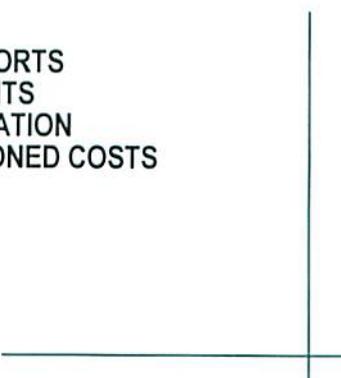


**COLLEGE COMMUNITY SCHOOL DISTRICT**  
Cedar Rapids, Iowa

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
June 30, 2009



## TABLE OF CONTENTS

	<u>Exhibit</u>	PAGE
OFFICIALS.....		3
INDEPENDENT AUDITOR'S REPORT .....		4-5
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A).....		6-17
<b>BASIC FINANCIAL STATEMENTS:</b>		
District - Wide Financial Statements:		
Statement of Net Assets.....	A.....	19-20
Statement of Activities.....	B.....	21-24
Governmental Fund Financial Statements:		
Balance Sheet .....	C.....	25-26
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets.....	D.....	27
Statement of Revenues, Expenditures and Changes in Fund Balances..	E.....	28-31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	F.....	32
Proprietary Fund Financial Statements:		
Statement of Net Assets.....	G.....	33
Statement of Revenues, Expenses and Changes in Net Assets.....	H.....	34
Statement of Cash Flows .....	I.....	35-36
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Assets .....	J.....	37
Notes to Financial Statement .....		38-54
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Funds .....		56-57
Notes to Required Supplementary Information - Budgetary Reporting .....		58
Schedule of Funding Progress for the Retiree Health Plan.....		59
<b>OTHER SUPPLEMENTARY INFORMATION:</b>		
Nonmajor Funds:		
Combining Balance Sheet.....	1.....	61-62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	2.....	63-64
Schedule of Changes in Individual Student Activity Accounts.....	3.....	65-66
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Fund .....	4.....	67
Schedule of Revenues by Source and Expenditures by Function - All Governmental Fund Types .....	5.....	68
Schedule of Expenditures of Federal Awards .....	6.....	69
Notes to Schedule of Expenditures of Federal Awards .....	7.....	70

	PAGE
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 <i>GOVERNMENT AUDITING STANDARDS</i> .....	71-72
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	73-74
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	75-79
CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS .....	80
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS.....	81
STAFF.....	82

COLLEGE COMMUNITY SCHOOL DISTRICT

OFFICIALS

June 30, 2009

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b><u>Board of Education</u></b>		
<b>(Before September 2008 Election)</b>		
Randy Bauer	President	2011
Greg Kelsey	Board Member	2008
Lauri Hughes	Board Member	2009
Shirley Exline	Board Member	2008
Norm Zahradnik	Board Member	2011
John Titler	Board Member	2009
<b>(After September 2008 Election)</b>		
Randy Bauer	President	2011
Greg Kelsey	Board Member	2011
Laurie Hughes	Board Member	2009
Dorothy Pospischil	Board Member	2011
Dawn Tucker	Board Member	2009
Norm Zahradnik	Board Member	2011
John Titler	Board Member	2009
<b><u>School Officials</u></b>		
Richard Whitehead	Superintendent	2011
James A. Rotter, Jr.	District Secretary - Treasurer and Director of Business Services	Indefinite

## Independent Auditor's Report

To the Board of Education of the  
College 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 the College Community School District, Cedar Rapids, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of College Community School District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of College Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 6 through 17 and 54 through 56 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 College 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 six years ended June 30, 2008 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Cedar Rapids, Iowa  
December 11, 2009

## Management's Discussion and Analysis

This section of the College Community School District's annual financial report presents its "discussion and analysis" of the District's financial performance during the fiscal year ended June 30, 2009. The analysis focuses on the District's financial performance as a whole. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Efforts have been made to provide comparison to prior year data when such data is available. Comparison to prior year data will be provided for all key financial information.

### Financial Highlights

- The State of Iowa allowed a 4% growth for the 2008-09 school year. This increase, along with the addition of 170.7 resident students formulated an increase of revenue of \$2,439,241 in the General Fund. The 170.7 student increase represents a 4.3% increase in the District's resident enrollment.
- The District spent a total of \$7.87 million on construction of a new 7-9 building and recital hall during the fiscal year. The Recital Hall was completed in December and the 7-9 building was opened in the fall of 2009. Total General Obligation Bond Principal totaled \$66.5 million as of June 30, 2009.
- The General Fund ending fund balance increased from \$4.19 million on June 30, 2008 to \$5.14 million on June 30, 2009. This equates to a 13.36% solvency ratio which is slightly up from a 11.77% ratio one year ago. Solvency ratios between 5 – 15% are considered "good" or "excellent" according to the Iowa School Board Association.
- Interest rates continued their downward trend during the course of the year with a public fund investment rate of 1.20% in July, 2008 to 0.20% in June, 2009. These rates yielded \$52,059 in revenue compared to \$177,368 in 2007-08 in the General Fund.
- The District received \$318,506 in American Recovery and Reinvestment Act dollars which was forwarded by the State Legislature to backfill the 1.5% across the Board cuts issued by the Governor in December. The dollars were intended to backfill the lost cash but did not add additional spending authority. The District booked these revenues against 7.88 FTE certified staff members.

### Overview of the Financial Statements

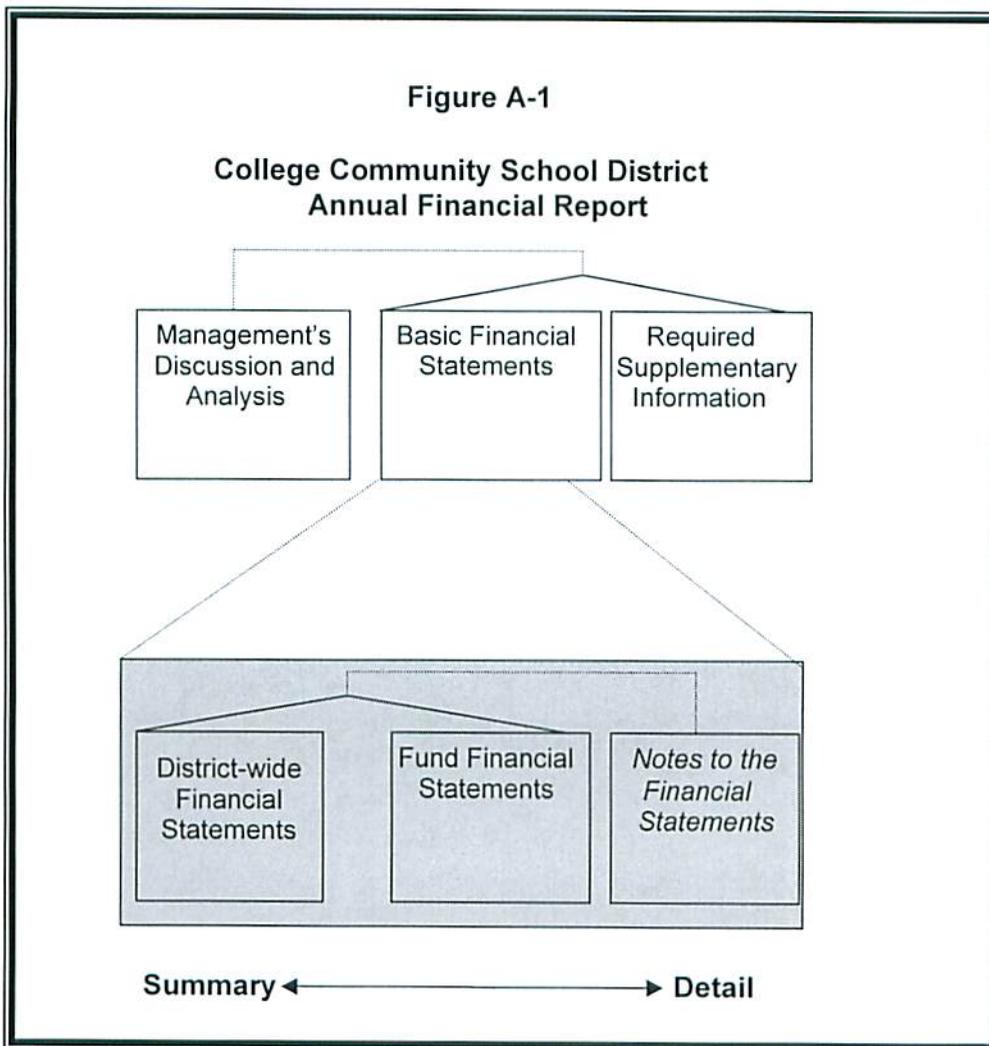
This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

- Proprietary funds statements offer short and long-term financial information about the activities the District operates like businesses, such as food services.
- Fiduciary funds statements 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 related 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 management's discussion and analysis highlights the structure and content of each of the statements.



**Figure A-2: Major Features of the District Wide and Fund Financial Statements**

	District-wide Statements	Fund Financial 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 is included here	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 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 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 and payable	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 Financial 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 - is 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 its 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 taxes and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service program would be 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 repaying its long-term debts) 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 funds statements provide a detailed short-term view that helps the reader 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 funds statements explains the relationship (or differences) between them.

- *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. *Internal service funds*, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District utilizes a print shop fund for this purpose.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these 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

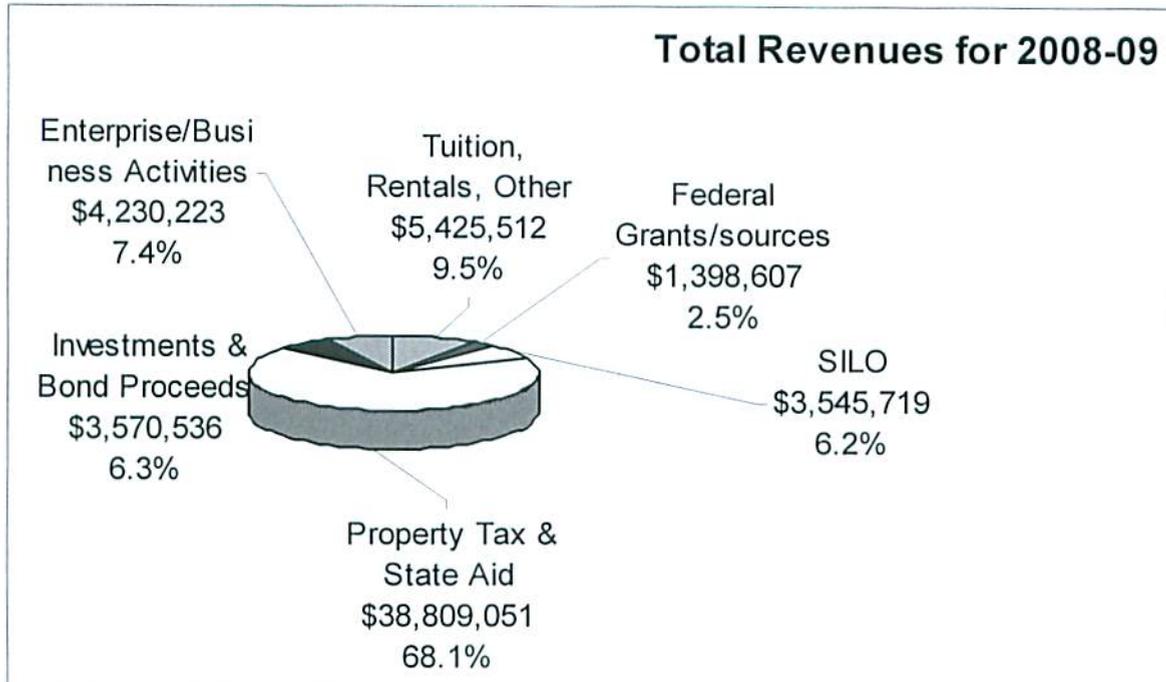
Net assets; The District's net assets are evidenced below in Figure A-3. *Combined* total net assets have increased by 7.4% percent. These changes are attributed to a slight decrease in total assets and a larger decrease in liabilities. The addition of the Recital Hall at Prairie High School contributed to the large increase in capital assets for the year. Fiscal year 2008-09 marks the 7th year of District implementation of the GASB-34 financial reporting model.

	CONDENSED STATEMENT OF NET ASSETS (EXPRESSED IN THOUSANDS)						
	Governmental Activities		Business-Type Activities		Total School District		Total Change 2008-2009
	2009	2008	2009	2008	2009	2008	
Current and other assets	\$ 33,002	\$ 43,969	\$ 857	\$ 713	\$ 33,859	\$ 44,682	-24.2%
Capital assets	<u>85,047</u>	<u>76,925</u>	<u>710</u>	<u>318</u>	<u>85,757</u>	<u>77,243</u>	11.0%
Total assets	<u>\$ 118,049</u>	<u>\$ 120,894</u>	<u>\$ 1,567</u>	<u>\$ 1,031</u>	<u>\$ 119,616</u>	<u>\$ 121,925</u>	-1.9%
Long-term obligations	\$ 65,045	\$ 68,013	\$ -	\$ -	\$ 65,045	\$ 68,013	-4.4%
Other liabilities	<u>25,433</u>	<u>26,365</u>	<u>244</u>	<u>522</u>	<u>25,677</u>	<u>26,887</u>	-4.5%
Total liabilities	<u>\$ 90,478</u>	<u>\$ 94,378</u>	<u>\$ 244</u>	<u>\$ 522</u>	<u>\$ 90,722</u>	<u>\$ 94,900</u>	-4.4%
Net assets:							
Invested in capital assets, net of related debt	\$ 21,473	\$ 21,301	\$ 710	\$ 318	\$ 22,183	\$ 21,619	2.6%
Restricted	960	1,049	-	-	960	1,049	-8.5%
Unrestricted	<u>5,138</u>	<u>4,166</u>	<u>613</u>	<u>191</u>	<u>5,751</u>	<u>4,357</u>	32.0%
Total net assets	<u>\$ 27,571</u>	<u>\$ 26,516</u>	<u>\$ 1,323</u>	<u>\$ 509</u>	<u>\$ 28,894</u>	<u>\$ 27,025</u>	6.9%

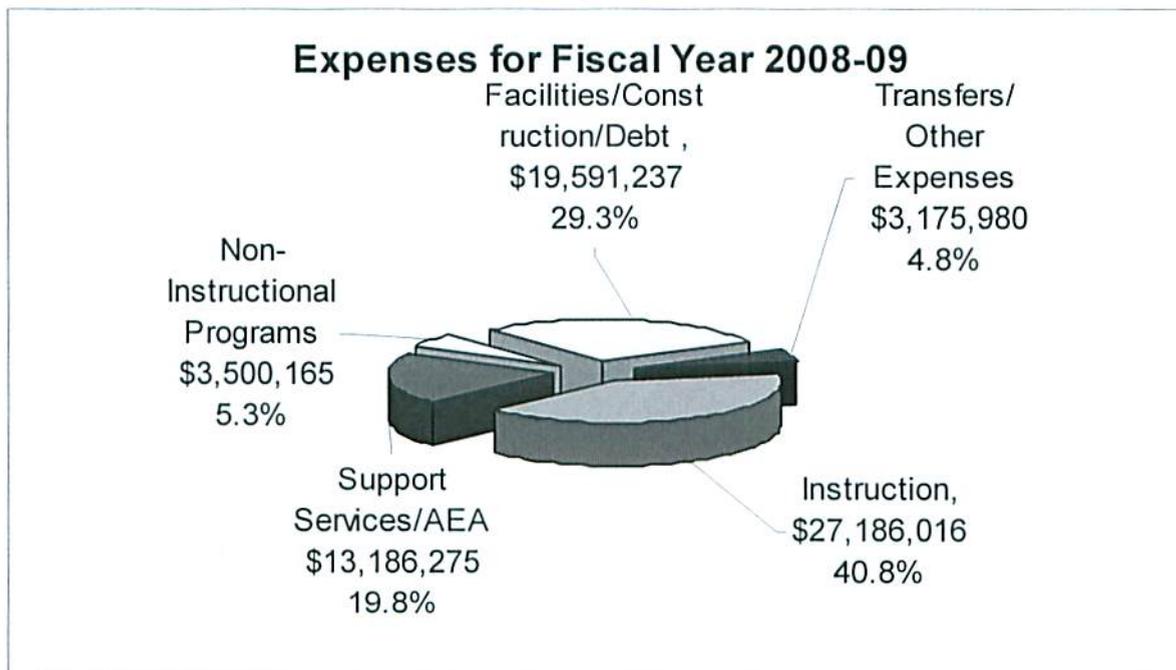
Figure A-4 below reflects totals from the 2008-09 fiscal year ended June 30, 2009.

	CHANGES IN NET ASSETS (EXPRESSED IN THOUSANDS)					
	Governmental Activities		Business-Type Activities		Total School District	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for service and sales	\$ 4,910	\$ 4,794	\$ 3,160	\$ 2,865	\$ 8,070	\$ 7,659
Operating grants, contributions, and restricted interest	5,427	4,352	792	724	6,219	5,076
Capital grants, contributions, and restricted interest	-	-	-	-	-	-
General revenues:						
Property tax	24,498	23,973	-	-	24,498	23,973
Unrestricted state grants	14,016	13,854	-	-	14,016	13,854
Unrestricted investment earnings	412	1,557	4	10	416	1,567
Other	145	89	465	1	610	90
Total revenues	<u>49,408</u>	<u>48,619</u>	<u>4,421</u>	<u>3,600</u>	<u>53,829</u>	<u>52,219</u>
Program expenses:						
Governmental activities:						
Instruction	27,569	25,351	-	-	27,569	25,351
Support services	12,188	11,010	-	-	12,188	11,010
Non-instructional programs	-	-	3,607	3,458	3,607	3,458
Other expenses	8,596	6,400	-	-	8,596	6,400
Total expenses	<u>48,353</u>	<u>42,761</u>	<u>3,607</u>	<u>3,458</u>	<u>51,960</u>	<u>46,219</u>
Changes in net assets	\$ <u>1,055</u>	\$ <u>5,858</u>	\$ <u>814</u>	\$ <u>142</u>	\$ <u>1,869</u>	\$ <u>6,000</u>

The District's total revenues were up \$1.6 million from the previous year, while total expenditures increased \$5.6 million. Total net assets of the District increased \$1.9 million. This increase is a combination of the District's governmental and business activities. General revenues increased slightly in the governmental activities although the increase was less than a year ago. Student enrollment, net open enrollment, and allowable growth have a significant role on revenues generated by the District. During the past 5 years, open enrollment and tuition generated revenue are as follows: 2004-05 \$3,516,543, 2005-06 \$3,713,077, 2006-07 \$3,483,824, 2007-08 \$3,613,434, and in 2008-09 \$3,323,392. Note the decline from the 2005-06 school year. Business activities had an increase in revenue and an increase in expenditures with a resulting increase of \$814,000 in net assets. This substantial increase is welcome with the addition of another full service kitchen scheduled to open at the 7-9 building in the fall of 2009. Increased program expenses are primarily attributed to the District's commitment to lower class size with total FTE of staff growth from 252.28 in 2002-03 to 305.6 at the end of the 2008-09 school year. This calculates to an average of 7.62 FTE positions added per year. Student enrollment during this time increased from 3,268 students in September 2002 to 4,327 in September 2008. This calculates to an average of 151 students per year.



The chart above illustrates total Revenues for the 2008-09 school year. Property Tax and State Aid account for the largest portion of the Revenue. The chart below illustrates total Expenses which indicates the greatest portion of dollars were spent on Instruction followed by Facilities/Construction. Non-Instructional expenses would include lunch program and Daycare.



## Governmental Activities

The District continues to experience increases in the overall property tax base (taxable valuation) having increased from \$1,061,461,727 in 2000 to \$1,407,332,659 in 2006. This 32.6% increase over the eight year period averages to 4.08% per year. The increase from 2007 to 2008 was 4.58%.

The overall District tax rate was \$16.85 per thousand in the 2008-09 year which is lower than the levy of \$17.33 in the 2007-08 school year. The rate was decreased through property valuation growth, a decrease in the cash reserve levy and the use of SILO monies to buy down the Debt service portion of the levy.

Figure A-5 presents the cost of three District activities: Instruction, Support Services, and Other Expenses. The table shows each activity's *net cost*, (total costs less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-5		
TOTAL AND NET COST OF GOVERNMENTAL ACTIVITIES (EXPRESSED IN THOUSANDS)		
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 27,569	\$ 21,019
Support services	12,188	9,807
Other expenses	8,596	7,190
Totals	<u>\$ 48,353</u>	<u>\$ 38,016</u>

- The cost of all governmental activities this year was \$48.35 million compared to \$42.76 million a year ago.
- Some of the cost was financed by the users of the District's programs, \$5.45 million, while \$4.79 million was collected a year ago for the same services.
- Most of the District's costs, \$44.02 million, were financed by District and state taxpayers. This portion of governmental activities was financed with \$24.49 million in property taxes and \$19.53 million in state and federal aid.

## Business-Type Activities

Revenues of the District's business-type activities were \$4.42 million while expenses were \$3.61 million. (Refer to Figure A-4.) Although these activities are not in place to make a profit, they are organized and structured to operate at a revenue/expenditure neutral position. The additional revenue above expenditures can be attributed to increased user fees and a minimal increase in food and daycare personnel costs. At the present time, the two main funds that make up the business-type Activities are the Food and Nutrition Fund and the Daycare Fund.

## Financial Analysis of the District's Funds

### Business-Type Fund Highlights

- The Food and Nutrition Fund balance increased from \$475,692 to \$1,064,070 over the past fiscal year. This marks the 3rd consecutive year that the fund balance increased. It is anticipated that this trend will reverse itself the next few fiscal years as these excess funds will be necessary as the District begins operating an additional full service kitchen in the fall of 2009.
- The Daycare Fund balance decreased by \$11,650 to (\$34,646). Although the program is solvent from a cash perspective, the decrease in fund balance is a concern and is being monitored closely. The district has implemented minimal increases in wages of 2% or less each of the last three years, and raised fees to reverse this trend. Fees were increased again for the 2009-10 year and enrollment in the program has increased substantially through the summer of 2009 due to the District's new transportation schedules and the State Grant Sponsored four year old program. It is anticipated that both changes will have a positive impact on the Funds balance.

### Governmental Fund Highlights

Overall, the District's Governmental Funds balances did well and are in good position for the District to move forward the opening of the new 7-9 grade building in the fall of 2009. The Capital Projects fund continued to decrease as the proceeds from the bond sales were utilized to complete construction on the new Recital Hall and 7-9 grade building.

- The Capital Projects Fund(s) balance decreased from a balance of \$14.86 million to \$3.32 million as the new Auditorium and 7-9 Building Projects were completed. Other activity in the fund includes SILO Fund revenues and expenditures associated with various projects approved by the Board and SILO monies utilized for Debt Service payments.
- The Management Fund balance increased from \$541,334 to \$793,497. The District pays for its liability, property, fleet, workers compensation insurance, and early separation programs out of the Management Fund. Workers Compensation insurance continues to be monitored closely although the district, in recent years, has declined in small value claims. The District had five staff members who took advantage of the early separation program. These costs are expected to increase as the number of staff eligible for early separation and the likely change in IPERS benefits indicate an increase in cost over the next couple of fiscal years.
- The Physical Plant and Equipment Levy, (PPEL) Fund balance decreased from \$613,756 to \$446,693. PPEL fund dollars were utilized to purchase technology and complete general maintenance projects. Funds were also utilized to replace old busses and vans in the District Fleet. The carryover balance is planned and will be utilized to help complete necessary site work at Prairie Point Middle School. With its current assessed valuation, the district is able to generate approximately \$1.48 million annually in this fund.
- The "Other" Governmental Funds balance (the Activity Fund), increased slightly from \$490,650 to \$527,086 from the previous fiscal year. The primary activities in this fund include the Athletic accounts and building level student activities other than athletics.

- The General Fund balance increased from \$4.19 million to \$5.14 million during the fiscal year. This increase was planned as the district positioned itself to open a new building in the fall of 2009. The District had attempted to position itself to achieve and maintain a minimum fund balance of 18% of current General Fund expenditures, or \$5.5 million by the end of the 2008-09 fiscal year. Although the district came up slightly short of this goal it was believed that the current balance would be adequate at fiscal years end. The 2008-09 budget cuts and current (fall of '09) budget cuts by the Governor realized at the time of this publication cast serious doubt about the solvency of all school districts in the state of Iowa moving forward. More about that in the "Factors Bearing on the District" section of this report.

## **General Fund Budgetary Highlights**

Of all Governmental Funds, the General Fund is by far the largest, comprising 60% of all Governmental Fund expenses in the fiscal year. The other large fund, which made up 24.5% of all Governmental Fund expenses, is the Capital Projects Fund. This was due to the construction costs associated with the new recital hall and 7-9 school building.

The General Fund expenditures are updated monthly to monitor expenditures and reflect any changes in staffing and non-staffing costs. A comparison of General Fund budgeted to actual expenditures shows actual expenditures of \$37.52 million, which was less than the original budgeted line item amount of \$39.28 million approved at the October meeting. The District was able to decrease its cash reserve for the 2009-10 fiscal year as it is believed that adequate cash levels have been achieved to hire new staff for the new building.

The General Fund balance at year-end was 13.70% of fund Revenues, up from 11.77% from a year ago. This remains a reasonable balance to provide for any unexpected emergencies, although the trend must continue. The Board of Education has supported action to make sure District General Fund cash reserves are adequate utilizing local property taxes as necessary to fund the growth of the District. This will need to continue as the student population continues to grow.

## **Capital Asset and Debt Administration**

### **Capital Assets**

By the end of 2009, the District had invested net of depreciation, \$85.7 million in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. (See Figure A-6) This amount represents a net increase of \$8.5 million from a year ago. The increase is due to the addition of "Construction in progress" and actual completion of items such as the recital hall and new 7-9 building.

Governmental funds account for all of these assets with the exception of \$710,000 which is accounted for in the Food and Nutritional Fund, Print Shop Fund and Student Built House Fund.

This chart will change dramatically again in 2009-10 as the 7-9 building which was nearing completion at the end of the fiscal year will be added to the totals. Depreciation of current assets will continue to reduce/offset those totals.

Figure A-6

**CAPITAL ASSETS, NET OF DEPRECIATION  
(EXPRESSED IN THOUSANDS)**

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2008-2009
	2009	2008	2009	2008	2009	2008	
Land	\$ 2,509	\$ 2,509	\$ -	\$ -	\$ 2,509	\$ 2,509	0.0%
Construction in progress	25,979	24,323	-	-	25,979	24,323	6.8%
Buildings	52,007	46,151	-	-	52,007	46,151	12.7%
Improvements other than buildings	2,795	2,599	-	-	2,795	2,599	7.5%
Furniture and equipment	1,757	1,343	710	318	2,467	1,661	48.5%
Totals	<u>\$ 85,047</u>	<u>\$ 76,925</u>	<u>\$ 710</u>	<u>\$ 318</u>	<u>\$ 85,757</u>	<u>\$ 77,243</u>	11.0%

### Long-Term Debt

At year-end, the District had \$67.79 million in general obligation bonds and other long-term debt outstanding. This represents a decrease of \$3.31 million over the previous fiscal year as can be seen in Figure A-7 below. 2008-09 marks the first year that the District is reporting the Other Post Employment Benefits (OPEB) per GASB-45. The current year actuarially determined liability is \$768,000.

Figure A-7

**OUTSTANDING LONG-TERM  
OBLIGATIONS  
(EXPRESSED IN THOUSANDS)**

	Total School District		Total Change 2008-2009
	2009	2008	
General obligation bonds	\$ 66,530	\$ 69,005	-3.6%
Notes payable	365	1,486	-75.4%
OPEB liability	768	-	
Early retirement	129	611	-78.9%
Totals	<u>\$ 67,792</u>	<u>\$ 71,102</u>	-4.7%

Changes in the debt schedule are primarily due to the payment on general obligation bonds and the addition of OPEB liability. The District continued to take advantage of favorable interest rates by reducing its previous debt through advanced refunding of its issues. The District began in the 07-08 fiscal year to reduce its Debt Service levy utilizing Linn, Johnson, and Benton County SILO funds. Total payments from the SILO funds over the next 10 years will be \$20.0 million.

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

- Spending Authority and Financial solvency of the District continue to be the most important measures as the District continues to grow, and at the time of this report has opened its new 7-9 building. The additional FTE of certified staff needed to open the building and achieve the re-alignment of grades in the District has resulted in the addition of 29+FTE. This, in addition to numerous support staff necessary to support the instructional process, has placed a tremendous burden on the District to achieve efficiencies in all possible areas. The District must monitor general fund expenditures carefully to assure that it has sufficient spending authority to support the program long term. Class sizes will need to increase in order to grow into the current staffing level required by the realignment.
- State funding growth for public schools for fiscal year 2009-10 was 4% with projected increased funding for the 2010-11 year at an additional 2%. At the time of this report, it is doubtful that the state will be able to provide the increases necessary as promised as an unprecedented across the board cut of 10% was announced by the Governor's office. Additionally, the current year's state aid formula indicates a \$1.97M cash shortfall backfilled by \$1.72M American Recovery and Reinvestment Fund, one time dollars. The 10% cut and \$1.7M one time funding amounts to a total combined \$3.6M cash shortfall for the District over the next two fiscal years.
- School Infrastructure Local Option (SILO) funds continue to be utilized to offset the District's tax levy with \$2.0M per year pledged to be utilized for District Debt. This will continue and become an even more valuable source of revenue for the District due to the across the board budget cuts through the Governor's office. Continued use of this funding source for local projects, savings for a portion of the next school building project and debt service payments, will be necessary as there will be pressure on the general levy to rise as student growth continues to outpace the valuation growth thus forcing the general levy higher.
- District certified enrollment increased by 850 students over the past seven years. Under Iowa's school funding formula, District funding is highly dependant upon District enrollments. During the same time, property valuations in the District have not kept pace resulting in upward pressure on the general fund levy per the state aid formula. In addition to the funding formula increases due to enrollment, the District recently received approval for \$3.2M in Modified Allowable Growth due to costs associated with opening a new building. It is anticipated that this will allow the District to bridge the gap between the cost of opening the building and the authority generated by the number of students in the District.
- The current year (2009-10) marks the first year that the District has implemented the Instructional Support levy at the maximum 10.0%. This was done by School Board approval for a period of 5 fiscal years. Instructional support provides both additional cash and spending authority to be used for increased staff costs.

## **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 of the money it receives. If you have questions about this report or need additional financial information, contact James Rotter Jr., Executive Director of Business Services, College Community School District, 401 76<sup>th</sup> Avenue SW, Cedar Rapids, Iowa 52404.

## BASIC FINANCIAL STATEMENTS

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Statement of Net Assets**

June 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and pooled investments	\$ 9,592,180	\$ 709,927	\$ 10,302,107
Receivables:			
Property tax:			
Delinquent	290,891	-	290,891
Succeeding year	19,885,416	-	19,885,416
Accounts	1,693	124,090	125,783
Accrued interest	9,484	68	9,552
Due from other governments	2,389,694	-	2,389,694
Inventories	1,365	22,762	24,127
Prepaid expenses	10,604	147	10,751
Restricted cash and cash equivalents	821,287	-	821,287
Capital assets, net of accumulated depreciation	<u>85,046,837</u>	<u>710,437</u>	<u>85,757,274</u>
Total assets	<u>118,049,451</u>	<u>1,567,431</u>	<u>119,616,882</u>
<b>LIABILITIES</b>			
Accounts payable	493,455	142,394	635,849
Accrued expenses	1,207,812	31,866	1,239,678
Salaries and benefits payable	487,393	69,306	556,699
Due to other governments	269,173	-	269,173
Accrued interest payable	198,230	-	198,230
Deferred revenue	144,963	-	144,963
Deferred revenue - succeeding year property tax	19,885,416	-	19,885,416
Long-term liabilities:			
Portion due within one year:			
Bonds payable	2,555,000	-	2,555,000
Notes payable	63,000	-	63,000
Early retirement	128,950	-	128,950
Portion due after one year:			
Bonds payable	63,975,000	-	63,975,000
Notes payable	302,000	-	302,000
Net OPEB liability	<u>767,537</u>	<u>-</u>	<u>767,537</u>
Total liabilities	<u>90,477,929</u>	<u>243,566</u>	<u>90,721,495</u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 21,473,428	\$ 710,437	\$ 22,183,865
Restricted for:			
Management levy	25,960	-	25,960
Physical plant and equipment levy	446,693	-	446,693
Student Activity purposes	527,086	-	527,086
Unrestricted:			
Debt service	(39,420)	-	(39,420)
General	<u>5,137,775</u>	<u>613,428</u>	<u>5,751,203</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 27,571,522</u>	<u>\$ 1,323,865</u>	<u>\$ 28,895,387</u>

The accompanying notes are an integral part of the financial statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Statement of Activities**

**Year Ended June 30, 2009**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants Contributions, and Restricted Interest
Governmental activities:				
Instruction:				
Regular instruction	\$ 17,145,400	\$ 1,955,183	\$ 1,489,265	\$ -
Special instruction	6,463,057	1,447,165	-	-
Other instruction	3,960,283	1,393,644	264,749	-
	<u>27,568,740</u>	<u>4,795,992</u>	<u>1,754,014</u>	<u>-</u>
Support services:				
Student	1,148,780	-	287,474	-
Instructional staff	2,415,334	-	1,938,657	-
Administration	3,475,998	-	-	-
Operation and maintenance of plant	3,161,902	104,574	11,300	-
Transportation	1,985,768	9,710	29,515	-
	<u>12,187,782</u>	<u>114,284</u>	<u>2,266,946</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	2,588,593	-	-	-
Long-term debt interest	2,958,088	-	8,297	-
AEA flowthrough	1,397,624	-	1,397,624	-
Depreciation (unallocated)	1,651,442	-	-	-
	<u>8,595,747</u>	<u>-</u>	<u>1,405,921</u>	<u>-</u>
Total governmental activities	<u>48,352,269</u>	<u>4,910,276</u>	<u>5,426,881</u>	<u>-</u>
Business-type activities:				
Non-instructional programs:				
Nutrition services	1,938,585	1,387,658	671,997	-
Daycare services	1,160,870	1,028,735	119,770	-
Concession services	118,606	122,107	-	-
Print services	164,743	191,138	-	-
Student built house	224,575	431,101	-	-
	<u>3,607,379</u>	<u>3,160,739</u>	<u>791,767</u>	<u>-</u>
Total business type activities	<u>3,607,379</u>	<u>3,160,739</u>	<u>791,767</u>	<u>-</u>
<b>Total</b>	<u>\$ 51,959,648</u>	<u>\$ 8,071,015</u>	<u>\$ 6,218,648</u>	<u>\$ -</u>

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (13,700,952)	\$ -	\$ (13,700,952)
(5,015,892)	-	(5,015,892)
(2,301,890)	-	(2,301,890)
<u>(21,018,734)</u>	<u>-</u>	<u>(21,018,734)</u>
(861,306)	-	(861,306)
(476,677)	-	(476,677)
(3,475,998)	-	(3,475,998)
(3,046,028)	-	(3,046,028)
<u>(1,946,543)</u>	<u>-</u>	<u>(1,946,543)</u>
<u>(9,806,552)</u>	<u>-</u>	<u>(9,806,552)</u>
(2,588,593)	-	(2,588,593)
(2,949,791)	-	(2,949,791)
-	-	-
<u>(1,651,442)</u>	<u>-</u>	<u>(1,651,442)</u>
<u>(7,189,826)</u>	<u>-</u>	<u>(7,189,826)</u>
<u>(38,015,112)</u>	<u>-</u>	<u>(38,015,112)</u>
-	121,070	121,070
-	(12,365)	(12,365)
-	3,501	3,501
-	26,395	26,395
<u>-</u>	<u>206,526</u>	<u>206,526</u>
<u>-</u>	<u>345,127</u>	<u>345,127</u>
\$ <u>(38,015,112)</u>	\$ <u>345,127</u>	\$ <u>(37,669,985)</u>

(continued)

COLLEGE COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2009

	<u>Expenses</u>	<u>Charges for Service</u>	<u>Program Revenues</u>	
<b>GENERAL REVENUES</b>			<u>Operating Grants, Contributions, and Restricted Interest</u>	<u>Capital Grants Contributions, and Restricted Interest</u>
Property tax levied for:				
General purposes				
Debt service				
Capital outlay				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
 Total general revenues				
 Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 19,676,131	\$ -	\$ 19,676,131
3,411,887	-	3,411,887
1,409,876	-	1,409,876
14,015,352	-	14,015,352
412,304	4,421	416,725
145,034	464,837	609,871
39,070,584	469,258	39,539,842
1,055,472	814,385	1,869,857
26,516,050	509,480	27,025,530
\$ 27,571,522	\$ 1,323,865	\$ 28,895,387

The accompanying notes are an integral part of the financial statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds**

**June 30, 2009**

	<u>General</u>	<u>Special Revenue- Management</u>	<u>Debt Service</u>
<b>ASSETS</b>			
Cash and pooled investments	\$ 5,490,017	\$ 907,678	\$ 290,507
Receivables:			
Property tax:			
Delinquent	207,391	15,127	48,279
Succeeding year	14,563,699	986,204	2,997,846
Accounts	1,693	-	-
Accrued interest	1	151	219
Due from other governments	1,618,686	-	-
Inventories	1,365	-	-
Prepaid expenses	4,400	-	-
Restricted cash and pooled investments	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<b><u>\$ 21,887,252</u></b>	<b><u>\$ 1,909,160</u></b>	<b><u>\$ 3,336,851</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 79,962	\$ 509	\$ 180,195
Accrued expenses	1,207,812	-	-
Salaries and benefits payable	483,868	128,950	-
Due to other governments	269,173	-	-
Deferred revenue	144,963	-	-
Deferred revenue-succeeding year property tax	<u>14,563,699</u>	<u>986,204</u>	<u>2,997,846</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<b><u>16,749,477</u></b>	<b><u>1,115,663</u></b>	<b><u>3,178,041</u></b>
Fund balances:			
Reserved for:			
Debt service	-	-	158,810
Unreserved, undesignated reported in:			
General fund	5,137,775	-	-
Special revenue funds	-	793,497	-
Capital projects funds	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<b><u>5,137,775</u></b>	<b><u>793,497</u></b>	<b><u>158,810</u></b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 21,887,252</u></b>	<b><u>\$ 1,909,160</u></b>	<b><u>\$ 3,336,851</u></b>

<u>Capital Projects- \$10M MS/AUD</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 27,534	\$ 2,876,444	\$ 9,592,180
-	20,094	290,891
-	1,337,667	19,885,416
-	-	1,693
8,702	411	9,484
-	771,008	2,389,694
-	-	1,365
-	6,204	10,604
<u>821,287</u>	<u>-</u>	<u>821,287</u>
<u>\$ 857,523</u>	<u>\$ 5,011,828</u>	<u>\$ 33,002,614</u>
\$ 139,677	\$ 93,112	\$ 493,455
-	-	1,207,812
-	3,525	616,343
-	-	269,173
-	-	144,963
<u>-</u>	<u>1,337,667</u>	<u>19,885,416</u>
<u>139,677</u>	<u>1,434,304</u>	<u>22,617,162</u>
-	-	158,810
-	-	5,137,775
-	973,779	1,767,276
<u>717,846</u>	<u>2,603,745</u>	<u>3,321,591</u>
<u>717,846</u>	<u>3,577,524</u>	<u>10,385,452</u>
<u>\$ 857,523</u>	<u>\$ 5,011,828</u>	<u>\$ 33,002,614</u>

The accompanying notes are an integral part of the financial statements.

## COLLEGE 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 (page 26)	\$ 10,385,452
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	85,046,837
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.	(198,230)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(67,662,537)</u>
<b>Net assets of governmental activities (page 20)</b>	<b><u>\$ 27,571,522</u></b>

The accompanying notes are an integral part of the financial statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

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

**Year Ended June 30, 2009**

	<u>General</u>	<u>Special Revenue- Management</u>	<u>Debt Service</u>
Revenues:			
Local sources:			
Local tax	\$ 15,018,371	\$ 1,107,155	\$ 3,410,952
Tuition	3,333,102	-	-
Other	717,681	83,679	8,297
State sources	18,003,349	335	935
Federal sources	<u>1,387,306</u>	<u>-</u>	<u>-</u>
Total revenues	<u>38,459,809</u>	<u>1,191,169</u>	<u>3,420,184</u>
Expenditures:			
Instruction:			
Regular instruction	16,244,380	575,149	-
Special instruction	6,448,388	-	-
Other instruction	<u>2,995,626</u>	<u>2,946</u>	<u>-</u>
	<u>25,688,394</u>	<u>578,095</u>	<u>-</u>
Support services:			
Student services	1,148,780	-	-
Instructional staff services	1,690,196	-	-
Administrative services	3,231,344	89,636	-
Operation and maintenance of plant services	2,962,057	196,857	-
Transportation services	<u>1,397,972</u>	<u>74,418</u>	<u>-</u>
	<u>10,430,349</u>	<u>360,911</u>	<u>-</u>
Other expenditures:			
Facilities acquisition	-	-	-
Long-term debt:			
Principal	-	-	3,596,000
Interest and fiscal charges	-	-	2,968,168
AEA flowthrough	<u>1,397,624</u>	<u>-</u>	<u>-</u>
	<u>1,397,624</u>	<u>-</u>	<u>6,564,168</u>
Total expenditures	<u>37,516,367</u>	<u>939,006</u>	<u>6,564,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>943,442</u>	<u>252,163</u>	<u>(3,143,984)</u>

Exhibit E

<b>Capital Projects- \$10M MS/AUD</b>	<b>Nonmajor</b>	<b>Total</b>
\$ -	\$ 1,409,490	\$ 20,945,968
-	-	3,333,102
282,795	4,643,908	5,736,360
-	386	18,005,005
-	-	1,387,306
<u>282,795</u>	<u>6,053,784</u>	<u>49,407,741</u>
-	-	16,819,529
-	-	6,448,388
-	926,936	3,925,508
-	926,936	27,193,425
-	-	1,148,780
56,046	647,728	2,393,970
-	26	3,321,006
-	-	3,158,914
-	260,809	1,733,199
<u>56,046</u>	<u>908,563</u>	<u>11,755,869</u>
5,800,430	7,170,593	12,971,023
-	-	3,596,000
-	-	2,968,168
-	-	1,397,624
<u>5,800,430</u>	<u>7,170,593</u>	<u>20,932,815</u>
<u>5,856,476</u>	<u>9,006,092</u>	<u>59,882,109</u>
<u>(5,573,681)</u>	<u>(2,952,308)</u>	<u>(10,474,368)</u>

(continued)

**COLLEGE COMMUNITY SCHOOL DISTRICT**

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

**Year Ended June 30, 2009**

	<u>General</u>	<u>Special Revenue- Management</u>	<u>Debt Service</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ -	\$ 3,149,936
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,149,936</u>
Net change in fund balances	943,442	252,163	5,952
Fund balances beginning of year	<u>4,194,333</u>	<u>541,334</u>	<u>152,858</u>
Fund balances end of year	<u>\$ 5,137,775</u>	<u>\$ 793,497</u>	<u>\$ 158,810</u>

<u>Capital Projects- \$10M MS/AUD</u>	<u>Nonmajor</u>	<u>Total</u>
\$ -	\$ -	\$ 3,149,936
<u>-</u>	<u>(3,149,936)</u>	<u>(3,149,936)</u>
-	(3,149,936)	-
(5,573,681)	(6,102,244)	(10,474,368)
<u>6,291,527</u>	<u>9,679,768</u>	<u>20,859,820</u>
<u>\$ 717,846</u>	<u>\$ 3,577,524</u>	<u>\$ 10,385,452</u>

The accompanying notes are an integral part of the financial statements.

## COLLEGE 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 (page 31)** \$ (10,474,368)

***Amounts reported for governmental activities in the  
statement of activities are different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as a depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 10,382,430	
Depreciation expense	<u>(2,260,622)</u>	8,121,808

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets.		3,596,000
---	--	-----------

Some expenses in the Statement of Activities differ from the amount reported in the governmental funds because they are recorded as an expenditure in the funds when due. In the Statement of Activities, they are recognized as the expense accrues, regardless of when it is due.

Interest on long-term debt	10,080	
Other postemployment benefits	(767,537)	
Early retirement	<u>569,489</u>	<u>(187,968)</u>

**Change in net assets of governmental activities (page 24)** \$ 1,055,472

The accompanying notes are an integral part of the financial statements.

## COLLEGE COMMUNITY SCHOOL DISTRICT

## Statement of Net Assets

## Proprietary Funds

Year Ended June 30, 2009

	<u>Nonmajor Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 709,927
Accounts receivable	124,090
Accrued interest receivable	68
Prepaid expenses	147
Inventories	22,762
Capital assets, net of accumulated depreciation	<u>710,437</u>
<b>Total assets</b>	<u>1,567,431</u>
<b>LIABILITIES</b>	
Accounts payable	142,394
Accrued expenses	31,866
Salaries and benefits payable	<u>69,306</u>
<b>Total liabilities</b>	<u>243,566</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	710,437
Unrestricted	<u>613,428</u>
<b>Total net assets</b>	<u>\$ 1,323,865</u>

The accompanying notes are an integral part of the financial statements.

## COLLEGE COMMUNITY SCHOOL DISTRICT

## Statement of Revenues, Expenses and Changes in Net Assets

## Proprietary Funds

Year Ended June 30, 2009

	<u>Nonmajor Funds</u>
Operating revenues:	
Local sources:	
Charges for services	\$ 3,158,621
State sources	<u>119,770</u>
Total operating revenues	<u>3,278,391</u>
Operating expenses:	
Salaries	1,484,445
Benefits	305,041
Purchased supplies	38,329
Supplies	1,682,900
Depreciation	<u>96,664</u>
Total operating expenses	<u>3,607,379</u>
Operating loss	<u>(328,988)</u>
Nonoperating revenues:	
Local sources	3,185
State sources	19,632
Federal sources	652,365
Interest income	<u>4,421</u>
Total nonoperating revenues	<u>679,603</u>
Net income before capital contribution	<u>350,615</u>
Capital Contribution	<u>463,770</u>
Increase in net assets	814,385
<b>Net assets, beginning of year</b>	<u>509,480</u>
<b>Net assets, end of year</b>	<u>\$ 1,323,865</u>

The accompanying notes are an integral part of the financial statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Statement of Cash Flows**

**Proprietary Funds**

**Year Ended June 30, 2009**

	<b>Nonmajor Funds</b>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 1,310,154
Cash received from day care activities	1,131,045
Cash received from printing	197,653
Cash received from concession sales	121,857
Cash received from student-built houses	430,812
Cash payments to employees for services	(1,783,910)
Cash payments to suppliers for goods or services	<u>(2,002,749)</u>
Net cash used in operating activities	<u>(595,138)</u>
Cash flows from non-capital financing activities:	
Other local revenue	3,185
State grants received	19,632
Federal grants received	<u>652,365</u>
Net cash provided by non-capital financing activities	<u>675,182</u>
Cash flows from capital and related financing activities:	
Repayment of loan to another fund	(240,000)
Acquisition of capital assets	<u>(25,030)</u>
Net cash used in capital and related financing activities	<u>(265,030)</u>
Cash flows from investing activities:	
Interest on investments	<u>4,738</u>
Net decrease in cash and cash equivalents	(180,248)
<b>Cash and cash equivalents, beginning of year</b>	<u>890,175</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 709,927</u>

	<u>Nonmajor Funds</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (328,988)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	96,664
Decrease in inventories	107
Decrease in accounts receivable	(86,870)
Increase in prepaid expenses	1,975
Increase in accounts payable	(288,010)
Increase in salaries and benefits payable	5,576
Increase in accrued expenses	<u>4,408</u>
Net cash used in operating activities	<u>\$ (595,138)</u>

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2009, the District received \$100,042 of federal commodities.

Capital contribution for property, plant, and equipment to the Nutritional Fund totaled \$463,770.

The accompanying notes are an integral part of the financial statements.

## COLLEGE COMMUNITY SCHOOL DISTRICT

## Statement of Fiduciary Net Assets

## Fiduciary Funds

June 30, 2009

	<u>Agency</u>
<b>ASSETS</b>	
Cash	\$ 275,759
Receivables:	
Accrued interest and other receivables	<u>219</u>
Total assets	<u>\$ 275,978</u>
<b>LIABILITIES AND NET ASSETS</b>	
Liabilities:	
Accounts payable	\$ 1,140
Other payables	<u>274,838</u>
Total liabilities and net assets	<u>\$ 275,978</u>

The accompanying notes are an integral part of the financial statements.

# COLLEGE COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2009

### (1) Summary of Significant Accounting Policies

College 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. 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 southern portion of Cedar Rapids, Iowa and the rural areas of southern Linn, northern Johnson and eastern Benton 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, College 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. College Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

#### 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 that are attributed to the acquisition, construction, or improvement of those assets.

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

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(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 that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

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

Management Fund - The Management Fund is used to account for the payment of District insurance costs and early separation benefits.

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

\$10M MS/AUD Capital Projects Fund - The Capital Projects Fund is used to account for all resources used in acquisition and construction of capital facilities.

The District's proprietary funds are the School Nutrition, Daycare, Resale, Student-Built House, and Print Shop Funds. These funds are used to account for business activities of the District.

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(1) **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(1) **Summary of Significant Accounting Policies** (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

The District maintains its financial records on the modified accrual basis.

D. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Property Tax Receivable - Property taxes in governmental fund types are accounted for using the modified accrual basis of accounting.

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Fund Equity (continued)

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2% per month penalty for delinquent payment; 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. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and 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.

Furniture and equipment:

School Nutrition Fund equipment	\$	500
Other furniture and equipment		1,000

No threshold exists for land, buildings, or improvements.

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Fund Equity (continued)

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

Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5 years
Computers	3 years

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

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

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

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the Management Fund.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund 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.

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(2) Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities and Fund Equity (continued)

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

F. Budgeting 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 non-instructional expenditures functional area exceeded the amounts budgeted.

G. Change in Accounting Principles

Effective July 1, 2008 the District adopted the Governmental Accounting Standards Board (GASB) statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans ("GASB 45"). This statement establishes uniform accounting and financial reporting standards for state and local governmental entities related to postemployment benefits other than pensions ("OPEB").

(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. The chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2009, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	<u>\$ 9,222,746</u>

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

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

**(2) Cash and Pooled Investments (continued)**

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

**(3) 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>
Debt Service	Capital Projects: Benton County SILO	<u>\$3,149,936</u>

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

**(4) Capital Assets**

Capital assets activity for the year ended June 30, 2009 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,509,334	\$ -	\$ -	\$ 2,509,334
Construction in progress	<u>24,323,167</u>	<u>9,857,046</u>	<u>8,201,422</u>	<u>25,978,791</u>
Total capital assets not being depreciated	<u>26,832,501</u>	<u>9,857,046</u>	<u>8,201,422</u>	<u>28,488,125</u>
Capital assets being depreciated:				
Buildings	63,130,482	7,302,987	-	70,433,469
Improvements other than buildings	3,727,759	392,736	-	4,120,495
Furniture and equipment	<u>10,849,179</u>	<u>1,031,083</u>	<u>274,717</u>	<u>11,605,545</u>
Total capital assets being depreciated	<u>77,707,420</u>	<u>8,726,806</u>	<u>274,717</u>	<u>86,159,509</u>
Less accumulated depreciation for:				
Buildings	16,979,112	1,447,684	-	18,426,796
Improvements other than buildings	1,129,251	196,206	-	1,325,457
Furniture and equipment	<u>9,506,529</u>	<u>616,732</u>	<u>274,717</u>	<u>9,848,544</u>
Total accumulated depreciation	<u>27,614,892</u>	<u>2,260,622</u>	<u>274,717</u>	<u>29,600,797</u>

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(4) Capital Assets (continued)

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Total capital assets being depreciated, net	<u>50,092,528</u>	<u>6,466,184</u>	<u>-</u>	<u>56,558,712</u>
Governmental activities capital assets, net	<u>\$76,925,029</u>	<u>\$16,323,230</u>	<u>\$ 8,201,422</u>	<u>\$85,046,837</u>
<b>Business type activities:</b>				
Furniture and equipment	\$1,237,067	\$ 492,614	\$ 6,660	\$1,723,021
Less accumulated depreciation	<u>918,766</u>	<u>96,664</u>	<u>2,846</u>	<u>1,012,584</u>
Business type activities capital assets, net	<u>\$ 318,301</u>	<u>\$ 395,950</u>	<u>\$ 3,814</u>	<u>\$ 710,437</u>

Depreciation expense was charged to the governmental functions of the District as follows:

Governmental activities:

Instruction:

Regular	\$ 231,205
Special	14,669
Other	34,775

Support services:

Instructional staff	21,364
Administration	51,610
Operation and maintenance of plant	2,988
Transportation	<u>252,569</u>

Unallocated depreciation

609,180  
1,651,442

Total depreciation expense - governmental activities

\$2,260,622

Business type activities

Nutrition services	\$ 72,311
Student-built house	1,415
Day care	764
Enterprise/resale	978
Print services	<u>21,196</u>

Total depreciation expense - business type activities

\$ 96,664

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

**(5) Long-term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2009 are summarized as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 69,005,000	\$ -	\$ 2,475,000	\$ 66,530,000	\$ 2,555,000
Notes payable	1,486,000	-	1,121,000	365,000	63,000
Early retirement	610,627	-	481,677	128,950	128,950
Net OPEB liability	<u>-</u>	<u>767,537</u>	<u>-</u>	<u>767,537</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 71,101,627</u></b>	<b><u>\$ 767,537</u></b>	<b><u>\$ 4,077,677</u></b>	<b><u>\$ 67,791,487</u></b>	<b><u>\$ 2,746,950</u></b>

**A. Early Retirement**

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-five and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. Early retirement incentives are available for all employees except bus drivers and are based on classification of employee. At June 30, 2009, the District has obligations to five participants with a total liability of \$128,950. Actual early retirement expenditures for the year ended June 30, 2009 totaled \$128,950. The cost of early retirement payments expected to be liquidated currently is recorded as a liability of the Special Revenue, Management Fund.

**B. General Obligation Bonds**

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

<u>Year Ending June 30,</u>	<u>Bond Issue of 2002A</u>			<u>Bond Issue of 2002B</u>		
	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>
2010	4.60%	\$ -	\$ 209,100	4.10%	\$ 720,000	\$ 29,520
2011	4.60%	-	209,100	-	-	-
2012	4.60%	-	209,100	-	-	-
2013	4.60%	1,100,000	209,100	-	-	-
2014	4.63%	1,200,000	158,500	-	-	-
2015	4.65%	1,300,000	103,000	-	-	-
2016	4.65%	300,000	42,550	-	-	-
2017	4.75%	400,000	28,600	-	-	-
2018	4.80%	200,000	9,600	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
<b>Total</b>		<b><u>\$ 4,500,000</u></b>	<b><u>\$ 1,178,650</u></b>		<b><u>\$ 720,000</u></b>	<b><u>\$ 29,520</u></b>

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

(5) **Long-term Liabilities** (continued)

B. General Obligation Bonds (continued)

<b>Year Ending June 30,</b>	<b>Bond Issue of 2003A</b>			<b>Bond Issue of 2003C</b>		
	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>
2010	2.80%	\$ 425,000	\$ 74,350	2.75%	\$ 25,000	\$ 97,664
2011	3.00%	1,015,000	62,450	2.90%	25,000	96,976
2012	3.20%	1,000,000	32,000	3.05%	25,000	96,250
2013	-	-	-	3.25%	25,000	95,488
2014	-	-	-	3.50%	30,000	94,676
2015	-	-	-	3.50%	655,000	93,626
2016	-	-	-	3.50%	2,020,000	70,700
<b>Total</b>		<b>\$ 2,440,000</b>	<b>\$ 168,800</b>		<b>\$ 2,805,000</b>	<b>\$ 645,380</b>

<b>Year Ending June 30,</b>	<b>Bond Issue of 2004</b>			<b>Bond Issue of 2005A</b>		
	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>
2010	3.00%	\$ 45,000	\$ 240,768	3.75%	\$ 660,000	\$ 81,342
2011	3.25%	45,000	239,418	2.95%	900,000	56,592
2012	3.38%	50,000	237,956	3.05%	985,000	30,042
2013	3.50%	1,050,000	236,268	-	-	-
2014	3.63%	1,035,000	199,518	-	-	-
2015	4.00%	395,000	162,000	-	-	-
2016	4.00%	20,000	146,200	-	-	-
2017	4.00%	20,000	145,400	-	-	-
2018	4.00%	1,120,000	144,600	-	-	-
2019	4.10%	1,210,000	99,800	-	-	-
2020	4.20%	1,195,000	50,190	-	-	-
<b>Total</b>		<b>\$ 6,185,000</b>	<b>\$ 1,902,118</b>		<b>\$ 2,545,000</b>	<b>\$ 167,976</b>

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

(5) **Long-term Liabilities** (continued)

B. General Obligation Bonds (continued)

Year Ending June 30,	Bond Issue of 2006			Bond Issue of 2007		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2010	4.50%	\$ 445,000	\$ 1,254,725	3.75%	\$ 235,000	\$ 378,109
2011	4.50%	425,000	1,234,700	3.75%	250,000	369,296
2012	4.50%	435,000	1,215,575	3.75%	255,000	359,921
2013	4.00%	415,000	1,196,000	3.75%	255,000	350,359
2014	4.00%	440,000	1,179,400	3.75%	255,000	340,796
2015	4.50%	480,000	1,161,800	3.75%	255,000	331,234
2016	4.50%	515,000	1,140,200	3.75%	260,000	321,671
2017	4.50%	485,000	1,117,025	3.75%	260,000	311,921
2018	4.50%	520,000	1,095,200	3.80%	255,000	302,171
2019	4.50%	580,000	1,071,800	3.85%	265,000	292,482
2020	4.50%	615,000	1,045,700	3.85%	260,000	282,279
2021	4.50%	760,000	1,018,025	3.88%	265,000	272,269
2022	4.50%	3,925,000	983,825	4.00%	270,000	262,000
2023	4.50%	4,115,000	807,200	4.00%	265,000	251,200
2024	4.50%	4,310,000	622,025	4.00%	265,000	240,600
2025	4.50%	4,520,000	428,075	4.00%	260,000	230,000
2026	4.75%	4,730,000	224,675	4.00%	265,000	219,600
2027	-	-	-	4.00%	5,225,000	209,000
<b>Total</b>		<b>\$27,715,000</b>	<b>\$16,795,950</b>		<b>\$ 9,620,000</b>	<b>\$ 5,324,908</b>

Year Ending June 30,	Bond Issue of 2008			Total	
	Interest Rates	Principal	Interest	Principal	Interest
2010	4.00%	\$ -	\$ 375,950	\$ 2,555,000	\$ 2,741,528
2011	4.00%	-	375,950	2,660,000	2,644,482
2012	4.00%	-	375,950	2,750,000	2,556,794
2013	4.00%	-	375,950	2,845,000	2,463,165
2014	4.00%	-	375,950	2,960,000	2,348,840
2015	4.00%	-	375,950	3,085,000	2,227,610
2016	4.00%	115,000	375,950	3,230,000	2,097,271
2017	4.00%	2,190,000	371,350	3,355,000	1,974,296
2018	4.75%	1,415,000	283,750	3,510,000	1,835,321
2019	3.50%	1,600,000	223,612	3,655,000	1,687,693
2020	3.55%	1,735,000	167,612	3,805,000	1,545,781
2021	3.60%	2,945,000	106,020	3,970,000	1,396,314
2022	-	-	-	4,195,000	1,245,825
2023	-	-	-	4,380,000	1,058,400
2024	-	-	-	4,575,000	862,625
2025	-	-	-	4,780,000	658,075
2026	-	-	-	4,995,000	444,275
2027	-	-	-	5,225,000	209,000
<b>Total</b>		<b>\$10,000,000</b>	<b>\$ 3,783,994</b>	<b>\$66,530,000</b>	<b>\$29,997,296</b>

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

**(5) Long-term Liabilities (continued)**

**C. Capital Loan Note Payable**

The District has one capital loan outstanding to provide funds for construction projects and the purchase of land. The note bears interest at 3.6% and is payable from the Capital Projects Funds. Details of the District's indebtedness under this agreement at June 30, 2009 is as follows:

<b><u>Year Ending June 30,</u></b>	<b>Series 2005</b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2010	\$ 63,000	\$ 12,582
2011	65,000	10,296
2012	67,000	7,938
2013	170,000	5,490
<b>Total</b>	<b>\$ 365,000</b>	<b>\$ 36,306</b>

During the year ended June 30, 2008, the District issued \$10,000,000 in General Obligation Bonds with an average interest rate of 3.6% to refund \$10,000,000 of outstanding 2001 Series bonds with an average interest rate of 4.9% prior to maturity. The net proceeds of \$10,178,010 (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase certain direct obligations of the United States Government. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 Series bonds. As a result, the 2001 Series bonds are considered to be in-substance defeased and the liability for those bonds has been removed from the District-wide financial statements. The District refunded the 2001 Series bonds to reduce its total debt service payments over the next 13 years by approximately \$1,400,000 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,100,000. The outstanding balance of the debt defeased totaled \$10,000,000 as of June 30, 2009.

**(6) Pension and Retirement Benefits**

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

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(6) Pension and Retirement Benefits (continued)

Plan members are required to contribute 4.10% of their annual salary and the District is required to contribute 6.35% of annual payroll. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$1,830,797, \$1,478,991 and \$1,308,040, respectively, equal to the required contributions for each year.

(7) Other Postemployment Benefits (OPEB)

The District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2009.

Plan Description - The District participates in an Iowa Chapter 28E plan with five other schools which provides medical and prescription drug benefits for retirees and their spouses. There are 560 active and 37 retired members in the plan. Participants must be age 55 and older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 938,894
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>938,894</u>
Contributions made	<u>(171,357)</u>
Increase in net OPEB obligation	767,537
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 767,537</u>

COLLEGE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

(7) Other Postemployment Benefits (OPEB) (continued)

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, the District contributed \$171,357 to the medical plan. Plan members eligible for benefits contributed \$72,787, or 30% of the premium costs.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 938,894	18.3%	\$ 767,537

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$6,585,809, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,585,809. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$25,479,000, and the ratio of the UAAL to covered payroll was 25.9%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# COLLEGE COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2009

(7) **Other Postemployment Benefits (OPEB)** (continued)

As of the July 1, 2008 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions includes a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are \$523 per month for retirees less than age 65. The UAAL is being amortized as a level dollar cost on an open basis over 30 years.

(8) **Risk Management**

College 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.

(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 \$1,397,624 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(10) **Construction and Other Commitments**

The District entered into various contracts totaling \$10,538,780 for additions to several facilities. As of June 30, 2009, costs of \$9,857,046 had been incurred on the contracts. The balance remaining at June 30, 2009 of \$681,734 will be paid when work on the projects progresses.

(11) **Deficit Balance**

The Proprietary - Day Care Fund had a deficit balance of \$34,646 at June 30, 2009. The District has increased fees to accommodate for the deficit in the Day Care Fund.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Notes to Financial Statements**

**June 30, 2009**

**(12) Subsequent Event**

In July 2009, the District refunded four of their bonds for a lower interest rate, with the total refunded amount of \$16,185,000.

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Budgetary Comparison Schedule of Revenues, Expenditures  
and Changes in Balances - Budget and Actual -  
All Governmental Funds and Proprietary Funds**

**Required Supplementary Information**

**Year Ended June 30, 2009**

	<u>Governmental Funds Actual</u>	<u>Proprietary Funds Actual</u>	<u>Total Actual</u>
<b>REVENUES:</b>			
Local sources	\$ 30,015,430	\$ 3,166,227	\$ 33,181,657
State sources	18,005,005	139,402	18,144,407
Federal sources	<u>1,387,306</u>	<u>652,365</u>	<u>2,039,671</u>
Total revenues	<u>49,407,741</u>	<u>3,957,994</u>	<u>53,365,735</u>
<b>EXPENDITURES:</b>			
Instruction	27,193,425	-	27,193,425
Support services	11,755,869	-	11,755,869
Non-instructional programs	-	3,607,379	3,607,379
Other expenditures	<u>20,932,815</u>	<u>-</u>	<u>20,932,815</u>
Total expenditures	<u>59,882,109</u>	<u>3,607,379</u>	<u>63,489,488</u>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,474,368)	350,615	(10,123,753)
<b>OTHER FINANCING SOURCES, NET</b>	<u>-</u>	<u>463,770</u>	<u>463,770</u>
<b>EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	(10,474,368)	814,385	(9,659,983)
<b>BALANCES, BEGINNING OF YEAR</b>	<u>20,859,820</u>	<u>509,480</u>	<u>21,369,300</u>
<b>BALANCES, END OF YEAR</b>	<u>\$ 10,385,452</u>	<u>\$ 1,323,865</u>	<u>\$ 11,709,317</u>

<u>Budgeted Amounts</u>		<u>Final to Variance Positive/ (Negative)</u>
<u>Original</u>	<u>Final</u>	
\$ 33,231,266	\$ 33,231,266	\$ (49,609)
18,012,245	18,012,245	132,162
<u>1,217,400</u>	<u>1,217,400</u>	<u>822,271</u>
<u>52,460,911</u>	<u>52,460,911</u>	<u>904,824</u>
26,165,842	28,719,056	1,525,631
11,541,032	12,229,647	473,778
3,142,190	3,443,285	(164,094)
<u>25,115,546</u>	<u>25,115,546</u>	<u>4,182,731</u>
<u>65,964,610</u>	<u>69,507,534</u>	<u>6,018,046</u>
(13,503,699)	(17,046,623)	6,922,870
<u>-</u>	<u>-</u>	<u>463,770</u>
(13,503,699)	(17,046,623)	7,386,640
<u>22,666,765</u>	<u>22,666,765</u>	<u>(1,297,465)</u>
<u>\$ 9,163,066</u>	<u>\$ 5,620,142</u>	<u>\$ 6,089,175</u>

See independent auditor's report.

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Notes to Required Supplementary Information-**  
**Budgetary Reporting**

**Year Ended June 30, 2009**

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$3,542,924.

During the year ended June 30, 2009, expenditures exceeded the amounts budgeted in the non-instructional expenditures function.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)**

**Year Ended June 30, 2009**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
July 1, 2008	\$ -	\$ 6,586	\$ 6,586	0.0%	\$ 25,479	25.9%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

**OTHER SUPPLEMENTARY INFORMATION**

COLLEGE COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2009

	<u>Special Revenue</u>	
	<u>Student Activity</u>	<u>Physical Plant and Equipment Levy</u>
<b>ASSETS</b>		
Cash and pooled investments	\$ 537,990	\$ 505,937
Receivables:		
Property tax:		
Delinquent	-	20,094
Succeeding year	-	1,337,667
Accrued interest	89	102
Due from other governments	-	-
Prepaid expenses	<u>6,204</u>	<u>-</u>
Total assets	<u>\$ 544,283</u>	<u>\$ 1,863,800</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 13,672	\$ 79,440
Salary and benefits payable	3,525	-
Deferred revenue-succeeding year property tax	<u>-</u>	<u>1,337,667</u>
Total liabilities	<u>17,197</u>	<u>1,417,107</u>
Unreserved fund balances	<u>527,086</u>	<u>446,693</u>
Total liabilities and fund balances	<u>\$ 544,283</u>	<u>\$ 1,863,800</u>

Capital Projects

<u>\$38.5M MS/AUD</u>	<u>Benton Co. Silo</u>	<u>Total</u>
\$ -	\$ 1,832,517	\$ 2,876,444
-	-	20,094
-	-	1,337,667
-	220	411
-	771,008	771,008
-	-	6,204
<u>\$ -</u>	<u>\$ 2,603,745</u>	<u>\$ 5,011,828</u>
\$ -	\$ -	\$ 93,112
-	-	3,525
-	-	1,337,667
<u>-</u>	<u>-</u>	<u>1,434,304</u>
<u>-</u>	<u>2,603,745</u>	<u>3,577,524</u>
<u>\$ -</u>	<u>\$ 2,603,745</u>	<u>\$ 5,011,828</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**

Year Ended June 30, 2009

	<u>Special Revenue</u>	
	<u>Student</u>	<u>Physical Plant</u>
	<u>Activity</u>	<u>and Equipment</u>
		<u>Levy</u>
<b>Revenues:</b>		
Local sources:		
Local tax	\$ -	\$ 1,409,490
Other	963,372	34,245
State sources	-	386
	<u>-</u>	<u>386</u>
Total revenues	<u>963,372</u>	<u>1,444,121</u>
<b>Expenditures:</b>		
Instruction:		
Other instruction	926,936	-
Support services:		
Instructional staff services	-	430,583
Administrative services	-	26
Transportation services	-	260,809
Other expenditures:		
Facilities acquisition	-	919,766
	<u>-</u>	<u>919,766</u>
Total expenditures	<u>926,936</u>	<u>1,611,184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,436</u>	<u>(167,063)</u>
Other financing uses:		
Operating transfers out	-	-
	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	36,436	(167,063)
Fund balances, beginning of year	<u>490,650</u>	<u>613,756</u>
Fund balances, end of year	<u>\$ 527,086</u>	<u>\$ 446,693</u>

Schedule 2

<u>Capital Projects</u>		
<u>\$38.5M MS/AUD</u>	<u>Benton Co. Silo</u>	<u>Total</u>
\$ -	\$ -	\$ 1,409,490
72,993	3,573,298	4,643,908
<u>-</u>	<u>-</u>	<u>386</u>
<u>72,993</u>	<u>3,573,298</u>	<u>6,053,784</u>
-	-	926,936
-	217,145	647,728
-	-	26
-	-	260,809
<u>5,468,761</u>	<u>782,066</u>	<u>7,170,593</u>
<u>5,468,761</u>	<u>999,211</u>	<u>9,006,092</u>
<u>(5,395,768)</u>	<u>2,574,087</u>	<u>(2,952,308)</u>
<u>-</u>	<u>(3,149,936)</u>	<u>(3,149,936)</u>
<u>-</u>	<u>(3,149,936)</u>	<u>(3,149,936)</u>
(5,395,768)	(575,849)	(6,102,244)
<u>5,395,768</u>	<u>3,179,594</u>	<u>9,679,768</u>
<u>\$ -</u>	<u>\$ 2,603,745</u>	<u>\$ 3,577,524</u>

COLLEGE COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Individual Student Activity Accounts

Year Ended June 30, 2009

	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Student activity account:				
Athletic:				
General	\$ 69,055	\$ 125,475	\$ 116,918	\$ 77,612
Student clubs:				
Advisory	89,717	91	44,517	45,291
Co-curricular activities:				
High school	8,399	3,372	3,162	8,609
Middle school	8,871	74,668	83,539	-
Prairie Crest	2,639	5,952	2,097	6,494
Prairie Heights	14,729	26,137	29,412	11,454
Prairie Ridge	12,572	10,852	15,568	7,856
Prairie View	4,175	5,424	5,082	4,517
Prairie Edge	1,445	133	309	1,269
Prairie Point	-	-	(69,898)	69,898
Prairie Creek	-	-	(2,000)	2,000
Student Council	15,880	16,978	16,317	16,541
Class of:				
2008	3,708	830	184	4,354
2009	4,623	-	1,290	3,333
2010	322	9,915	7,566	2,671
2011	-	2,951	1,540	1,411
2012	-	761	31	730
Baseball Club	6,611	10,287	5,624	11,274
Softball Club	6,134	13,427	14,251	5,310
Performing Arts Club	1,552	1,525	2,952	125
Special Olympics	104	105	169	40
06-07 Yearbook	1,522	5,726	7,248	-
07-08 Yearbook	3,629	2,016	5,645	-
08-09 Yearbook	-	2,112	(2,086)	4,198
SADD Organization	140	-	-	140
Spring and Fall Plays	-	1,568	1,115	453
Student club	2,143	-	2,143	-
German Club	1,552	5,888	790	6,650
Student Vending	3,405	23,913	20,336	6,982
Student Shake Break	3,368	-	3,368	-
Letterman's Club	18,692	4,011	13,804	8,899
Girls Track Club	3,908	4,522	3,509	4,921
Boys Track Club	3,232	10,749	12,153	1,828
Volleyball Club	6,639	49,541	30,413	25,767
Art Activity	933	1,096	1,779	250
Keimig Activity	-	50	36	14
Competition Cheerleading	189	14,601	14,309	481

## Schedule 3

	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Student activity account (continued):				
Student clubs (continued):				
Instrumental Music	\$ 1,928	\$ 8,420	\$ 10,169	\$ 179
Cheerleading	9,519	11,218	20,395	342
Football Club	8,294	11,346	13,532	6,108
Business Prof./America	11,631	34,884	33,671	12,844
Boys Tennis Club	172	1,150	1,144	178
Girls Tennis Club	1,110	1,828	2,194	744
Thompson Activity	295	-	160	135
Dalton Activity	2,353	1,769	2,751	1,371
Bowling Club	-	500	60	440
Moeller Activity	190	406	590	6
Boys Soccer Club	4,227	4,990	4,395	4,822
Girls Soccer Club	1,221	8,898	6,375	3,744
Wrestling Club	29,336	25,034	23,282	31,088
Music Trip	76,589	252,784	264,442	64,931
SAVE	1,960	212	254	1,918
Prairie Dance Team Club	752	35,141	24,625	11,268
Instrumental Activity	3,299	14,281	15,688	1,892
Hawk Talk - General	2,527	2,084	2,615	1,996
Electric Car Club	3,387	1,802	1,483	3,706
Washington Trip	3,103	42,065	42,404	2,764
Girls Basketball Club	1,755	6,268	5,249	2,774
Boys Basketball Club	5,898	9,504	10,815	4,587
Vocal Music	6,812	42,222	33,451	15,583
Musical	1,876	492	1,154	1,214
Video Club	36	-	36	-
National Honor Society	966	948	778	1,136
One and Two Act Plays	1,064	327	515	876
Girls Golf Club	967	2,312	2,183	1,096
Boys Golf Club	1,073	1,314	1,514	873
Farm Career Comm Ldrs	250	1,124	1,354	20
VICA Club	4,433	1,906	1,406	4,933
PE Club	3,166	661	2,015	1,812
Student mentors	160	500	443	217
Graphics Club	413	216	512	117
Drama	-	2,068	2,068	-
Speech	-	20	20	-
	<u>421,595</u>	<u>837,894</u>	<u>810,016</u>	<u>449,473</u>
<b>Total</b>	<u>\$ 490,650</u>	<u>\$ 963,370</u>	<u>\$ 926,934</u>	<u>\$ 527,086</u>

## COLLEGE COMMUNITY SCHOOL DISTRICT

## Schedule of Changes in Fiduciary Assets and Liabilities

## Agency Funds

Year Ended June 30, 2009

	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, End of Year</u>
<b>ASSETS</b>				
Cash	\$ 249,851	\$ 419,226	\$ 393,318	\$ 275,759
Accrued interest and other receivables	<u>2,051</u>	<u>219</u>	<u>2,051</u>	<u>219</u>
Total assets	<u>\$ 251,902</u>	<u>\$ 419,445</u>	<u>\$ 395,369</u>	<u>\$ 275,978</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 20,342	\$ 1,140	\$ 20,342	\$ 1,140
Other payables	<u>231,560</u>	<u>419,226</u>	<u>375,948</u>	<u>274,838</u>
Total liabilities	<u>\$ 251,902</u>	<u>\$ 420,366</u>	<u>\$ 396,290</u>	<u>\$ 275,978</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Schedule of Revenues by Source and Expenditures by Function**  
**All Governmental Funds**  
**For the Last Seven Years**

	Modified Accrual Basis						
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues:							
Local sources:							
Local tax	\$ 20,945,968	\$ 20,361,901	\$ 20,086,865	\$ 16,951,789	\$ 16,822,033	\$ 15,005,818	\$ 14,562,655
Tuition	3,333,102	3,549,899	3,490,482	3,716,232	3,668,389	3,434,496	3,651,132
Other	5,736,360	6,659,201	3,385,477	1,891,034	1,655,059	1,456,602	1,625,747
Intermediate sources	-	-	-	-	-	3,917	10,902
State sources	18,005,005	17,104,669	14,985,960	13,320,215	11,996,479	11,027,872	10,563,673
Federal sources	1,387,306	943,920	681,553	841,765	680,771	536,924	529,434
Total revenues	<u>\$ 49,407,741</u>	<u>\$ 48,619,590</u>	<u>\$ 42,630,337</u>	<u>\$ 36,721,035</u>	<u>\$ 34,822,731</u>	<u>\$ 31,465,629</u>	<u>\$ 30,943,543</u>
Expenditures:							
Instruction:							
Regular instruction	\$ 16,819,529	\$ 16,265,900	\$ 14,419,478	\$ 13,299,906	\$ 12,114,110	\$ 11,208,657	\$ 10,291,874
Special instruction	6,448,388	5,829,626	5,549,502	5,236,403	6,383,557	6,273,271	5,700,649
Other instruction	3,925,508	3,186,826	3,146,535	2,899,110	2,026,955	1,688,377	1,888,385
Support services:							
Student services	1,148,780	894,530	914,795	970,198	997,383	922,990	795,475
Instructional staff services	2,393,970	1,842,438	1,798,291	1,959,626	2,004,418	1,793,657	1,720,285
Administration services	3,321,006	3,148,693	3,159,628	3,024,768	2,743,755	2,170,023	1,992,035
Operation and maintenance of plant services	3,158,914	3,169,968	2,907,370	2,833,886	2,709,306	2,331,951	1,947,185
Transportation services	1,733,199	1,561,871	1,645,811	1,592,256	1,329,826	1,197,953	1,182,336
Other expenditures:							
Facilities acquisition	12,971,023	23,729,926	5,096,572	2,157,313	619,704	5,078,613	8,718,040
Long-term debt:							
Principal	3,596,000	12,638,000	2,096,000	1,939,000	12,340,000	1,760,000	8,550,000
Interest and other charges	2,968,168	3,153,022	2,760,324	1,565,105	2,204,667	1,685,228	2,694,993
AEA Flowthrough	1,397,624	1,290,071	1,162,546	1,039,137	952,080	908,084	915,906
Total expenditures	<u>\$ 59,882,109</u>	<u>\$ 76,710,871</u>	<u>\$ 44,656,852</u>	<u>\$ 38,516,708</u>	<u>\$ 46,425,761</u>	<u>\$ 37,018,804</u>	<u>\$ 46,397,163</u>

## COLLEGE COMMUNITY SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2009

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:		
Passed through the Iowa Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 87,090
National School Lunch Program (non-cash)	10.555	100,042
National School Lunch Program	10.555	465,233
		<u>565,275</u>
<b>Total U.S. Department of Agriculture</b>		<u>652,365</u>
U.S. Department of Education:		
Carol M. White Fund for the Improvement of Education	84.215F	145,979
Passed through the Iowa Department of Education:		
Title I - Grants to Local Educational Agencies	84.010	309,713
Safe and Drug Free Schools and Communities State Grants	84.186	9,829
Education for Homeless Children and Youth	84.196	26,529
Improving Teacher Quality State Grants (Title II)	84.367	87,277
Grants for State Assessments and Related Activities (Title IV-A)	84.369	27,177
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	318,506
Passed through Grant Wood Area Education Agency:		
Special Education - Grants to States		
Idea Part B Flowthrough	84.027	204,744
Vocational Education-Basic Grants to States	84.048A	23,012
Title III - English Language Learning	84.365	6,324
<b>Total U.S. Department of Education</b>		<u>1,159,090</u>
U.S. Department of Health and Human Services:		
Passed through the Linn County DHRM:		
Medical Assistance Program	93.778	1,464
U.S. Department of Defense:		
Passed through Johnson County:		
Payments to States in Lieu of Real Estate Taxes (Flood Control Payments)	12.112	11,300
<b>Total</b>		<u>\$ 1,824,219</u>

See accompanying note to Schedule of Expenditures of Federal Awards.

COLLEGE COMMUNITY SCHOOL DISTRICT

Note to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2009

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

This information should be read only in connection with the accompanying Schedule of Expenditures of Federal Awards.

**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  
College Community School District  
Cedar Rapids, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of College Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 11, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered College Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of College Community School District's internal control over financial reporting.

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether College Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in Part IV of the accompanying schedule of findings and questioned costs.

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

College Community School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit College Community School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the officials, employees and citizens of College Community School District and other parties to whom College 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.

*Clifton Gunderson LLP*

Cedar Rapids, Iowa  
December 11, 2009

**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133**

To the Board of Education  
College Community School District  
Cedar Rapids, Iowa

**Compliance**

We have audited the compliance of College Community School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. College Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of College Community School District's management. Our responsibility is to express an opinion on College Community School District's compliance based on our audit.

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

In our opinion, College Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of College Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered College Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of College Community School District's internal control over compliance.

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

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

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

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

*Clifton Henderson LLP*

Cedar Rapids, Iowa  
December 11, 2009

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2009**

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

***Financial Statements***

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

***Federal Awards***

Type of auditor's report issued on compliance for major programs Unqualified

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to LEA
84.394	ARRA Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

COLLEGE COMMUNITY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2009

**Part II: Findings Related to the General Purpose Financial Statements:**

No matters were reported.

COLLEGE COMMUNITY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2009

**Part III: Findings and Questioned Costs for Federal Awards:**

No matters were reported.

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2009**

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

- IV-A-09 Certified Budget - Expenditures for the year ended June 30, 2009 exceeded the amended certified budget amounts in the non-instruction expenditures function.
- Recommendation - The certified 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 - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion - Response accepted.
- IV-B-09 Questionable Expenditures - No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-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.
- IV-D-09 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-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.
- IV-F-09 Board Minutes - We noted no transactions requiring Board approval which had not been approved by the Board.
- IV-G-09 Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-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.
- IV-I-09 Certified Annual Report - The Certified Annual Report was certified to the Department of Education timely and we noted no significant deficiencies in the amounts reported.

**COLLEGE COMMUNITY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2009**

**Part IV: Other Findings Related to Required Statutory Reporting:** (continued)

- IV-J-09     Deficit Balance - The District had a deficit balance in the Proprietary - Day Care Fund.  
Recommendation - The District should take appropriate action to return this fund to sound financial condition.  
Response - The District has increased fees to accommodate for the deficit.  
Conclusion - Response accepted.
- IV-K-09     Certified Enrollment- No variances in the basic enrollment data certified to the Iowa department of Education were noted.
- IV-L-09     Categorical Funding- No instances were noted of categorical funding used to supplant rather than supplement other funds.

COLLEGE COMMUNITY SCHOOL DISTRICT  
Corrective Action Plan for Federal Audit Findings  
Year Ended June 30, 2009

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title Phone Number</u>	<u>Anticipated Date of Completion</u>
-----------------------	----------------------	-------------------------------	---	---------------------------------------

No matters were reported.

COLLEGE COMMUNITY SCHOOL DISTRICT  
Summary Schedule of Prior Federal Audit Findings  
Year Ended June 30, 2009

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If not corrected, provide planned corrective action or other explanation.</u>
--------------------------	----------------------	---------------	--

No matters were reported.

**COLLEGE COMMUNITY SCHOOL DISTRICT**

**Audit Staff**

This audit was performed by:

William Vincent, CPA, Partner

Michele Matt, CPA, Senior Manager

Justin Zimmerman, CPA, Manager

Joshua Barta, Senior Associate

Victor Neff, Associate

Christi O'Dell, Associate

Alan Moran, Associate