

BOYER VALLEY COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2009

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Boyer Valley Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before September 2008 election)		
Steve Puck	President	2010
Paul Klien	Vice President	2010
Pat Putnam	Board Member	2010
Ken Dunham	Board Member	2009
Randy Mitchell	Board Member	2009
Doug Head	Board Member	2008
Dana Sturgill	Board Member	2008
Board of Education (After September 2008 election)		
Steve Puck	President	2011*
Ken Dunham	Vice President	2009
Pat Putnam	Board Member	2011*
Paul Klein	Board Member	2011*
Randy Mitchell	Board Member	2009
Julie Wood	Board Member	2011
Mark McAllister	Board Member	2009
School Officials		
Thomas Vint	Superintendent	2009
Sharon Lee	District Secretary/Treasurer	2009
Mundt, Franck & Schumacher	Attorney	2009

*Board terms extended per the District's transition plan for changing Board terms from 3 to 4 years in accordance with Chapter 39.24 of the Code of Iowa.

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Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Boyer Valley 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 Boyer Valley Community School District, Dunlap, 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.

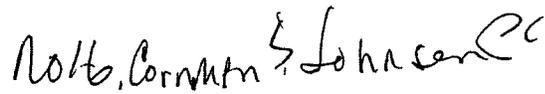
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Boyer Valley Community School District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

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2010 on our consideration of the Boyer Valley Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and 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 4 through 12 and 35 through 36 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 supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Boyer Valley 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 five years ended June 30, 2008 (which are not presented herein) and expressed an unqualified opinion on those financial statements. Other supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not 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.



NOLTE, CORNMAN & JOHNSON, P.C.

February 26, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2009 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$4,679,751 in fiscal 2008 to \$4,698,746 in fiscal 2009, while General Fund expenditures decreased from \$4,616,156 in fiscal 2008 to \$4,550,390 in fiscal 2009. This resulted in an increase in the District's General Fund balance from \$247,783 in fiscal 2008 to a balance of \$396,091 in fiscal 2009, a 59.85% increase from the prior year.
- The increase in General Fund revenues was attributable to an increase in local sources. The decrease in expenditures was primarily due to a decrease in other expenditures.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Other Supplementary Information provides detailed information about the nonmajor funds.

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

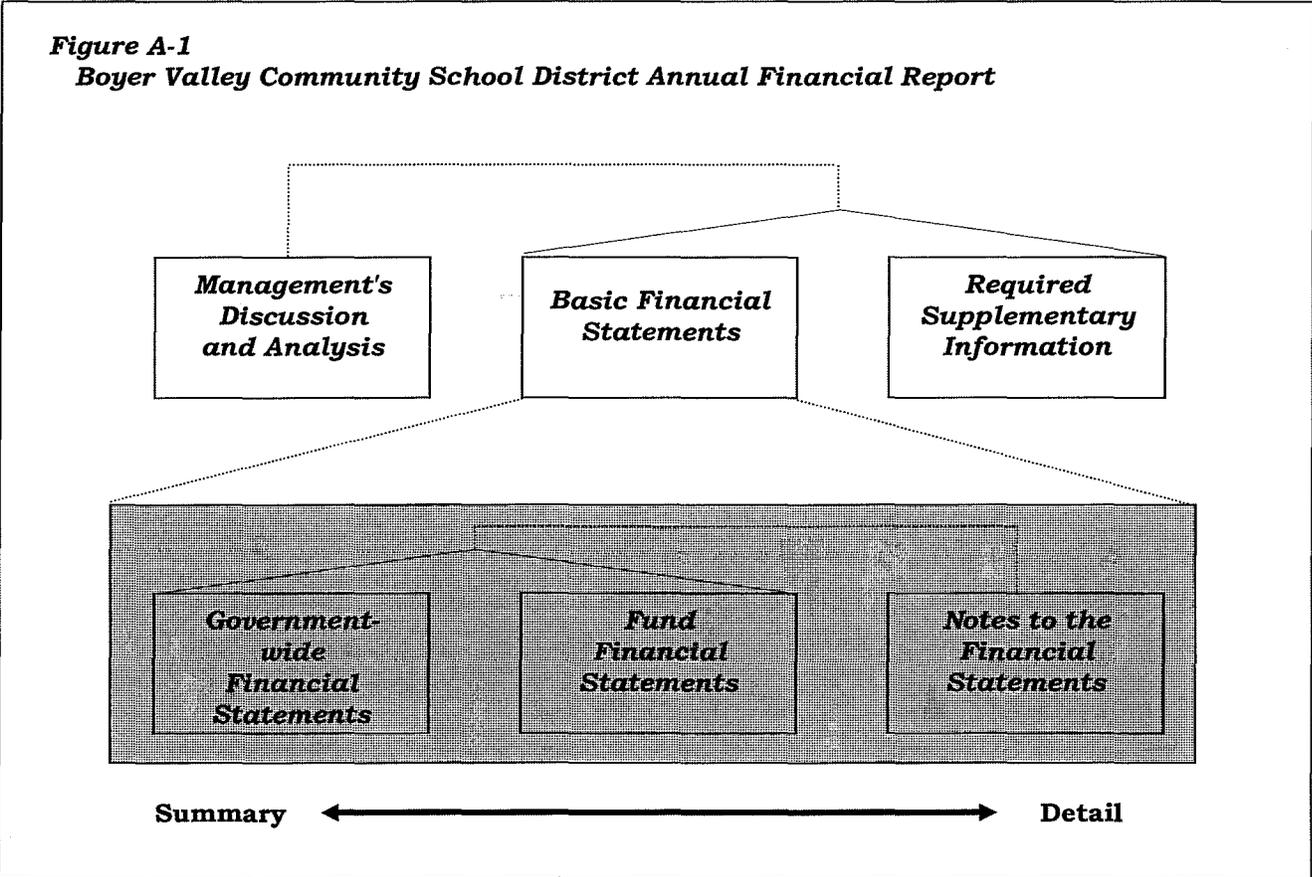


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

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

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

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

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Fund – These are funds for which the District administers and accounts for certain federal and/or state grants on behalf of other Districts and certain revenue collected for District employee purchases of pop and related expenditures.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's total net assets at June 30, 2009 compared to June 30, 2008.

Figure A-3
Condensed Statement of Net Assets

	Governmental		Business type		Total		Total Change
	Activities		Activities		School District		
	June 30,		June 30,		June 30,		
	2009	2008	2009	2008	2009	2008	2008-09
Current and other assets	\$ 4,042,846	3,868,261	26,185	15,811	4,069,031	3,884,072	4.76%
Capital assets	7,020,258	7,177,556	54,862	63,673	7,075,120	7,241,229	-2.29%
Total assets	11,063,104	11,023,100	81,047	79,484	11,144,151	11,125,301	0.17%
Long-term obligations	4,486,976	4,760,806	0	0	4,486,976	4,760,806	-5.75%
Other liabilities	2,875,152	2,971,561	54,909	55,091	2,930,061	3,026,652	-3.19%
Total liabilities	7,362,128	8,342,923	54,909	55,091	7,417,037	7,787,458	-4.76%
Net assets:							
Invested in capital assets, net of related debt	2,563,046	2,459,970	54,862	63,673	2,617,908	2,523,643	3.74%
Restricted	670,379	527,904	0	1	670,379	527,905	26.99%
Unrestricted	467,551	325,576	(28,724)	(39,281)	438,827	286,295	53.28%
Total net assets	\$ 3,700,976	3,313,450	26,138	24,393	3,727,114	3,337,843	11.66%

The District's combined net assets increased by 11.66%, or \$389,271, over the prior year. The largest portion of the District's net assets is the invested in capital assets, net of related debt. The debt related to the invested in capital assets is liquidated with sources other than capital assets.

Restricted net assets represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased \$142,474, or 26.99% over the prior year. The increase was primarily a result of the increase in fund balance in the PPEL Fund.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased \$152,532, or 53.28%.

Figure A-4 shows the changes in net assets for the year ended June 30, 2009 and June 30, 2008.

Figure A-4
Changes of Net Assets

	Governmental		Business type		Total		Total
	Activities		Activities		School District		Change
	June 30,		June 30,		June 30,		June 30,
	2009	2008	2009	2008	2009	2008	2008-09
Revenues and transfers:							
Program revenues:							
Charges for services	\$ 295,643	363,513	239,932	243,976	535,575	607,489	-11.84%
Operating grants and contributions and restricted interest	908,990	859,552	115,103	118,910	1,024,093	978,462	4.66%
General revenues:							
Property tax	1,860,357	1,713,733	0	0	1,860,357	1,713,733	8.56%
Income surtax	233,875	215,569	0	0	233,875	215,569	8.49%
Statewide sales and services tax	195,875	281,298	0	0	195,875	281,298	-30.37%
Unrestricted state grants	1,940,728	2,092,424	0	0	1,940,728	2,092,424	-7.25%
Unrestricted investment earnings	48,872	60,904	0	92	48,872	60,996	-19.88%
Other general revenue	146,881	92,123	0	0	146,881	92,123	59.44%
Transfers	(10,000)	0	10,000	0	0	0	100.00%
Total revenues, net transfers	5,621,221	5,679,116	365,035	362,978	5,986,256	6,042,094	-0.92%
Program expenses:							
Governmental activities:							
Instructional	3,167,938	3,151,952	0	0	3,167,938	3,151,952	0.51%
Support services	1,502,179	1,530,663	0	0	1,502,179	1,530,663	-1.86%
Non-instructional programs	2,722	1,527	363,290	385,752	366,012	387,279	-5.49%
Other expenses	560,856	684,933	0	0	560,856	684,933	-18.12%
Total expenses	5,233,695	5,369,075	363,290	385,752	5,596,985	5,754,827	-2.74%
Changes in net assets	387,526	310,041	1,745	(22,774)	389,271	287,267	-35.51%
Beginning net assets	3,313,450	3,003,409	24,393	47,167	3,337,843	3,050,576	9.42%
Ending net assets	\$ 3,700,976	3,313,450	26,138	24,393	3,727,114	3,337,843	11.66%

In fiscal 2009, property tax, income surtax, statewide sales and services tax and unrestricted state grants account for 75.27% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 97.26% of the revenue from business type activities.

The District's total revenues were approximately \$5.99 million of which \$5.62 million was for governmental activities and less than \$0.37 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a .92% decrease in revenues and a 2.74% decrease in expenses. The decrease in expenses related to increase in the negotiated salary and benefits, offset by greater decreases in all other areas.

Governmental Activities

Revenues, net transfers for governmental activities were \$5,621,221 and expenses were \$5,233,745. 695

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

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
			Change			Change
	2009	2008	2008-09	2009	2008	2008-09
Instruction	\$ 3,167,938	3,151,952	0.51%	2,134,045	2,095,167	1.86%
Support services	1,502,179	1,530,663	-1.86%	1,498,806	1,527,761	-1.90%
Non-instructional programs	2,722	1,527	78.26%	2,722	1,527	78.26%
Other expenses	560,856	684,933	-18.12%	393,489	521,555	-24.55%
Totals	\$ 5,233,695	5,369,075	-2.52%	4,029,062	4,146,010	-2.82%

The cost financed by users of the District's programs was \$295,643.

- Federal and state governments subsidized certain programs with grants and contributions totaling \$909,990.
- The net cost of governmental activities was financed with \$1,862,357 in property tax, \$233,875 in income surtax, \$195,875 in statewide sales and services tax, \$1,940,728 in unrestricted state grants, \$48,952 in interest income and \$136,801 in other general revenue.

Business Type Activities

Revenues of the District's business type activities were \$365,035 and expenses were \$363,290. The District's business type activities include the School Nutrition Fund and Day Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$1,000,685, above last year's ending fund balances of a \$737,508.

Governmental Fund Highlights

- The District's increase in General Fund financial position to \$396,091 from \$247,783 is the product of many factors. Decreases in local tax and state grants were offset by greater decreases in operating costs during the year. This caused the General Fund balance to increase by \$148,308.
- The Capital Projects Fund balance decreased from \$195,080 in fiscal 2008 to \$176,557 in fiscal 2009. The District had more expenditures than they received in local and state sources resulting in an \$18,523 decrease.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased from \$68,230 at June 30, 2008 to \$69,593 at June 30, 2009, representing an increase of 2.00%. The Day Care Fund net assets increased from a deficit \$43,837 at June 30, 2008 to a deficit \$43,455 at June 30, 2009, representing an increase of .87%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Boyer Valley Community School District amended its annual budget one time to reflect additional expenditures associated with the other expenditures.

The District's revenues were \$553,296 less than budgeted revenues, a variance of 8.46%. The most significant variance resulted from the District receiving less in local sources than originally anticipated.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had invested \$7.08 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$262,115.

The original cost of the District's capital assets was \$9.63 million. Governmental funds account for \$9.47 million with the remainder of \$0.16 million in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the machinery and equipment category. The District's machinery and equipment totaled \$334,975 at June 30, 2009, compared to \$362,676 reported at June 30, 2008. This decrease resulted from the disposal of old machinery and equipment.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental		Business type		Total		Total Change June 30, 2008-09
	Activities		Activities		School District		
	June 30,		June 30,		June 30,		
	2009	2008	2009	2008	2009	2008	
Land	\$ 1,100	1,100	0	0	1,100	1,100	0.00%
Buildings	6,632,353	6,762,178	0	0	6,632,353	6,762,178	-1.92%
Land improvements	106,692	115,275	0	0	106,692	115,275	-7.45%
Machinery and equipment	280,113	299,003	54,862	63,673	334,975	362,676	-7.64%
Total	\$ 7,020,258	7,177,556	54,862	63,673	7,075,120	7,241,229	-2.29%

Long-Term Debt

At June 30, 2009, the District had \$4,486,976 in general and other long-term debt outstanding. This represents a decrease of 5.75% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The District had total outstanding General Obligation Bonds payable of \$4,405,000 at June 30, 2009.

The District had total outstanding City Note payable from the Special Revenue, Physical Plant and Equipment Levy Fund of \$52,212 at June 30, 2009.

The District had total outstanding Early Retirement payable from the Special Revenue - Management Funds of \$29,764 at June 30, 2009.

Figure A-7
Outstanding Long-Term Obligations

	Total School District		Total Change
	June 30,		June 30,
	2009	2008	2008-09
General Obligation Bonds	\$ 4,405,000	4,645,000	-5.17%
City Note	52,212	64,361	-18.88%
Bus Lease	0	8,225	-100.00%
Early Retirement	29,764	43,220	-31.13%
Totals	<u>\$ 4,486,976</u>	<u>4,760,806</u>	<u>-5.75%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Low allowable growth over several years and enrollment decreases is negatively impacting the District's spending authority. Contractual increases and program changes cannot be made without thorough consideration of our unspent authorized budget.
- Continued budget concerns at state level will affect future projections. The District has been forced to shift funding to property taxes.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sharon Lee, Board Secretary, Boyer Valley Community School District, 1102 Iowa Avenue, Dunlap, Iowa, 51529.

BASIC FINANCIAL STATEMENTS

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and pooled investments:			
ISCAP	\$ 904,930	0	904,930
Other	885,950	9,806	895,756
Receivables:			
Property tax:			
Delinquent	123,672	0	123,672
Succeeding year	1,844,586	0	1,844,586
Income surtax	196,829	0	196,829
Accounts	14,278	3,767	18,045
Accrued ISCAP interest	3,749	0	3,749
Due from other governments	68,852	4,462	73,314
Inventories	0	8,150	8,150
Capital assets, net of accumulated depreciation	7,020,258	54,862	7,075,120
TOTAL ASSETS	11,063,104	81,047	11,144,151
LIABILITIES			
Excess of warrants issued over bank balance	0	45,403	45,403
Salaries and benefits payable	21,038	0	21,038
Accounts payable	4,096	6,171	10,267
Accrued interest payable	34,776	0	34,776
ISCAP warrants payable	892,000	0	892,000
ISCAP interest payable	5,377	0	5,377
ISCAP amortized premium	13,922	0	13,922
Deferred revenue:			
Succeeding year property tax	1,844,586	0	1,844,586
Other	59,357	0	59,357
Unearned revenue	0	3,335	3,335
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	250,000	0	250,000
City note payable	12,514	0	12,514
Early retirement payable	13,456	0	13,456
Portion due after one year:			
General obligation bonds payable	4,155,000	0	4,155,000
City note payable	39,698	0	39,698
Early retirement payable	16,308	0	16,308
TOTAL LIABILITIES	7,362,128	54,909	7,417,037
NET ASSETS			
Invested in capital assets, net of related debt	2,563,046	54,862	2,617,908
Restricted for:			
Debt service	47,150	0	47,150
Categorical funding	95,549	0	95,549
Management levy	64,069	0	64,069
Capital projects	176,557	0	176,557
Physical plant and equipment levy	230,381	0	230,381
Other special revenue purposes	56,673	0	56,673
Unrestricted	467,551	(28,724)	438,827
TOTAL NET ASSETS	\$ 3,700,976	26,138	3,727,114

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	\$ 2,070,407	132,914	713,791	(1,223,702)	0	(1,223,702)
Special instruction	587,324	26,864	24,459	(536,001)	0	(536,001)
Other instruction	510,207	135,865	0	(374,342)	0	(374,342)
	<u>3,167,938</u>	<u>295,643</u>	<u>738,250</u>	<u>(2,134,045)</u>	<u>0</u>	<u>(2,134,045)</u>
Support services:						
Student services	101,740	0	0	(101,740)	0	(101,740)
Instructional staff services	109,620	0	0	(109,620)	0	(109,620)
Administration services	566,009	0	0	(566,009)	0	(566,009)
Operation and maintenance of plant services	395,720	0	0	(395,720)	0	(395,720)
Transportation services	329,090	0	3,373	(325,717)	0	(325,717)
	<u>1,502,179</u>	<u>0</u>	<u>3,373</u>	<u>(1,498,806)</u>	<u>0</u>	<u>(1,498,806)</u>
Non-instructional programs						
Food service operations	1,754	0	0	(1,754)	0	(1,754)
Community service operations	968	0	0	(968)	0	(968)
	<u>2,722</u>	<u>0</u>	<u>0</u>	<u>(2,722)</u>	<u>0</u>	<u>(2,722)</u>
Other expenditures:						
Facilities acquisitions	21,716	0	0	(21,716)	0	(21,716)
Long-term debt:						
Interest and fiscal charges	216,569	0	0	(216,569)	0	(216,569)
AEA flowthrough	167,367	0	167,367	0	0	0
Depreciation(unallocated)*	155,204	0	0	(155,204)	0	(155,204)
	<u>560,856</u>	<u>0</u>	<u>167,367</u>	<u>(393,489)</u>	<u>0</u>	<u>(393,489)</u>
Total governmental activities	5,233,695	295,643	908,990	(4,029,062)	0	(4,029,062)
Business Type activities:						
Non-instructional programs:						
Nutrition services	231,241	119,851	112,753	0	1,363	1,363
Day care services	132,049	120,081	2,350	0	(9,618)	(9,618)
Total business-type activities	<u>363,290</u>	<u>239,932</u>	<u>115,103</u>	<u>0</u>	<u>(8,255)</u>	<u>(8,255)</u>
Total	\$ 5,596,985	535,575	1,024,093	(4,029,062)	(8,255)	(4,037,317)
General Revenues:						
Local tax for:						
General purposes				\$ 1,491,276	0	1,491,276
Capital outlay				112,991	0	112,991
Debt service				256,090	0	256,090
Income surtax				233,875	0	233,875
Statewide sales and services tax				195,875	0	195,875
Unrestricted state grants				1,940,728	0	1,940,728
Unrestricted investment earnings				48,872	0	48,872
Other general revenue				146,881	0	146,881
Transfers				(10,000)	10,000	0
Total general revenues				<u>4,416,588</u>	<u>10,000</u>	<u>4,426,588</u>
Changes in net assets				387,526	1,745	389,271
Net assets beginning of year				3,313,450	24,393	3,337,843
Net assets end of year				<u>\$ 3,700,976</u>	<u>26,138</u>	<u>3,727,114</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Other Nonmajor Governmental Funds	Total
ASSETS			
Cash and pooled investments:			
ISCAP	\$ 904,930	0	904,930
Other	383,601	497,393	880,994
Receivables:			
Property tax:			
Delinquent	16,644	107,028	123,672
Succeeding year	1,394,159	450,427	1,844,586
Income surtax	196,829	0	196,829
Accounts	12,304	1,974	14,278
Accrued ISCAP interest	3,749	0	3,749
Due from other governments	68,852	0	68,852
TOTAL ASSETS	\$ 2,981,068	1,056,822	4,037,890
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and benefits payable	\$ 21,038	0	21,038
Accounts payable	2,295	1,801	4,096
ISCAP warrants payable	892,000	0	892,000
ISCAP interest payable	5,377	0	5,377
ISCAP amortized premium	13,922	0	13,922
Deferred revenue:			
Succeeding year property tax	1,394,159	450,427	1,844,586
Income surtax	196,829	0	196,829
Other	59,357	0	59,357
Total liabilities	2,584,977	452,228	3,037,205
Fund balances:			
Reserved for:			
Debt service	0	47,150	47,150
Categorical funding	95,549	0	95,549
Unreserved fund balance	300,542	557,444	857,986
Total fund balances	396,091	604,594	1,000,685
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,981,068	1,056,822	4,037,890

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY 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 15)	\$ 1,000,685
 <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 in the governmental funds.	7,020,258
Accounts receivable income surtax, are not yet available to finance expenditures of the current period.	196,829
Blending of Internal service funds to be reflected on an entity wide basis	4,956
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.	(34,776)
Long-term liabilities, including general obligation bonds, city note payable and early retirement, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(4,486,976)</u>
Net assets of governmental activities (page 13)	<u><u>\$ 3,700,976</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	General	Other Nonmajor Governmental Funds	Total
REVENUES:			
Local sources:			
Local tax	\$ 1,584,296	704,661	2,288,957
Tuition	154,130	0	154,130
Other	181,269	145,917	327,186
Intermediate sources	8,000	0	8,000
State sources	2,490,664	70,667	2,561,331
Federal sources	280,387	0	280,387
Total revenues	<u>4,698,746</u>	<u>921,245</u>	<u>5,619,991</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	2,020,660	35,953	2,056,613
Special	579,824	0	579,824
Other	385,017	129,723	514,740
	<u>2,985,501</u>	<u>165,676</u>	<u>3,151,177</u>
Support services:			
Student	101,740	0	101,740
Instructional staff	109,620	0	109,620
Administration	573,418	1,649	575,067
Operation and maintenance of plant	380,754	14,602	395,356
Transportation	231,022	105,453	336,475
	<u>1,396,554</u>	<u>121,704</u>	<u>1,518,258</u>
Non-instructional programs:			
Food service operations	0	1,754	1,754
Community service operations	968	0	968
	<u>968</u>	<u>1,754</u>	<u>2,722</u>
Other expenditures:			
Facilities acquisitions	0	38,512	38,512
Long-term debt:			
Principal	0	260,374	260,374
Interest and fiscal charges	0	218,484	218,484
AEA flowthrough	167,367	0	167,367
	<u>167,367</u>	<u>517,370</u>	<u>684,737</u>
Total expenditures	<u>4,550,390</u>	<u>806,504</u>	<u>5,356,894</u>
Excess of revenues over expenditures	148,356	114,741	263,097
Other financing sources(uses):			
Sale of fixed assets	9,952	128	10,080
Transfer in	0	222,631	222,631
Transfer out	(10,000)	(222,631)	(232,631)
Total other financing sources(uses)	<u>(48)</u>	<u>128</u>	<u>80</u>
Net change in fund balances	148,308	114,869	263,177
Fund balance beginning of year	247,783	489,725	737,508
Fund balance end of year	<u>\$ 396,091</u>	<u>604,594</u>	<u>1,000,685</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 JUNE 30, 2009

Net change in fund balances - total governmental funds (page 17) \$ 263,177

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures, depreciation expense and loss on disposal of capital assets in the current year are as follows:

Expenditures for capital assets	\$ 96,007	
Depreciation expense	<u>(253,305)</u>	(157,298)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments are as follows:

Repaid	260,374
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

1,915

Net change in Internal service funds changed back against expendable made for self funded insurance at an entity wide basis.

4,752

Income surtax accounts receivable is not available to finance expenditures of the current year period in the governmental funds.

1,150

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

Early retirement	<u>13,456</u>
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Changes in net assets of governmental activities (page 14) \$ 387,526

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

	Business-type Activities -			Governmental
	Enterprise Funds			Activities:
	School Nutrition	Day Care	Total	Internal Service
ASSETS				
Current assets:				
Cash and pooled investments	\$ 9,806	0	9,806	4,956
Accounts receivable	110	3,657	3,767	0
Due from other governments	0	4,462	4,462	0
Inventories	8,150	0	8,150	0
Non-current assets:				
Capital assets, net of accumulated depreciation	54,862	0	54,862	0
TOTAL ASSETS	72,928	8,119	81,047	4,956
LIABILITIES				
Excess of warrants issued over bank balance	0	45,403	45,403	0
Salaries and benefits payable	0	6,171	6,171	0
Unearned revenue	3,335	0	3,335	0
TOTAL LIABILITIES	3,335	51,574	54,909	0
NET ASSETS				
Invested in capital assets	54,862	0	54,862	0
Unrestricted	14,731	(43,455)	(28,724)	4,956
TOTAL NET ASSETS	\$ 69,593	(43,455)	26,138	4,956

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service
OPERATING REVENUE:				
Local sources:				
Charges for service	\$ 119,851	120,081	239,932	29,680
OPERATING EXPENSES:				
Non-instructional programs:				
Salaries	102,273	109,720	211,993	0
Benefits	13,857	15,690	29,547	24,928
Services	4,065	1,201	5,266	0
Supplies	101,625	5,438	107,063	0
Depreciation	8,811	0	8,811	0
Other	610	0	610	0
TOTAL OPERATING EXPENSES	231,241	132,049	363,290	24,928
OPERATING INCOME (LOSS)	(111,390)	(11,968)	(123,358)	4,752
NON-OPERATING REVENUES:				
State sources	2,985	2,350	5,335	0
Federal sources	109,768	0	109,768	0
TOTAL NON-OPERATING REVENUES	112,753	2,350	115,103	0
Excess (Deficiency) of revenues over (under) before expenses and other financing sources	1,363	(9,618)	(8,255)	4,752
OTHER FINANCING SOURCES				
Transfer in	0	10,000	10,000	0
TOTAL OTHER FINANCING SOURCES	0	10,000	10,000	0
Changes in net assets	1,363	382	1,745	4,752
Net assets beginning of year	68,230	(43,837)	24,393	204
Net assets end of year	\$ 69,593	(43,455)	26,138	4,956

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 118,706	(217)	118,489	0
Cash received from miscellaneous operating activities	920	120,081	121,001	29,680
Cash payments to employees for services	(116,130)	(119,239)	(235,369)	(24,928)
Cash payments to suppliers for goods or services	(88,839)	(6,639)	(95,478)	0
Net cash provided by(used in) operating activities	(85,343)	(6,014)	(91,357)	4,752
Cash flows from non-capital financing activities:				
Transfer from general fund	0	10,000	10,000	0
State grants received	2,985	2,350	5,335	0
Federal grants received	92,036	0	92,036	0
Net cash provided by non-capital financing activities	95,021	12,350	107,371	0
Net increase in cash and cash equivalents	9,678	6,336	16,014	4,752
Cash and cash equivalents at beginning of year	128	(51,739)	(51,611)	204
Cash and cash equivalents at end of year	\$ 9,806	(45,403)	(35,597)	4,956
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:				
Operating income(loss)	\$ (111,390)	(11,968)	(123,358)	4,752
Adjustments to reconcile operating loss to net cash provided by(used in) operating activities:				
Commodities consumed	17,732	0	17,732	0
Depreciation	8,811	0	8,811	0
Decrease in inventories	479	0	479	0
Increase in accounts receivable	(80)	(217)	(297)	0
Increase(Decrease) in accounts payable	(750)	0	(750)	0
Increase in salaries and benefits payable	0	6,171	6,171	0
Decrease in unearned revenue	(145)	0	(145)	0
Net cash provided by(used in) operating activities	\$ (85,343)	(6,014)	(91,357)	4,752

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2009, the District received Federal commodities valued at \$17,732.

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2009

	Private Purpose Trust	Agency Fund
	Scholarship Fund	Fund
ASSETS		
Cash and pooled investments	\$ 17,732	3,992
Total assets	17,732	3,992
LIABILITIES		
Due to other groups	0	3,992
NET ASSETS		
Unreserved	7,732	0
Reserved for scholarships	10,000	0
TOTAL NET ASSETS	\$ 17,732	0

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2009

	Private Purpose Trust
	Scholarship Fund
ADDITIONS:	
Local sources:	
Gifts and contributions	\$ 4,681
Interest income	434
Total additions	5,115
DEDUCTIONS:	
Regular instruction:	
Scholarships awarded	3,404
Change in net assets	1,711
Net assets beginning of year	16,021
Net assets end of year	\$ 17,732

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

(1) Summary of Significant Accounting Policies

The Boyer Valley Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Dunlap, Dow City and Arion, Iowa, and the predominate agricultural territory in Harrison, Crawford, Shelby and Monona 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, Boyer Valley Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Boyer Valley Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Harrison, Crawford, Shelby and Monona Counties Assessors' Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the 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 support.

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 assets use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that 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:

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

The District reports the following proprietary funds:

The District's proprietary funds are the Enterprise Fund, School Nutrition Fund, the Enterprise Fund, Day Care Fund and the Internal Service Fund. The School Nutrition Fund is used to account for the food service operations of the District. The Day Care Fund is used to account for the day care service operations of the District. The Internal Service Fund is used to account for flex benefits of employees.

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

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

The Agency Fund is used to account for assets help by the District as an agent for individuals, private organizations. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of result 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 60 days after year end.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Balances

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 tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-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 1½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2008.

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

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

Capital Assets - Capital assets, which include property, machinery 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.

Asset Class	Amount
Land	\$ 1,000
Buildings	1,000
Land improvements	1,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Land improvements	20 years
Machinery and equipment	5-12 years

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.

Unearned Revenues - Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Assets in the Proprietary, School Nutrition 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.

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

E. Budgeting and Budgetary Control

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

(2) **Cash and Pooled Investments**

The District's deposits at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The District had no investments at June 30, 2009.

(3) **Transfers**

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Physical Plant and Equipment Levy	\$ 8,551
Debt Service	Capital Projects	214,080
Enterprise, Day Care	General	<u>10,000</u>
Total		<u>\$ 232,631</u>

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

(4) **Iowa School Cash Anticipation Program (ISCAP)**

The District participates in the Iowa Schools Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings, and amounts available for withdrawal for each outstanding series of warrants. These accounts are reflected as restricted assets on the balance sheet. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP as of June 30, 2009 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Investments</u>	<u>Accrued Interest Receivable</u>	<u>Warrants Payable</u>	<u>Accrued Interest Payable</u>
2008-09B	1/21/09	1/21/10	\$ 401,077	3,687	396,000	5,207
2008-09A	6/25/09	6/23/10	503,853	62	496,000	170
Total			<u>\$ 904,930</u>	<u>3,749</u>	<u>892,000</u>	<u>5,377</u>

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts, and must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. ISCAP advance activity in the General Fund for the year ended June 30, 2009 is as follows:

Series	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
2008-09B	\$ 0	50,000	50,000	0

The warrants bear an interest rate and the available proceeds of the warrants are invested at an interest rate as shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2008-09B	3.000%	2.110%
2008-09A	3.500%	3.469%

(5) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,100	0	0	1,100
Total capital assets not being depreciated	1,100	0	0	1,100
Capital assets being depreciated:				
Buildings	7,866,760	16,796	1,235	7,882,321
Land improvements	452,011	0	0	452,011
Machinery and equipment	1,153,409	79,211	100,664	1,131,956
Total capital assets being depreciated	9,472,180	96,007	101,899	9,466,288
Less accumulated depreciation for:				
Buildings	1,104,582	146,621	1,235	1,249,968
Land improvements	336,736	8,583	0	345,319
Machinery and equipment	854,406	98,101	100,664	851,843
Total accumulated depreciation	2,295,724	253,305	101,899	2,447,130
Total capital assets being depreciated, net	7,176,456	(157,298)	0	7,019,158
Governmental activities capital assets, net	\$ 7,177,556	(157,298)	0	7,020,258
Business type activities:				
Machinery and equipment	\$ 160,448	0	0	160,448
Less accumulated depreciation	96,775	8,811	0	105,586
Business-type activities capital assets, net	\$ 63,673	(8,811)	0	54,862

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular		\$ 23,994
Special		7,500
Other		601
Support services:		
Administration		0
Operation and maintenance of plant		1,396
Transportation		64,610
		<u>98,101</u>
Unallocated depreciation		<u>155,204</u>
Total governmental activities depreciation expense		<u>\$ 253,305</u>
Business-type activities:		
Food services		<u>\$ 8,810</u>

(6) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
General Obligation Bonds	\$ 4,645,000	0	240,000	4,405,000	250,000
City Note	64,361	0	12,149	52,212	12,514
Bus Lease	8,225	0	8,225	0	0
Early Retirement	43,220	0	13,456	29,764	13,456
Total	<u>\$ 4,760,806</u>	<u>0</u>	<u>273,830</u>	<u>4,486,976</u>	<u>275,970</u>

General Obligation Bonds Payable

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

Year Ending June 30,	Interest Rates	Issue of July 1, 2002		
		Principal	Interest	Total
2010	5.00	% \$ 250,000	205,143	455,143
2011	5.00	265,000	192,518	457,518
2012	5.00	275,000	179,143	454,143
2013	4.25-4.35	290,000	165,687	455,687
2014	4.35-4.45	300,000	153,035	453,035
2015-2019	4.25-4.80	1,745,000	545,105	2,290,105
2020-2022	4.80-4.95	1,280,000	112,066	1,392,066
Total		<u>\$ 4,405,000</u>	<u>1,552,697</u>	<u>5,957,697</u>

City Note Payable

During the year ended June 30, 2003 the District entered into an agreement with the City of Dunlap for utility relocation.

Details of the District's June 30, 2009 city note indebtedness are as follows:

Year		Note of June 16, 2003			
Ending	Interest				
June 30,	Rates	Principal	Interest	Total	
2010	3.00 %	\$ 12,514	1,566	14,080	
2011	3.00	12,889	1,191	14,080	
2012	3.00	13,276	804	14,080	
2013	3.00	13,533	547	14,080	
Total		\$ 52,212	4,108	56,320	

Early Retirement

The District previously offered a voluntary early retirement plan to its full-time employees. Eligible employees must have been at least age fifty-five and employees must have completed fifteen years of continuous service to the District. Employees must have completed an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee was continued health insurance coverage paid by the District equal to the insurance rate at the time of the employee's retirement for a maximum of seven years. Early retirement benefits paid during the year ended June 30, 2009, totaled \$12,149. A liability has been recorded in the Statement of Net Assets representing the District's commitment to fund non-current early retirement.

(7) Pension and Retirement Benefits

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

Plan members are required to contribute 4.10% of their annual salary and the District is required to contribute 6.35% of annual covered payroll for the years ended June 30, 2009, 2008 and 2007. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$193,112, \$181,991 and \$162,219 respectively, equal to the required contributions for each year.

(8) Risk Management

The Boyer Valley Community School District is a member in the Iowa School Employees Benefits Association, fully insured pool covered by Wellmark Blue Cross Blue Shield of Iowa. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The Association provides the District dental insurance coverage and protection.

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2009 was \$23,165.

Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days prior written notice may withdraw.

Boyer Valley 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 \$167,367 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Deficit Fund Balance/Net Assets

The Enterprise - Day Care Fund had deficit net assets of \$43,455 at June 30, 2009.

(11) Categorical Funding

The District's ending reserved balances for categorical funding as of June 30, 2009 are broken out by the following projects:

Project	Amount
Gifted and Talanted	\$ 19,701
Teacher quality	2,289
Market factor	1,927
Preschool	62,878
Core curriculum	8,754
Total	<u>\$ 95,549</u>

(12) Other Post-employment Benefits (OPEB)

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, issued June 2004, will be effective for the District beginning with its year ending June 30, 2010. This Statement establishes standards for the measurement, recognition and display of other post-employment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports. The District is in the process of obtaining an actuarial opinion to be in compliance with GASB No. 45.

REQUIRED SUPPLEMENTARY INFORMATION

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON OF REVENUES, EXPENDITURES/EXPENSES AND
 CHANGES IN BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
 AND PROPRIETARY FUNDS
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2009

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to Actual Variance
	Fund Types	Fund Type		Original	Final	
	Actual	Actual				
Revenues:						
Local sources	\$ 2,770,273	239,932	3,010,205	3,731,989	3,731,989	(721,784)
Intermediate sources	8,000	0	8,000	9,500	9,500	(1,500)
State sources	2,561,331	5,335	2,566,666	2,200,033	2,200,033	366,633
Federal sources	280,387	109,768	390,155	586,800	586,800	(196,645)
Total revenues	5,619,991	355,035	5,975,026	6,528,322	6,528,322	(553,296)
Expenditures/Expenses:						
Instruction	3,151,177	0	3,151,177	3,590,080	3,590,080	438,903
Support services	1,518,258	0	1,518,258	1,663,100	1,663,100	144,842
Non-instructional programs	2,722	363,290	366,012	540,983	540,983	174,971
Other expenditures	684,737	0	684,737	1,110,696	1,110,696	425,959
Total expenditures/expenses	5,356,894	363,290	5,720,184	6,904,859	6,904,859	1,184,675
Excess (Deficiency) of revenues over (under) expenditures/expenses	263,097	(8,255)	254,842	(376,537)	(376,537)	631,379
Other financing sources, net	80	10,000	10,080	10,500	10,500	(420)
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	263,177	1,745	264,922	(366,037)	(366,037)	630,959
Balance beginning of year	737,508	24,393	761,901	541,140	541,140	220,761
Balance end of year	\$ 1,000,685	26,138	1,026,823	175,103	175,103	851,720

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY 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 Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparison for the General Fund and each major Special Revenue Fund.

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

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

OTHER SUPPLEMENTARY INFORMATION

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Nonmajor Special Revenue Funds						Total
	Manage- ment Levy	Student Activity	Physical Plant and Equipment Levy	Total Special Revenue Funds	Debt Service	Capital Projects	Other Nonmajor Governmental Funds
ASSETS							
Cash and pooled investments	\$ 93,913	54,699	228,989	377,601	43,980	75,812	497,393
Receivables:							
Property tax:							
Delinquent	1,721	0	1,392	3,113	3,170	100,745	107,028
Succeeding year property tax	95,000	0	119,584	214,584	235,843	0	450,427
Accounts	0	1,974	0	1,974	0	0	1,974
TOTAL ASSETS	\$ 190,634	56,673	349,965	597,272	282,993	176,557	1,056,822
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,801	0	0	1,801	0	0	1,801
Deferred revenue:							
Succeeding year property tax	95,000	0	119,584	214,584	235,843	0	450,427
Total liabilities	96,801	0	119,584	216,385	235,843	0	452,228
Reserved for debt service	0	0	0	0	47,150	0	47,150
Unreserved fund balances	93,833	56,673	230,381	380,887	0	176,557	557,444
	93,833	56,673	230,381	380,887	47,150	176,557	604,594
TOTAL LIABILITIES AND FUND BALANCES	\$ 190,634	56,673	349,965	597,272	282,993	176,557	1,056,822

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2009

	Nonmajor Special Revenue Funds						Total
	Manage- ment Levy	Student Activity	Physical Plant and Equipment Levy	Total Special Revenue Funds	Debt Service	Capital Projects	Other Nonmajor Governmental Funds
REVENUES:							
Local sources:							
Local tax	\$ 139,705	0	112,991	252,696	256,090	195,875	704,661
Other	431	135,869	6,522	142,822	921	2,174	145,917
State sources	100	0	81	181	184	70,302	70,667
TOTAL REVENUES	140,236	135,869	119,594	395,699	257,195	268,351	921,245
EXPENDITURES:							
Current:							
Instruction:							
Regular instruction	28,377	0	7,576	35,953	0	0	35,953
Other instruction	0	129,723	0	129,723	0	0	129,723
Support services:							
Administration services	1,649	0	0	1,649	0	0	1,649
Operation and maintenance of plant services	11,029	0	3,573	14,602	0	0	14,602
Transportation services	33,152	0	0	33,152	0	72,301	105,453
Non-instructional:							
Food service operations	1,754	0	0	1,754	0	0	1,754
Other expenditures:							
Facilities acquisition	0	0	38,019	38,019	0	493	38,512
Long-term debt:							
Principal	0	0	0	0	260,374	0	260,374
Interest and fiscal charges	0	0	0	0	218,484	0	218,484
TOTAL EXPENDITURES	75,961	129,723	49,168	254,852	478,858	72,794	806,504
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	64,275	6,146	70,426	140,847	(221,663)	195,557	114,741
OTHER FINANCING SOURCES (USES):							
Insurance claim	0	0	127	127	0	0	127
Sale of equipment	0	0	1	1	0	0	1
Transfer in	0	0	0	0	222,631	0	222,631
Transfer out	0	0	(8,551)	(8,551)	0	(214,080)	(222,631)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	(8,423)	(8,423)	222,631	(214,080)	128
Net change in fund balances	64,275	6,146	62,003	132,424	968	(18,523)	114,869
Fund balances beginning of year	29,558	50,527	168,378	248,463	46,182	195,080	489,725
Fund balances end of year	\$ 93,833	56,673	230,381	380,887	47,150	176,557	604,594

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 YEAR ENDED JUNE 30, 2009

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
Annual	\$ (12,001)	10,117	5,584	(7,468)
AP Testing	49	160	160	49
Drama	3,106	689	170	3,625
Speech	(23)	23	0	0
Cheerleaders	1,468	4,377	4,369	1,476
Vocal Music	5,875	0	20	5,855
Instrumental Music	11,392	15,243	10,981	15,654
Science Club	315	643	706	252
Entrepreneurship	2,363	3,506	2,160	3,709
FFA	512	0	247	265
FCCLA	884	2,553	1,900	1,537
FTA	57	0	0	57
Foreign Language	419	0	0	419
Library Club	15	1,159	1,174	0
National Honor Society	2,129	45	388	1,786
HS Student Council	3,870	9,323	10,304	2,889
Industrial Arts Club	21	0	0	21
Class of 2012	0	100	0	100
Class of 2011	177	0	50	127
Class of 2010	79	22,851	20,072	2,858
Class of 2009	4,724	482	2,280	2,926
Class of 2008	3,859	0	3,859	0
Class of 2007	2,173	0	2,173	0
Drill Team	8,396	4,080	5,688	6,788
General Athletics	448	47,528	41,204	6,772
Resale Account	49	3,231	3,390	(110)
Booster Club	0	1,616	1,616	0
Elem Student Council	3,430	4,252	4,096	3,586
Memorial	1,819	0	0	1,819
Elem Music	739	441	804	376
MS Student Council	2,070	806	1,590	1,286
Community Bank Grant	2,113	2,644	4,738	19
Total	<u>\$ 50,527</u>	<u>135,869</u>	<u>129,723</u>	<u>56,673</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 JUNE 30, 2009

	Private Purpose Trust - Scholarship Fund				
	Rife Scholarship	Egan Scholarship	Sullivan Scholarship	Weber Scholarship	Total
ASSETS					
Cash and pooled investments	\$ 10,689	805	3,057	3,181	17,732
LIABILITIES	0	0	0	0	0
NET ASSETS					
Reserved for scholarships	10,000	0	0	0	10,000
Unreserved	689	805	3,057	3,181	7,732
TOTAL NET ASSETS	\$ 10,689	805	3,057	3,181	17,732

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 YEAR ENDED JUNE 30, 2009

	Private Purpose Trust - Scholarship Fund					
	Rife Scholarship	Egan Scholarship	Sullivan Scholarship	Weber Scholarship	Omaha	Total
					Community Foundation	
ADDITIONS:						
Local sources:						
Gifts and contributions	\$ 0	0	0	3,181	1,500	4,681
Interest income	351	0	83	0	0	434
	<u>351</u>	<u>0</u>	<u>83</u>	<u>3,181</u>	<u>1,500</u>	<u>5,115</u>
DEDUCTIONS:						
Instruction:						
Regular instruction:						
Scholarships awarded	404	500	1,000	0	1,500	3,404
Changes in net assets	(53)	(500)	(917)	3,181	0	1,711
Net assets beginning of year	10,742	1,305	3,974	0	0	16,021
Net assets end of year	<u>\$ 10,689</u>	<u>805</u>	<u>3,057</u>	<u>3,181</u>	<u>0</u>	<u>17,732</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUND
 YEAR ENDED JUNE 30, 2009

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and pooled investments	\$ 3,992	16,039	16,039	3,992
Accounts receivable	9	0	9	0
	<u>\$ 4,001</u>	<u>16,039</u>	<u>16,048</u>	<u>3,992</u>
LIABILITIES				
Due to other groups	\$ 4,001	16,039	16,048	3,992

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
 ALL GOVERNMENTAL FUND TYPES
 FOR THE LAST SIX YEARS

	Modified Accrual Basis					
	Years Ended June 30,					
	2009	2008	2007	2006	2005	2004
Revenues:						
Local sources:						
Local tax	\$ 2,288,957	2,207,491	2,230,432	2,128,486	2,205,739	1,947,919
Tuition	154,130	214,502	239,341	225,347	224,800	411,056
Other	327,186	324,464	309,566	355,841	363,508	643,508
Intermediate sources	8,000	11,000	8,000	8,000	8,000	2,338
State sources	2,561,331	2,657,802	2,433,158	2,394,928	2,221,872	2,120,111
Federal sources	280,387	258,058	282,310	275,257	1,085,779	767,911
Total	\$ 5,619,991	5,673,317	5,502,807	5,387,859	6,109,698	5,892,843
Expenditures:						
Current:						
Instruction:						
Regular	\$ 2,056,613	1,968,640	1,870,059	1,745,066	1,747,922	1,787,725
Special	579,824	615,841	595,517	545,603	775,501	842,670
Other	514,740	589,497	589,443	589,687	483,699	475,387
Support services:						
Student	101,740	99,592	87,759	92,128	76,517	110,353
Instructional staff	109,620	104,293	98,097	115,735	96,627	122,846
Administration	575,067	577,762	549,210	569,883	735,123	535,953
Operation and maintenance of plant	395,356	427,044	429,042	371,307	394,502	527,039
Transportation	336,475	368,068	348,439	327,834	456,069	620,940
Other support	0	0	0	0	4,927	0
Non-instructional programs	2,722	1,527	1,599	1,637	2,270	1,437
Other expenditures:						
Facilities acquisitions	38,512	171,095	323,298	142,785	1,106,289	4,877,188
Long-term debt:						
Principal	260,374	341,605	329,003	273,436	267,832	223,180
Interest and fiscal charges	218,484	232,309	245,081	251,568	259,056	260,177
AEA flow-through	167,367	163,378	157,767	151,965	151,018	153,254
Total	\$ 5,356,894	5,660,651	5,624,314	5,178,634	6,557,352	10,538,149

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3040

Telephone (641) 792-1910

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of the
Boyer Valley 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 Boyer Valley Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 26, 2010. 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 Boyer Valley Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Boyer Valley Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Boyer Valley Community School District's internal control over financial reporting.

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

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item I-A-09 is a material weakness.

Compliance and Other Matters

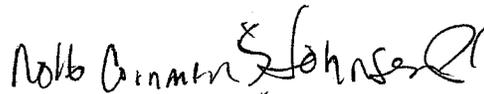
As part of obtaining reasonable assurance about whether Boyer Valley Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have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

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.

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Boyer Valley Community School District and other parties to whom Boyer Valley Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

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


NOLTE, CORNMAN & JOHNSON, P.C.

February 26, 2010

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2009

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

I-A-09 Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over data processing in general, receipt posting, investing, disbursement journalizing, payroll preparation and bank reconciling.

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

Response - With the limited number of secretaries, we will search to improve our segregation of duties.

Conclusion - Response accepted.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS
 YEAR ENDED JUNE 30, 2009

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-09 Certified Budget - District expenditures for the year ended June 30, 2009, did not exceed the amount budgeted.
- II-B-09 Questionable Disbursements - We noted no disbursements that may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- II-C-09 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-D-09 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Pat Putnam, Board Member Owner of Putnam Auto	Repairs	\$500

In accordance with Chapter 279.7A of the code of Iowa, the above transactions with the board members do not appear to represent a conflict of interest.

- II-E-09 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-09 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.
- II-G-09 Certified Enrollment - We noted a variance in the basic enrollment data certified to the Department of Education. The number of students that were reported on Line 1 was understated by 4.0 students.

Recommendation - The District should contact the Iowa Department of Education and the Department of Management to resolve this matter.

Response - This correction will be made by the Iowa Department of Education and the Department of Management.

Conclusion - Response accepted.
- II-H-09 Deposits and Investments - We noted 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.
- II-I-09 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- II-J-09 Financial Condition - The District also had deficit net assets of \$43,455 in the Enterprise

Day Care Fund. We also noted during our audit deficit account balances in the Special Revenue, Student Activity Fund.

Recommendation - The District should continue to monitor these funds and investigate alternatives to eliminate the deficits.

Response - The District is currently working on the deficits in these two funds.

Conclusion - Response accepted.

II-K-09 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

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

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

Beginning Balance		\$	0
Statewide sales and service tax revenue			195,875
Expenditures/transfers out:			
School Infrastructure			
Equipment	\$	72,301	
Other improvements		493	
Debt service for school infrastructure			
General obligation debt		123,081	195,875
Ending Balance		\$	<u>0</u>

Levies reduced as a result of statewide sales and services tax received:

	Per \$1000 of Taxable Valuation	Property Tax Dollars
	<u> </u>	<u> </u>
Debt service levy	\$ 1.03290	\$ 123,081

II-M-09 Officials Contracts - We noted during our audit that the Board President was not signing athletic officials contracts for the District. According to Chapter 291.1 of the Code of Iowa, the Board President shall sign all contracts entered into by the District.

Recommendation - The District should have the Board President sign all contracts the District enters into to comply with Chapter 291.1 of the Code of Iowa.

Response - Officials contracts will be signed by the board president.

Conclusion - Response accepted.