	200,000	561,695	385,000	581,585
2014	4.10	190,000	12,295	4.25	210,000	552,983	400,000	565,278
2015	4.20	200,000	4,200	4.25	220,000	543,845	420,000	548,045
2016	-	-	-	4.25	480,000	528,970	480,000	528,970
2017	-	-	-	4.25	500,000	508,145	500,000	508,145
2018	-	-	-	4.25	520,000	486,470	520,000	486,470
2019	-	-	-	4.25	545,000	463,839	545,000	463,839
2020	-	-	-	4.50	565,000	439,545	565,000	439,545
2021	-	-	-	4.75	590,000	412,820	590,000	412,820
2022	-	-	-	5.00	615,000	383,432	615,000	383,432
2023	-	-	-	5.10	645,000	351,610	645,000	351,610
2024	-	-	-	5.20	675,000	317,613	675,000	317,613
2025	-	-	-	5.25	705,000	281,556	705,000	281,556
2026	-	-	-	5.30	740,000	243,440	740,000	243,440
2027	-	-	-	5.40	780,000	202,770	780,000	202,770
2028	-	-	-	5.50	815,000	159,297	815,000	159,297
2029	-	-	-	5.55	860,000	113,020	860,000	113,020
2030	-	-	-	5.60-5.70	1,580,000	63,815	1,580,000	63,815
		<u>\$ 1,645,000</u>	<u>\$ 158,165</u>		<u>\$ 11,325,000</u>	<u>\$ 8,131,418</u>	<u>\$ 12,970,000</u>	<u>\$ 8,289,583</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

Revenue Bonds

The 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 sales and services tax revenues received by the District. The bonds are not general obligations of the District. The debt, however, is subject to the constitutional debt limitation of the District.

The resolutions providing for the issuances of the sales and services tax revenue bonds include the following provisions:

The bonds will only be redeemed from the future earnings of the sales and services tax revenues received by the District and the bond holders hold a lien on the future revenues received.

Bonds maturing after September 1, 2011 and July 1, 2019, may be called for redemption by the issuer and paid before maturity on said date or any date thereafter for the issues dated July 1, 2004 and May 1, 2009, respectively.

\$310,000 and \$1,020,420 of the proceeds from the bond issues dated July 1, 2004 and May 1, 2009, respectively, have been placed in reserve funds with a trustee. The reserve funds are part of the District's Capital Projects Fund.

All proceeds from the sales and services tax shall be placed in a sinking fund with a trustee. Money in the sinking fund shall be used to pay the interest and principal on the bonds. Surplus monies in the sinking fund may be transferred to the Capital Projects Fund to be used for any lawful purpose. The sinking fund is part of the Debt Service Fund.

The District pledged future local option sales and services tax revenues to repay the \$3,100,000 bonds issued in 2005 and the \$11,325,000 bonds issued in 2009. The 2005 bonds were issued for the purpose of financing a portion of the costs of a new early childhood center, stadium and gymnasium. The 2009 bonds were issued to pay the cost of school infrastructure projects, renovation to the Hartford building and high school and improvements to athletic facilities. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District and are payable through 2015 for the 2005 issue and through 2030 for the 2009 issue. The bonds are not general obligations of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 85 percent of the local option sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$21,259,583. For the current year, principal and interest paid on the bonds totaled \$466,900 and total local option sales and services tax revenues were \$1,240,777.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 7. Pension and Retirement Benefits

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

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered payroll for the year ended June 30, 2009. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$575,315, \$500,804, and \$419,549, respectively, equal to the required contributions for each year.

Note 8. Risk Management

Carlisle Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9. 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 \$615,532 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Construction Commitments

The District has entered into contracts totaling \$8,662,307, including change orders, for various renovations and upgrade projects. As of June 30, 2009, costs of \$899,073 had been incurred against the contracts. The balance of \$7,763,234 remaining at June 30, 2009 will be paid as work on the project progresses.

Note 11. Contingent Liability

The District is involved in an ongoing lawsuit alleging failure on the part of the District to intervene in a conflict between two students. The outcome of this case cannot be determined at this time and the District's insurance carrier is affording coverage.

Required Supplementary Information

CARLISLE COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –  
 Budget and Actual – All Governmental Funds  
 and Proprietary Funds  
 Required Supplementary Information  
 Year Ended June 30, 2009

	Governmental	Proprietary	Total	Budgeted Amounts		Final to Actual Variance
	Funds - Actual	Funds - Actual		Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 6,773,066	\$ 446,802	\$ 7,219,868	\$ 6,655,264	\$ 6,655,264	\$ 564,604
Intermediate sources	10,000	-	10,000	-	-	10,000
State sources	10,382,655	7,922	10,390,577	10,573,745	10,573,745	(183,168)
Federal sources	235,843	228,057	463,900	480,700	480,700	(16,800)
<b>Total revenues</b>	<b>17,401,564</b>	<b>682,781</b>	<b>18,084,345</b>	<b>17,709,709</b>	<b>17,709,709</b>	<b>374,636</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	9,532,176	4,772	9,536,948	9,116,108	9,401,983	(134,965)
Support services	5,564,651	7,716	5,572,367	5,319,500	5,967,419	395,052
Non-instructional programs	-	693,055	693,055	757,000	876,250	183,195
Other expenditures	4,216,248	-	4,216,248	2,410,201	11,331,165	7,114,917
<b>Total expenditures/expenses</b>	<b>19,313,075</b>	<b>705,543</b>	<b>20,018,618</b>	<b>17,602,809</b>	<b>27,576,817</b>	<b>7,558,199</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	(1,911,511)	(22,762)	(1,934,273)	106,900	(9,867,108)	7,932,835
Other financing sources, net	11,844,769	-	11,844,769	(93,544)	-	11,844,769
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	9,933,258	(22,762)	9,910,496	13,356	(9,867,108)	19,777,604
Balance beginning of year	3,883,041	319,890	4,202,931	3,406,945	-	4,202,931
Balance end of year	<u>\$ 13,816,299</u>	<u>\$ 297,128</u>	<u>\$ 14,113,427</u>	<u>\$ 3,420,301</u>	<u>\$ (9,867,108)</u>	<u>\$ 23,980,535</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING  
June 30, 2009

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function 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, the District adopted one budget amendment increasing budgeted expenditures by \$9,974,008.

During the year ended June 30, 2009, expenditures in the instruction function exceeded the amount budgeted.

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## Other Supplementary Information

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2009

	Special Revenue				
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Debt Service	Total
Assets					
Cash and pooled investments	\$ 140,245	\$ 137,128	\$ 128,157	\$ 645,933	\$ 1,051,463
Receivables:					
Property tax:					
Current year	4,640	-	4,523	8,600	17,763
Succeeding year	512,000	-	386,606	697,006	1,595,612
Total assets	<u>\$ 656,885</u>	<u>\$ 137,128</u>	<u>\$ 519,286</u>	<u>\$ 1,351,539</u>	<u>\$ 2,664,838</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ 504	\$ 2,880	\$ -	\$ 3,384
Salaries and benefits payable	-	2,907	-	-	2,907
Deferred revenue:					
Succeeding year property tax	512,000	-	386,606	697,006	1,595,612
Total liabilities	<u>512,000</u>	<u>3,411</u>	<u>389,486</u>	<u>697,006</u>	<u>1,601,903</u>
Fund balances:					
Reserved for:					
Debt service	-	-	-	654,533	654,533
Unreserved:					
Undesignated	144,885	133,717	129,800	-	408,402
Total fund balances	<u>144,885</u>	<u>133,717</u>	<u>129,800</u>	<u>654,533</u>	<u>1,062,935</u>
Total liabilities and fund balances	<u>\$ 656,885</u>	<u>\$ 137,128</u>	<u>\$ 519,286</u>	<u>\$ 1,351,539</u>	<u>\$ 2,664,838</u>

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2009

	Special Revenue				Total
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Debt Service	
Revenues:					
Local sources:					
Local tax	\$ 376,416	\$ -	\$ 366,994	\$ 697,573	\$ 1,440,983
Other	25,547	297,386	134	4,546	327,613
State sources	251	-	244	465	960
Total revenues	402,214	297,386	367,372	702,584	1,769,556
Expenditures:					
Current:					
Instruction	194,961	281,019	-	-	475,980
Support services:					
Instructional staff services	-	-	368,895	-	368,895
Administration services	114,229	-	77,292	-	191,521
Operation and maintenance of plant services	64,143	-	7,263	-	71,406
Transportation services	19,623	-	75,935	-	95,558
Other expenditures:					
Facilities acquisition	-	-	216,409	-	216,409
Long term debt:					
Principal	-	-	-	792,500	792,500
Interest and fiscal charges	-	-	-	444,237	444,237
Total expenditures	392,956	281,019	745,794	1,236,737	2,656,506
Excess (deficiency) of revenues over (under) expenditures	9,258	16,367	(378,422)	(534,153)	(886,950)
Other financing sources (uses):					
Interfund transfers in	-	-	-	527,934	527,934
Interfund transfers out	-	-	(6,165)	-	(6,165)
Capital loan notes issued	-	-	443,000	-	443,000
Total other financing sources (uses)	-	-	436,835	527,934	964,769
Net change in fund balances	9,258	16,367	58,413	(6,219)	77,819
Fund balances beginning of year	135,627	117,350	71,387	660,752	985,116
Fund balances end of year	\$ 144,885	\$ 133,717	\$ 129,800	\$ 654,533	\$ 1,062,935

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2009

	<u>Building and Trades</u>	<u>Adult Education</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 25,885	\$ 20,287	\$ 46,172
Inventory	180,406	-	180,406
Total assets	<u>206,291</u>	<u>20,287</u>	<u>226,578</u>
Liabilities			
Due to other funds	155,469	-	155,469
Accounts payable	664	-	664
Total liabilities	<u>156,133</u>	<u>-</u>	<u>156,133</u>
Net Assets			
Unrestricted	<u>\$ 50,158</u>	<u>\$ 20,287</u>	<u>\$ 70,445</u>

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2009

	Building and Trades	Adult Education	Total
Operating revenues:			
Local sources:			
Charges for services	\$ 4,071	\$ 10,521	\$ 14,592
Operating expenses:			
Instruction:			
Purchased services	-	4,772	4,772
Support services:			
Purchased services	66	-	66
Other	980	-	980
	1,046	-	1,046
Non-instructional programs:			
Supplies	11,769	-	11,769
	12,815	4,772	17,587
Operating income (loss)	(8,744)	5,749	(2,995)
Non-operating revenues:			
Interest on investments	206	80	286
Change in net assets	(8,538)	5,829	(2,709)
Net assets beginning of year	58,696	14,458	73,154
Net assets end of year	\$ 50,158	\$ 20,287	\$ 70,445

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

## COMBINING STATEMENT OF CASH FLOWS

## NONMAJOR ENTERPRISE FUNDS

June 30, 2009

	<u>Building and Trades</u>	<u>Adult Education</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 4,071	\$ 10,521	\$ 14,592
Cash payments to suppliers for goods or services	<u>(200,584)</u>	<u>(4,772)</u>	<u>(205,356)</u>
Net cash provided by (used by) operating activities	<u>(196,513)</u>	<u>5,749</u>	<u>(190,764)</u>
Cash flows from non-capital financing activities:			
Increase in due to other funds	<u>155,469</u>	-	<u>155,469</u>
Cash flows from investing activities:			
Interest on investments	<u>206</u>	<u>80</u>	<u>286</u>
Net increase (decrease) in cash and cash equivalents	(40,838)	5,829	(35,009)
Cash and cash equivalents at beginning of year	<u>66,723</u>	<u>14,458</u>	<u>81,181</u>
Cash and cash equivalents at end of year	<u>\$ 25,885</u>	<u>\$ 20,287</u>	<u>\$ 46,172</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ (8,744)	\$ 5,749	\$ (2,995)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
(Increase) in inventories	(180,406)	-	(180,406)
(Decrease) in accounts payable	<u>(7,363)</u>	<u>-</u>	<u>(7,363)</u>
Net cash provided by (used by) operating activities	<u>\$ (196,513)</u>	<u>\$ 5,749</u>	<u>\$ (190,764)</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year Ended June 30, 2009

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Life Touch	\$ (1)	\$ -	\$ -	(1)
Landscaping Project	(40)	-	-	(40)
Books & Buddies	182	-	-	182
FCCLA	1,410	1,389	1,708	1,091
Spanish	750	843	734	859
Marketing Club	1,792	-	-	1,792
High School Student Council	6,856	6,145	7,563	5,438
K-6 Book Club	4,586	20,250	16,439	8,397
7-12 Book Club	-	1,985	1,985	-
High School Annual	8,066	7,069	6,863	8,272
Color Guard	447	739	716	470
Cheerleading	10,647	14,092	21,948	2,791
Junior High Student Council	1,667	7,200	8,876	(9)
Junior High Yearbook	998	2,376	2,927	447
Elementary Yearbook	539	3,913	4,287	165
Hartford Store	501	220	382	339
Academic Enrichment	-	2,411	1,574	837
SADD	361	337	340	358
Elementary Enrichment	(930)	10,633	6,443	3,260
Middle School Enrichment	7,586	4,233	9,237	2,582
Class of '07	(233)	-	-	(233)
Class of '08	1,154	-	-	1,154
Class of '09	-	940	888	52
Class of '10	-	544	515	29
Class of '11	-	408	465	(57)
Class of '12	-	624	597	27
Interest	5,757	1,569	2	7,324
5-6 Band Concessions	900	-	113	787
Drama	1,381	-	-	1,381
Speech Club	(722)	-	682	(1,404)
Debate Club	-	1,467	12	1,455
High School Chorus	12,047	15	264	11,798
Musical Productions	4,060	3,370	2,725	4,705
7-12 Band	3,210	932	990	3,152
All Athletics	6,537	66,771	55,400	17,908
Basketball - Girls	-	5,935	5,044	891
Basketball - Boys	13,404	3,451	9,322	7,533
Soccer - Girls	1,736	1,635	1,110	2,261
Soccer - Boys	955	928	564	1,319
Track - Girls	4,107	4,525	5,018	3,614

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year Ended June 30, 2009

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Track - Boys	\$ 2,137	\$ 5,996	\$ 5,229	\$ 2,904
Cross Country	2,239	2,033	1,500	2,772
Weightlifting	2,121	4,277	1,904	4,494
Football	-	27,503	24,334	3,169
Baseball	86	12,590	11,697	979
Wrestling	-	8,757	3,627	5,130
Volleyball	3,794	11,391	12,879	2,306
Softball	1,145	18,368	15,151	4,362
Y-Camp	3,623	7,742	9,027	2,338
Recycling/Fowler Habitat	1,100	-	-	1,100
Golf - Boys	(290)	1,723	2,605	(1,172)
Golf - Girls	(500)	2,154	3,143	(1,489)
MS Conservation Team	-	1,139	631	508
Character Counts	1,908	6,220	5,498	2,630
Culture Club	-	332	313	19
Prom	(1,154)	3,212	5,198	(3,140)
Adopt-A-Classroom	500	-	-	500
Middle School	-	6,118	2,202	3,916
Hartford Yearbook	931	882	348	1,465
<b>Total</b>	<b>\$ 117,350</b>	<b>\$ 297,386</b>	<b>\$ 281,019</b>	<b>\$ 133,717</b>

See accompanying independent auditor's report.

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CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS  
FOR THE LAST SIX YEARS

	Modified Accrual Basis			
	Years Ended June 30,			
	2009	2008	2007	2006
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 5,605,083	\$ 5,183,840	\$ 4,521,969	\$ 4,306,821
Tuition	531,953	393,000	390,632	304,523
Other	636,030	791,989	879,642	678,493
Intermediate sources	10,000	27,291	-	-
State sources	10,382,655	9,940,194	8,323,806	7,230,151
Federal sources	235,843	278,604	740,735	202,446
<b>Total revenues</b>	<b>\$ 17,401,564</b>	<b>\$ 16,614,918</b>	<b>\$ 14,856,784</b>	<b>\$ 12,722,434</b>
<b>Expenditures:</b>				
Instruction	\$ 9,532,176	\$ 9,224,556	\$ 7,763,185	\$ 7,174,229
Support services:				
Student services	592,126	547,931	471,477	417,024
Instructional staff services	734,228	323,161	356,783	381,665
Administration services	2,052,331	2,101,225	1,490,702	1,267,388
Operation and maintenance of plant services	1,478,901	1,621,960	1,146,121	1,013,038
Transportation services	707,065	643,595	510,147	526,625
Other expenditures:				
Facilities acquisition	2,363,979	1,050,244	7,527,550	2,562,007
Long-term debt:				
Principal	792,500	520,000	635,000	705,000
Interest and fiscal charges	444,237	449,592	520,221	110,891
AEA flowthrough	615,532	571,154	502,822	441,409
<b>Total expenditures</b>	<b>\$ 19,313,075</b>	<b>\$ 17,053,418</b>	<b>\$ 20,924,008</b>	<b>\$ 14,599,276</b>

See accompanying independent auditor's report.

	<u>2005</u>		<u>2004</u>
\$	4,098,804	\$	3,468,500
	300,814		275,641
	547,054		489,364
	-		-
	6,538,370		6,088,413
	197,467		181,777
	<u>11,682,509</u>		<u>10,503,695</u>
\$	6,637,400	\$	6,283,706
	373,037		361,748
	378,376		411,663
	1,093,941		954,351
	905,034		784,602
	406,817		359,090
	3,788,085		739,320
	71,759		410,000
	415,600		30,309
	399,159		380,453
	<u>14,469,208</u>		<u>10,715,242</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Carlisle Community School District:

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 Carlisle Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated October 26, 2009. 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 Carlisle 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 an opinion on the effectiveness of Carlisle Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carlisle Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

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 Carlisle Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of Carlisle Community School District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

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 Carlisle Community School District's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item I-A-09 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carlisle Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about Carlisle Community School District's operations for the year ended June 30, 2009 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.

Carlisle 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 District's responses, we did not audit Carlisle 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 Carlisle Community School District and other parties to whom Carlisle 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.

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

Oskaloosa, Iowa  
October 26, 2009

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year Ended June 30, 2009

Part I: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Significant Deficiencies:

I-A-09 Financial Reporting – During the audit, we identified material amounts of revenue, deferred revenue and capital assets adjustments not recorded in the District’s financial statements. Adjustments were subsequently made by the District to properly include these amounts in the financial statements.

Recommendation – The District should implement procedures to ensure all required adjustments are identified and included in the District’s financial statements.

Response – We will double check these in the future to avoid missing any capital asset or other adjustments.

Conclusion – Response accepted.

I-B-09 Fundraising Activities – We noted in our testing of the Special Revenue Fund, Student Activity receipts that the District does not require reconciliations for fundraising activities.

Recommendation – The District should require and enforce procedures for fundraiser approvals and reconciliations of fundraising receipts claimed to deposits and related expenditures. This will ensure accurate record-keeping and help to protect the underlying assets. The District should consider limiting future fundraiser activities for clubs that do not complete a reconciliation of fundraiser activity in a timely manner.

Response – We have spoken to all sponsors and procedures are now in place to address this problem. We will watch this situation carefully in the future.

Conclusion – Response accepted.

I-C-09 Additional Compensation – We noted in our testing of payroll transactions that certain employees were being compensated additional amounts for teacher mentoring and administrator mentoring responsibilities. However, the underlying employee contracts contained no detailed information or riders explaining the duties or the amount of additional compensation.

Recommendation – The District should ensure that the affected employees’ contracts include the proper details regarding the amount and duties for additional compensation. The contract should contain evidence of proper approval.

Response – This was an oversight this year. We have now corrected this situation for the 2010 fiscal year.

Conclusion – Response accepted.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year Ended June 30, 2009

Part II: Other Findings Related to Statutory Reporting:

- II-A-09 Certified Budget – Expenditures for the year ended June 30, 2009, exceeded the amount budgeted in the instruction function.
- Recommendation – The budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.
- Response – We will amend our budget before expenditures exceed the budget in the future.
- Conclusion – Response accepted.
- II-B-09 Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- II-C-09 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-D-09 Business Transactions – No business transactions between the District and District officials or employees were noted.
- II-E-09 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-09 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- II-G-09 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- II-H-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- II-I-09 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- II-J-09 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year Ended June 30, 2009

Part II: Other Findings Related to Statutory Reporting (continued):

- II-K-09 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance	\$	568,056
Statewide sales and services tax revenue		1,240,777
Expenditures/transfers out:		
School infrastructure:		
Buildings		(778,172)
Debt service for school infrastructure:		
Revenue debt		<u>(404,679)</u>
Ending balance	\$	<u><u>625,982</u></u>