OELWEIN COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2009

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Oelwein Community School District

Officials

Name	Title	Term Expires
	Board of Education (Before September 2008 Election)	
James Moeller	President	2009
Candace King	Vice-President	2010
Rick Myott	Board Member	2009
Kathy Adams	Board Member	2010
Jean Nelson	Board Member	2008
Charlene Stocker	Board Member	2009
David Schmidt	Board Member	2009
	Board of Education (After September 2008 Election)	
James Moeller	President	2009
Candace King	Vice-President	2010
Rick Myott	Board Member	2009
Kathy Adams	Board Member	2010
David Eick	Board Member	2011
David Schmidt	Board Member	2009
Charlene Stocker	Board Member	2009
	School Officials	
James Patera	Superintendent	2009
Joan Loew	District Sec/Treas & Business Manager	2009
Ahlers Law Firm	Attorney	Indefinite

RFSW Ridihalgh Fuelling Snitker Weber & Co.
CERTIFIED PUBLIC ACCOUNTANTS

James R. Ridihalgh, C.P.A.
Gene L. Fuelling, C.P.A
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Oelwein, IA 50662
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Independent Auditor's Report

To the Board of Education of
Oelwein 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 Oelwein Community School District, Oelwein, 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 Oelwein Community School District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our reports dated December 14, 2009 on our consideration of the Oelwein Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information, and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 47 through 50 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board.

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oelwein Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.
Certified Public Accounts

December 14, 2009

Oelwein Community School District

Management Discussion and Analysis

Management Discussion and Analysis

Oelwein 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.

Financial Highlights

- On September 9, 2008, District taxpayers approved a ten year Physical Plant and Equipment Levy in the counties of Fayette and Buchanan, not exceeding $1.34 per one thousand of assessed valuation. This levy is a combination of property tax and 5% income surtax. Funds from the PPEL levy are used for physical plant and equipment purposes as per the board approved revenue purpose resolution.

- The District lowered its tax levy rate from $15.74 (per thousand of taxable valuation) in fiscal year 2008 to $15.53 for fiscal year 2009. This was due in a large part to a reduction in the management fund levy.

- General Fund revenues increased from $12,639,380 in fiscal year 2008 to $13,408,848 in fiscal year 2009, while General Fund expenditures increased from $12,666,917 in fiscal 2008 to $13,430,529 in fiscal year 2009.

- The Districts solvency ratio based on the unreserved fund balance divided by total general fund revenues was approximately 9% on June 30, 2009.

- The District enrollment continues to decline steadily student enrollment decreased by 24 students for a total of 1392 students as of October 1, 2008.

- In January 2008, the State of Iowa implemented a 1.5% across the board cut to state aid. This impacted the District's cash flow by $97,023, however, it did not impact spending authority.

Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds statements* offer *short-* and *long-term* financial information about the activities the District operates *like businesses*, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

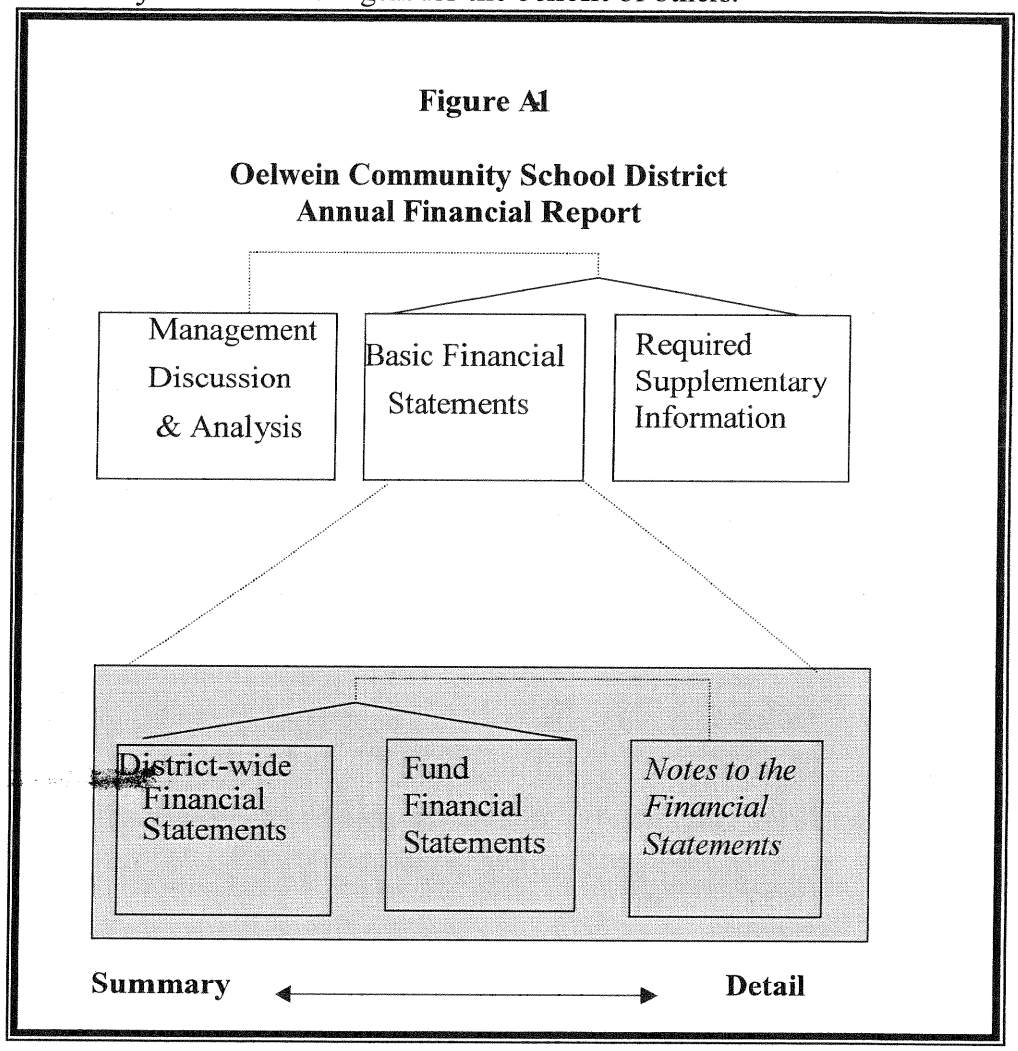


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

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

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net assets • Statement of cash flows	• 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 focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

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

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds*, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District chooses not to use any internal service funds.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

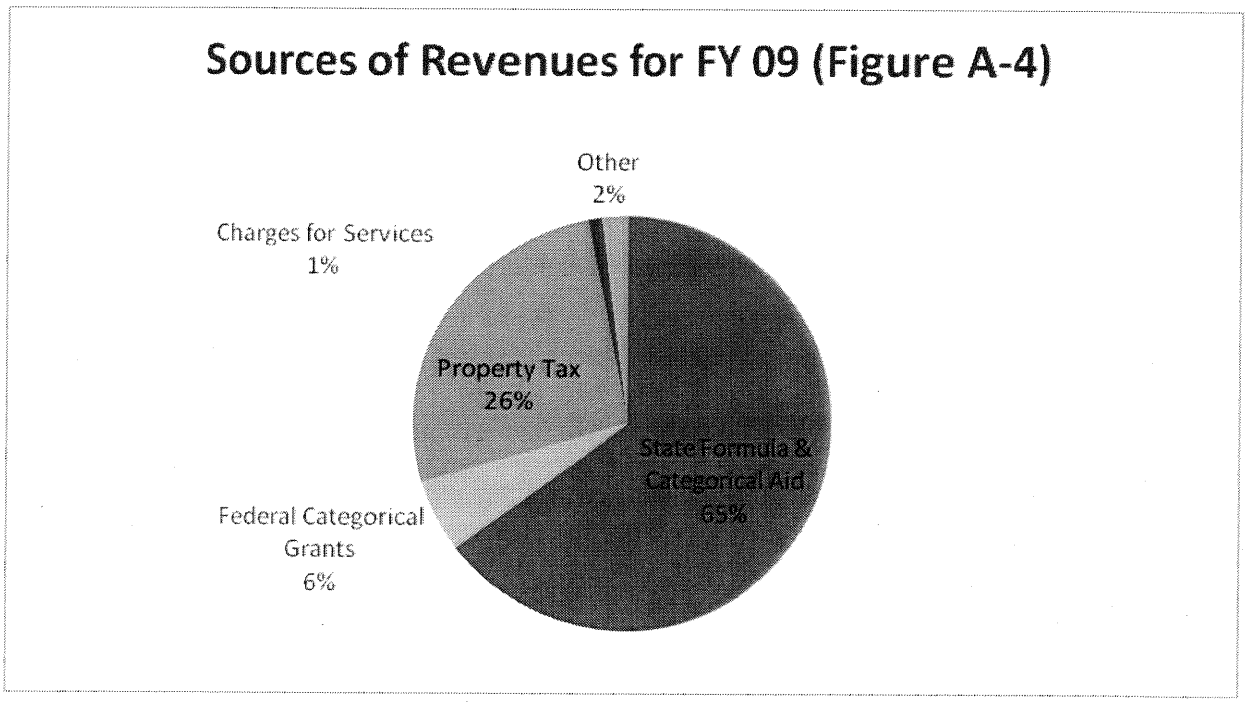
Net assets. Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2008 and June 30, 2009.

Figure A-3
Condensed Statement of Net Assets (in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District	
	2009	2008	2009	2008	2009	2008
Current and other assets	9,221	9,486	117	106	9,338	9,592
Capital assets	12,641	11,731	37	44	12,678	11,775
Total assets	**21,862**	**21,217**	**154**	**150**	**22,016**	**21,367**
Long-term debt outstanding	2,985	3,590	-	-	6,014	3,590
Other liabilities	6,014	5,398	6	-	2,991	5,398
Total liabilities	**8,999**	**8,988**	**6**	**-**	**9,005**	**8,988**
Net assets						
Invested in capital assets, net of related debt	9,699	8,107	37	45	9,736	8,152
Restricted	2,008	2,702	-	-	2,008	2,702
Unrestricted	1,155	1,419	111	105	1,266	1,524
Total net assets	**12,862**	**12,228**	**148**	**150**	**13,010**	**12,656**

Note: totals may not add due to rounding.

General Fund revenues increased in FY 2009 over FY 2008. State foundation formula aid increased due to 4% allowable growth. (Figure A-4)



Total General Fund categories increased expenditures from $12,666,917 in FY 08 to $13,430,529 FY 09. Instruction percentage was 71% (Figure A-5)

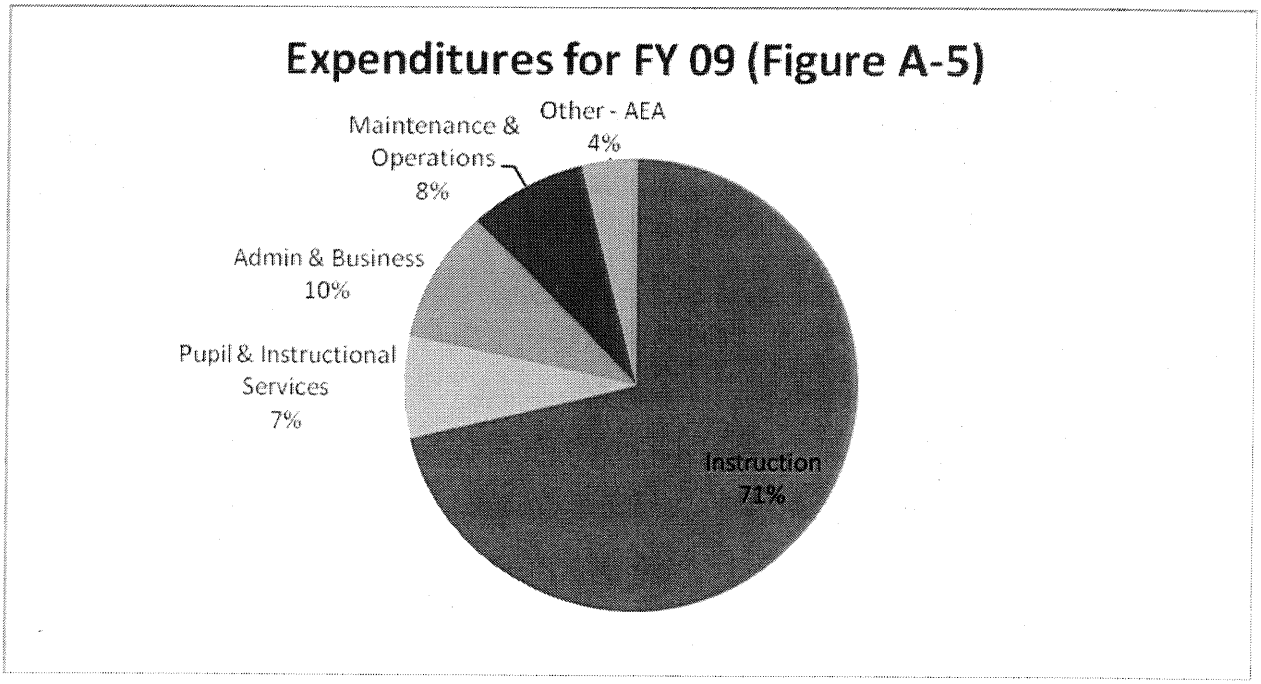


Figure A-6 presents the cost of six major district activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other as compared to FY 2008 costs. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-6
Net Cost of Governmental Activities

	Total Cost of Services 2009	Total Cost Of Services 2008
Instruction	10,709,758	10,139,082
Pupil & Instructional Services	592,625	612,979
Administrative & Business	1,404,241	1,383,632
Maintenance & operations	1,182,476	1,160,491
Transportation	458,113	410,446
Other	643,767	689,914
Total	**14,990,980**	**14,396,544**

Note: totals may not add due to rounding.

- The cost of all governmental activities this year was $14,990,980
- The Federal government subsidized certain programs with grants and contributions of $760,013. The non-federal portion of governmental activities was financed with property tax, state aid based on the statewide finance formula and the remainder with state grants, contributions, tuitions and other revenues.
- Most of the District's costs, however, were financed by District and state taxpayers.

Business-Type Activities
Revenues of the District's business-type activities were $686,687 and expenses were $688,288 Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds
As noted earlier, the Oelwein Community Schools uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $3,239,481 a decrease over last year's ending fund balances of $4,121,624. The majority of the combined fund balance decrease was in the Capital Projects Fund.

Governmental Fund Highlights

The District's decreasing General Fund financial position is the product of many factors. Both revenues and expenditures increased over the previous year, however, the District's General Fund expenditures exceeded revenues which resulted in a decrease in the General Fund balance from $1,418,672 to $1,390,406.

The Capital Projects Fund balance decreased due to the completion and payment of the Geothermal Project at Wings Park Elementary. The District ended fiscal 2009 with a Capital Projects Fund balance of $767,094 compared to a fiscal 2008 balance of $1,878,846. Half of these revenues are spent to pay down existing debt with the other half committed to the repayment of the revenue bonds.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased slightly from $149,626 at June 30, 2008, to $153,913 representing an increase of $4,287. The district implemented a food service price increase twice in calendar year 2008 once in January and again in September, which resulted in an increase in revenue from users.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust fund. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is now prepared on an accrual basis A schedule showing the original amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

Legal Budgetary Highlights

The District's total actual receipts were less than the total budgeted receipts. The most significant change resulted in receiving less revenue from various components of local and state sources than originally anticipated.

Total expenditures were less than budgeted due primarily to the District's budget for the student support services in 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 not exceed the actual expenditures during the year. District expenditures did not exceed the certified budget.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal 2009, the District had invested in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. (See Figure A-7) Total depreciation expense for the year was $641,879.

Figure A-7
Capital Assets (net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total School District	
	2009	2008	2009	2008	2009	2008
Land	879	879			879	879
Buildings	10,063	10,063			10,063	10,063
Equipment & Furniture	789	789	37	46	826	834
Total	**11,731**	**11,731**	**37**	**46**	**11,768**	**11,776**

Long-Term Debt

At year-end, the District had $2,909,224 in general obligation bonds, sales tax revenue bonds, and other long-term debt outstanding. This represents a decrease from the previous fiscal year as can be seen in Figure A-8 below. More detailed information about the District's long-term liabilities is available in the notes to the financial statements.

Figure A-8
Outstanding Long-Term Debt (expressed in thousands)

	Total School District	
	2009	2008
General Obligation Bonds	490	780
Notes Payable	169	335
Revenue Bonds	1,250	1,475
Revenue Bonds – QZAB	1,000	1,000
Total	**2,909**	**3,590**

The District had total outstanding general obligation bonded indebtedness at June 30, 2009 of $490,000 of an original $2,500,000 bond issued March 2000. Additionally, the district's remaining debt of an original $1,900,000 revenue bond issued on July 1, 2005 was $1,250,000. On November 15, 2007, the district sold $1,000,000 in Qualified Zone Academy revenue bonds to fund a geothermal system at the Wings Park Elementary School. The District has total outstanding revenue bonded indebtedness at June 30, 2009 of $2,250,000.

As of June 30, 2009 the District did not exceed its legal debt margin.

Factors Bearing on the District's Future

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

- District enrollment in fiscal year 2009-2010 decreased by 72 students to 1,320 students in total budgeted enrollment. Under Iowa's school funding formula, District funding is highly dependant upon District enrollments. This decrease equates to a minimum cut $418,000 for fiscal year 2009-2010 based on zero percent allowable growth.

- The District continually reevaluates future estimates of enrollment to determine the financial impact. The District spends approximately 80% of its General Fund expenditures on staffing. Salary and benefit settlements, with any employee group, exceeding the rate of growth of state funding will have an adverse impact upon the District's General Fund budget.

- In 2008/2009 the District offered a five-year insurance benefit as an early retirement incentive, these benefits will be paid from the Management Fund which will be funded by an increase in the Management Levy.

- The State of Iowa announced an across the board (ATB) cut of 10% in October 2009. This cut in financing, but not spending authority, equates to $688, 577 for Oelwein Schools which will have a large impact on the cash reserve fund balance.

- As a result the ATB cuts the District opted to participate in Iowa Schools Cash Anticipation Program (ISCAP) Part B in November 2009. Due to the cut in state aid the District anticipates cash flow shortages and the need to borrow from ISCAP during the months of April, June, July and August 2010.

- Additional cuts in funding would be detrimental to the District's financial position, however, the district does anticipate significant future cuts due to the declining economic forecast for both the state and nation.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Joan Loew, Business Manager, Oelwein Community School District, 307 Eighth Avenue S.E., Oelwein, IA 50662.

Oelwein Community School District
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents:			
ISCAP (note 5)	$ -	-	-
Other	4,425,047	96,789	4,521,836
Receivables:			
Property tax:			
Delinquent	73,454	-	73,454
Succeeding year	4,440,460	-	4,440,460
Accrued interest:			
ISCAP (note 5)	-	-	-
Other	-	-	-
Due from other governments	281,876	3,781	285,657
Inventories	-	16,200	16,200
Capital assets, net of accumulated depreciation (note 6)	12,641,155	37,143	12,678,298
Total assets	21,861,992	153,913	22,015,905
Liabilities			
Accounts payable	224,093	292	224,385
Salaries and benefits payable	1,316,803	-	1,316,803
Accrued interest payable	33,258	-	33,258
Deferred revenue-succeeding year property tax	4,440,460	-	4,440,460
Deferred revenue-other	-	-	-
ISCAP warrants payable (note 5)	-	-	-
ISCAP accrued interest payable (note 5)	-	-	-
Long-term liabilities (note 7):			
Portion due within one year:			
Bonds payable	305,000	-	305,000
Revenue bonds payable	230,000	-	230,000
Notes Payable	169,224	-	169,224
Portion due after one year:			
Bonds payable	185,000	-	185,000
Revenue bonds payable	2,020,000	-	2,020,000
Net OPED liability	75,763	5,596	81,359
Total Liabilities	8,999,601	5,888	9,005,489
Net Assets			
Invested in net assets, net of related debt	9,698,673	37,143	9,735,816
Restricted for:			
Categorical funding	159,288	-	159,288
Debt service	2,332	-	2,332
Bond sinking funds	526,518	-	526,518
Capital projects	553,131	-	553,131
Management levy	89,393	-	89,393
Physical plant and equipment levy	313,749	-	313,749
Other special revenues purposes	363,952	-	363,952
Unrestricted	1,155,355	110,882	1,266,237
Total net assets	$ 12,862,391	148,025	13,010,416

See notes to financial statements

Oelwein Community School District
Statement of Activities
Year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest
Governmental activities:			
Instruction:			
Regular instruction	6,400,283	-	-
Special instruction	2,929,956	-	-
Other instruction	1,379,519	-	-
	10,709,758	-	-
Support services:			
Student services	319,140	-	-
Instructional staff services	273,485	-	-
Administration services	383,042	-	-
School Administration	696,674	-	-
Business	324,525	-	-
Operation and maintenance of plant services	1,182,476	-	-
Transportation services	458,113	-	-
	3,637,455	-	-
Non-instructional programs	-		
Other expenditures:			
Long-term debt interest	105,651	-	-
AEA flowthrough	538,116	-	538,116
	643,767	-	538,116
Total governmental activities	14,990,980	-	538,116
Business-Type activities:			
Non-instructional programs:			
Nutrition services	688,288	299,599	387,088
Total	15,679,268	299,599	925,204

General Revenues:
Property tax levied for:
General purposes
Debt service
Special revenue
Tuition
Unrestricted state grants
Federal grants
Other
Total general revenues

Change in net assets

Net assets beginning of year.

Net assets end of year

See notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type activities	Total
(6,400,283)	-	(6,400,283)
(2,929,956)	-	(2,929,956)
(1,379,519)	-	(1,379,519)
(10,709,758)	-	(10,709,758)
-		
-		
(319,140)	-	(319,140)
(273,485)	-	(273,485)
(383,042)	-	(383,042)
(696,674)	-	(696,674)
(324,525)	-	(324,525)
(1,182,476)	-	(1,182,476)
(458,113)	-	(458,113)
(3,637,455)	-	(3,637,455)
-		
-	-	-
-		
-		
(105,651)	-	(105,651)
-	-	-
(105,651)	-	(105,651)
-		
(14,452,864)	-	(14,452,864)
-	(1,601)	(1,601)
(14,452,864)	(1,601)	(14,454,465)
5,089,924	-	5,089,924
-	-	-
326,861	-	326,861
144,555	-	144,555
8,711,974	-	8,711,974
760,013	-	760,013
	-	-
15,033,327	-	15,033,327
580,463	(1,601)	578,862
12,228,395	149,626	12,378,021
12,808,858	148,025	12,956,883

See notes to financial statements

Oelwein Community School District

Balance Sheet
Governmental Funds

June 30, 2009

	General	Debt Service	Capital Projects	Nonmajor	Total
Assets					
Cash and pooled investments:					
ISCAP (note 5)	$ -	-	-	-	-
Other	2,432,688	254,719	827,262	910,378	4,425,047
Receivables:					
Property tax:					
Delinquent	63,769	-	-	9,685	73,454
Succeeding year	3,668,347	-	-	772,113	4,440,460
Due from other governments	281,876	-	-	-	281,876
Accrued interest-ISCAP (note 5)	-	-	-	-	-
Total assets	6,446,680	254,719	827,262	1,692,176	9,220,837
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	216,336	-	-	7,757	224,093
Salaries and benefits payable	1,171,591	-	-	145,212	1,316,803
ISCAP warrants payable (note 5)	-	-	-	-	-
ISCAP accrued interest payable (note 5)	-	-	-	-	-
Deferred revenue:					
Succeeding year property tax	3,668,347	-	-	772,113	4,440,460
Other	-	-	-	-	-
Total liabilities	5,056,274	-	-	925,082	5,981,356
Fund balances:					
Reserved for:					
Categorical funding	159,288	-	-	-	159,288
Debt service	-	2,332	-	-	2,332
Bond sinking fund	-	252,387	274,131	-	526,518
Capital projects	-	-	553,131	-	553,131
Unreserved	1,231,118	-	-	767,094	1,998,212
Total fund balances	1,390,406	254,719	827,262	767,094	3,239,481
Total liabilities and fund balances	$6,446,680	254,719	827,262	1,692,176	9,220,837

See notes to financial statements

Oelwein 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 21)	$ 3,239,481
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	12,641,155
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.	(33,258)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(2,984,987)
Net assets of governmental activities (page 18)	$ 12,862,391

See notes to financial statements

Oelwein Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

Year ended June 30, 2009

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	$3,554,670	-	798,359	736,895	5,089,924
Tuition	144,555	-	-	-	144,555
Other	274,768	2,667	37,746	549,796	864,977
State sources	8,688,054	-	-	23,920	8,711,974
Federal sources	746,801	-	13,212	-	760,013
Total revenues	13,408,848	2,667	849,317	1,310,611	15,571,443
Expenditures:					
Current:					
Instruction:					
Regular instruction	5,683,036	-	-	147,788	5,830,824
Special instruction	2,928,251	-	-	-	2,928,251
Other instruction	947,037	-	-	432,482	1,379,519
	9,558,324	-	-	580,270	10,138,594
Support services:					
Student services	319,140	-	-	-	319,140
Instructional staff services	273,485	-	-	-	273,485
General administration services	243,337	-	-	137,982	381,319
School administration	696,674			-	696,674
Business	324,525	-	-	-	324,525
Operation and maintenance of plant services	1,092,875	-	520	77,323	1,170,718
Transportation services	384,053	-	-	25,182	409,235
	3,334,089	-	520	240,487	3,575,096
Non-instructional programs	-	-	-	-	-
Other expenditures:					
Facilities acquisition	-	-	1,183,770	230,732	1,414,502
Long-term debt:					
Principal	-	681,627	-	-	681,627
Interest and fiscal charges	-	105,651	-	-	105,651
AEA flowthrough	538,116	-	-	-	538,116
	538,116	787,278	1,183,770	230,732	2,739,896
Total expenditures	13,430,529	787,278	1,184,290	1,051,489	16,453,586
Excess (deficiency) OF revenues over (under) expenditures	(21,681)	(784,611)	(334,973)	259,122	(882,143)
Other financing sources (uses):					
Revenue bonds issued	-	-	-	-	-
Operating transfers in	-	782,645	-	-	782,645
Operating transfers out	(6,585)	-	(716,611)	(59,449)	(782,645)
Total other financing sources (uses)	(6,585)	782,645	(716,611)	(59,449)	-
Net change in fund balances	(28,266)	(1,966)	(1,051,584)	199,673	(882,143)
Fund balances beginning of year	1,418,672	256,685	1,878,846	567,421	4,121,624
Fund balances end of year	$1,390,406	254,719	827,262	767,094	3,239,481

See notes to financial statements

Oelwein Community School District

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances-Governmental Funds
to the Statement of Activities

Year ended June 30, 2009

Net change in fund balances-total governmental funds (page 23)		$ (882,143)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	1,485,489	
Depreciation expense	(628,747)	856,742
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.		
Repaid	681,627	681,627
Other postemployment benefits		(75,763)
Change in net assets of governmental activities (page 20)		$ 580,463

See notes to financial statements

Oelwein Community School District

Statement of Net Assets
Proprietary Fund

June 30, 2009

	School Nutrition
Assets	
Cash and cash equivalents	$ 96,789
Accounts Receivable	3,781
Inventories	16,200
Capital assets, net of accumulated depreciation	37,143
Total assets	153,913
Liabilities	
Accounts payable	292
Net OPED liability	5,596
Total liabilities	5,888
Net Assets	
Invested in capital assets, net of related debt	37,143
Unrestricted	110,882
Total net assets	$ 153,913

See notes to financial statements

Oelwein Community School District

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund

Year ended June 30, 2009

	School Nutrition
Operating revenue:	
Local sources:	
Charges for service	$ 299,599
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries and benefits	372,163
Purchased services	7,335
Supplies	300,434
Depreciation	8,356
Total operating expenses	688,288
Operating loss	(388,689)
Non-operating revenues:	
State sources	7,041
Federal sources	379,667
Interest income	380
Total non-operating revenues	387,088
Net (loss)	(1,601)
Net assets beginning of year	149,626
Net assets end of year	$ 148,025

See notes to financial statements

Oelwein Community School District

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2009

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	$ 308,331
Cash payments to employees for services	(366,567)
Cash payments to suppliers for goods or services	(259,311)
Net cash used in operating activities	(317,547)
Cash flows from non-capital financing sources:	
State grants received	7,041
Federal grants received	332,645
Net cash provided by non-capital financing activities	339,686
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(978)
Net cash used by capital and related financing activities	(978)
Cash flows from investing activities:	
Interest on investments	380
Net increase in cash and cash equivalents	21,541
Cash and cash equivalents at beginning of year	75,248
Cash and cash equivalents at end of year	$ 96,789

See notes to financial statements

Oelwein Community School District

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2009

	School Nutrition
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (388,689)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities used	45,863
Depreciation	8,356
Decrease in due from other governments	7,573
Decrease in inventories	2,303
Increase in accounts payable	292
Increase in other postemployment benefits	6,755
Net cash used in operating activities	$ (317,547)

Non-cash investing, capital and financing activities:
During the year ended June 30, 2009, the District received $45,863 of federal commodities.

See notes to financial statements

Oelwein Community School District

Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2009

	Private Purpose Trust Scholarship
Assets	
Cash and pooled investments	$ 16,959
Accrued interest receivable	94
Due from other governments	-
Total assets	17,053
Liabilities	
Accounts payable	-
Due to other governments	-
Total liabilities	-
Net Assets	
Reserved for scholarships	$ 17,053

See notes to financial statements

Oelwein Community School District

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds

Year ended June 30, 2009

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Other	$ -
Interest	750
Total additions	750
Deductions:	
Support services:	
Scholarships awarded	-
Change in net assets	750
Net assets beginning of year	16,303
Net assets end of year	$ 17,053

See notes to financial statements

Notes to Financial Statement

(1) Summary of Significant Accounting Policies

Oelwein Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served include the Cities of Oelwein, Hazleton, and Stanley, Iowa, and agricultural territory in Fayette and Buchanan 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, Oelwein Community School 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. Oelwein Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

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

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 service.

B. Basis of Presentation (continued)

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues 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 expenditures, including instructional, support and other costs.

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

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

B. Basis of Presentation (continued)

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

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

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

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.

C. Measurement Focus and Basis of Accounting (continued)

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

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

D. Assets, Liabilities and fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax

D. Assets, Liabilities and fund Equity (continued)

Property Tax Receivable (continued)

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 1 ½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2008.

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

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

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

Asset Class	Amount
Land	$ 2,500
Buildings	2,500
Improvement other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

D. Assets, Liabilities and fund Equity (continued)

Capital Assets (continued)
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
Improvements other than buildings	20-50 Years
Furniture and equipment	5-15 Years

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

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

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

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

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

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts 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 legislations.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

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

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

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

	Amortized Cost
Diversified Portfolio	$24,233

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

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

(3) Due From and Due to Other Funds

There were no interfund receivable or payable balances at June 30, 2009.

(4) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Physical Plant and Equipment Levy	$ 59,449
Debt Service	General	6,585
Debt Service	Capital Projects	716,611
Total		$782,645

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

(5) 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. 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:

Series	Warrant Date	Final Warrant Maturity	Investment	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable
2009-2010A	6/25/2009	6/23/2010	-	-	-	-

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. In addition, the District 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:

(5) Iowa School Cash Anticipation Program (ISCAP) (continued)

	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
2008-2009A	$ -	-	-	-

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
2008-2009A	3.500%	3.469%

The District did not participate in Series 2008-2009A.

(6) Capital Assets

Capital asset 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	$ 879,013	-	-	879,013
Total capital assets not being depreciated	879,013	-	-	879,013
Capital assets being depreciated:				
Buildings	14,139,464	1,347,951	-	15,487,415
Furniture & equipment	2,223,081	191,071	-	2,414,152
Total capital assets being depreciated	16,362,545	1,539,022	-	17,901,567
Less accumulated Depreciation for:				
Buildings	4,076,279	463,700	-	4,539,979
Furniture & equipment	1,434,399	165,047	-	1,599,446
Total accumulated depreciation	5,510,678	628,747	-	6,139,425
Total Capital assets being depreciated, net	10,851,867	910,275		11,762,142
Governmental activities capital assets, net	$ 11,730,880	910,275	-	12,641,155

(6) Capital Assets (continued)

	Balance Beginning of Year, as restated	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture & Equipment	$ 163,725	978	-	164,703
Less accumulated depreciation	119,204	8,356	-	127,560
Business-type activities Capital assets, net	$ 44,521	(7,378)	-	37,143

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	$ 569,459
Special	1,705
Support Activities	
Administration	1,723
Operation and maintenance of plant	11,758
Transportation	48,878
Total governmental activities depreciation expense	$ 633,523
Business-type activities:	
Food services	$ 8,356

(7) Long-Term Liabilities

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

	Balance Beginning Of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	$ 780,000	-	290,000	490,000	305,000
Revenue bonds	1,475,000	-	225,000	1,250,000	230,000
Revenue bonds	1,000,000	-	-	1,000,000	-
Notes payable	335,851	-	166,627	169,224	169,224
Total	$3,590,851	-	681,627	2,909,224	704,224

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed 20 years of continuous service to the District and must have attained the age of 55 as of August 1 of the year he/she plans to retire. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee consists of $400 per month for 5 years or 60 payments toward the District health insurance plan of the employees choice and a one time cash award of $1000. Early retirement benefits paid during the year ended June 30, 2009, totaled $129,742. The cost of early retirement payments expected to be liquidated currently are recorded as a liability of the Special Revenue, Management Levy Fund. The benefits payable at June 30, 2009 is estimated to be $140,212.

(7) Long-Term Liabilities (continued)

GENERAL OBLIGATION SCHOOL BONDS

The Oelwein Community School District received proceeds of $2,500,000 from the issue of general obligation bonds dated March 1, 2000. This bond issue is being used for the purpose of providing funds to build classroom additions at Oelwein High School and Parkside Elementary School. Details of the District's June 30, 2009 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	5.25	305,000	25,910	330,910
2011	5.35	185,000	9,898	194,898
Total		$ 490,000	35,808	525,808

LOCAL OPTION SALES TAX REVENUE BONDS DATED JULY 1, 2005

The Oelwein Community School District received proceeds of $1,900,000 from the issue of local option sales tax revenue bonds issued July 1, 2005.

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

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	3.25	230,000	39,098	269,098
2011	3.35	240,000	31,340	271,340
2012	3.40	250,000	23,070	273,070
2013	3.50	260,000	14,270	274,270
2014	3.60	270,000	4,860	274,860
Total		$1,250,000	112,638	1,362,638

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

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

REVENUE BONDS PAYABLE (continued)

a. $190,000 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account
b. All proceeds from the local option sales and services tax shall be placed in a Revenue Account.

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

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

The District did comply with all of the provisions during the year ended June 30, 2009.

LOCAL OPTION SALES TAX REVENUE BONDS, SERIES 2007 (Qualified Zone Academy Bonds) dated November 15, 2007

The Oelwein Community School District received proceeds of $1,000,000 from the issue of revenue bonds dated 11/15/2007. This bond issue is being used for the purpose of defraying the cost of school infrastructure. The entire bond issue matures 11/17/2017 and to provide for the payment of the bonds at maturity there is established with the paying agent an irrevocable trust fund for the benefit of bond holders to be known as the "School Infrastructure Local Option Sales and Services Tax Revenue Bond Escrow Fund" to be invested at 3.88%. Annually, on July first of each year commencing July 1, 2008, there shall be deposited into the sinking fund $84,124.30 to be invested in accordance with the rules of the Investment Agreement. The Escrow Fund is pledged to the payment of the bonds at maturity.

NOTES PAYABLE – ENERGY MANAGEMENT IMPROVEMENT CAPITAL LOAN NOTE

The Oelwein Community School District received proceeds of $850,000 from an Energy Management Improvement Capital Loan Note dated June 1, 2000. These note proceeds are being used for a geothermal project at the Oelwein Middle School. Details of the District's June 30, 2009 Energy Management Improvement Capital Loan Note indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	5.70	$115,000	6,555	121,555

NOTES PAYABLE – MAYNARD SAVINGS BANK

The District entered into a loan agreement with Maynard Savings Bank on May 23, 2005 for $275,000. This loan was used in the Physical Plant and Equipment Levy Fund for stadium renovation. The due date of this loan is May 15, 2010. The interest rate on this loan is 2.90%. The District will make semi-annual principal and interest payments of $29,725 beginning November 15, 2005. Details of the District's June 30, 2009 indebtedness for this loan at Maynard Savings Bank is as follows:

Year Ending June 30,	Principal	Interest	Total
2010	$ 54,224	1,152	55,376

Total Notes Payable:

Energy Management Improvement Capital Loan Note	$115,000
Maynard Savings Bank	54,224
Total	$169,224

(8) Pension and Retirement Benefits

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

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were $525,295, $461,816, $435,029, respectively, and were equal to the required contributions for each year.

(9) Other Postemployment Benefits (OPEB)

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

Plan Description: The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 189 active and 26 retired members in the plan. Participants must be age 55 or older at retirement.

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

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

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

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

Annual required contributions	$ 1,528,729
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	1,528,729
Contributions made	(1,447,370)
Increase in net OPEB obligation	81,359
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	$ 81,359

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

For the year ended June 30, 2009, the District contributed $1,280,317 to the medical plan. Plan member eligible for benefits contributed $167,053, or 12% of the premium costs.

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

Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	$1,528,729	94.7%	$ 81,359

Funded Status and Funding Program-As of July 1,2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was $1.207 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $1.207 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately $6,807,000, and the ratio of the UAAL to covered payroll was 17.7%. As of June 30, 2009, there were no trust fund assets.

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

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

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

Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are %657 per month for retirees less than age 65. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(10) Risk Management

Oelwein 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 the risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) 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 $538,116 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.

Required Supplementary Information

Oelwein Community School District
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses
and Changes in Balances-Budget and Actual -All
Governmental Funds and Proprietary Fund
Required Supplementary Information
Year ended June 30, 2009

	Governmental Fund Types Actual	Proprietary Fund Type Actual
Revenues:		
Local sources	6,099,456	299,979
State sources	8,711,974	7,041
Federal sources	760,013	379,667
Total receipts	15,571,443	686,687
Expenditures:		
Instruction	10,138,594	-
Support services	3,575,096	-
Non-instructional programs	-	688,288
Other expenditures	2,739,896	-
Total expenditures	16,453,586	688,288
Excess (deficiency) of revenues over (under) expenditures	(882,143)	(1,601)
Other financing sources, net	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(882,143)	(1,601)
Balances beginning of year	4,121,624	149,626
Balances end of year	3,239,481	148,025

See accompanying independent auditor's report

Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance- Positive Negative
6,399,435	7,798,987	7,798,987	(1,399,552)
8,719,015	9,063,305	9,063,305	(344,290)
1,139,680	980,000	980,000	159,680
16,258,130	17,842,292	17,842,292	(1,584,162)
10,138,594	10,242,374	10,242,374	103,780
3,575,096	5,505,350	5,505,350	1,930,254
688,288	791,180	791,180	102,892
2,739,896	3,781,619	3,781,619	1,041,723
17,141,874	20,320,523	20,320,523	3,178,649
(883,744)	(2,478,231)	(2,478,231)	1,594,487
-	-	-	-
(883,744)	(2,478,231)	(2,478,231)	1,594,487
4,271,250	4,685,034	2,723,372	1,547,878
3,387,506	2,206,803	245,141	3,142,365

See accompanying independent auditor's report

Oelwein Community School District

Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2009

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

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

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

During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

Oelwein Community School District

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

Year Ended June 30, 2009

Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c	UAAL as a Percentage of Covered Payroll (b-a)/(c
July 1, 2008	-	$1,207	$1,207	0.00%	$6,807	17.70%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPED Cost and Net OPED Obligation, funded status and funding progress.

Oelwein Community School District

Other Supplementary Information

Oelwein Community School District

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2009

	Special Revenue			
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Cash and pooled investments	$ 229,238	363,952	317,188	910,378
Receivable:				
Property tax:				
Delinquent	5,867	-	3,818	9,685
Succeeding year	370,000	-	402,113	772,113
Total assets	605,105	363,952	723,119	1,692,176
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	500	-	7,257	7,757
Salaries and benefits payable	145,212	-	-	145,212
Deferred revenue:				
Succeeding year property tax	370,000	-	402,113	772,113
Total liabilities	515,712	-	409,370	925,082
Fund balances:				
Unreserved fund balances	89,393	363,952	313,749	767,094
Total liabilities and fund balances	$ 605,105	363,952	723,119	1,692,176

See accompanying independent auditor's report

Oelwein Community School District

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2009

	Special Revenue			
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax	$ 300,613	-	436,282	736,895
Other	-	480,967	68,829	549,796
State sources	23,920	-	-	23,920
Total revenues	324,533	480,967	505,111	1,310,611
Expenditures:				
Current:				
Instruction:				
Regular instruction	134,742	-	13,046	147,788
Other instruction	-	432,482	-	432,482
Support services:				
Administration services	120,432	-	17,550	137,982
Transportation	15,782	-	9,400	25,182
Operation and maintenance of plant services	66,265	-	11,058	77,323
Other expenditures:				
Facilities acquisition	-	-	230,732	230,732
Total expenditures	337,221	432,482	281,786	1,051,489
Excess (deficiency) of revenues over (under) expenditures	(12,688)	48,485	223,325	259,122
Other financing sources (uses):				
Operating transfers out	-	-	(59,449)	(59,449)
Total other financing sources (uses)	-	-	(59,449)	(59,449)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(12,688)	48,485	163,876	199,673
Fund balances beginning of year	102,081	315,467	149,873	567,421
Fund balances end of year	$ 89,393	363,952	313,749	767,094

See accompanying independent auditor's report

Oelwein Community School District

Schedule of Changes in Special Revenue Fund
Student Activity Accounts

Year ended June 30, 2009

	Balance Beginning of Year	Intra-Fund Transfers	Revenues	Expenditures	Balance End Year
Central Office					
Americorp	$ -	-	-	-	-
Alternative School	945	-	2,432	2,209	1,168
Alternative School Activity	35	-	-	-	35
F.A.S.T.	-	-	-	-	-
Miscellaneous Revolving Receipts	7,105	-	75	-	7,180
District Football	-	-	-	-	-
Elementary Building Account	21,155	-	55,547	59,085	17,617
LHLC Building Account	-	-	-	-	-
K-1 Building Account	11,784	-	20,076	17,708	14,152
Parents As Teachers	-	-	-	-	-
Office Account	1,273	989	3,488	5,572	178
Sports Complex	-	-	-	-	-
Computer Fee	-	-	-	-	-
Husky Hub Center	13,636	-	12,375	11,487	14,524
Transfers-Central Office	-	-	-	-	-
Total	55,933	989	93,993	96,061	54,854
Senior High Activity					
Ag Department	15,357	-	42,039	36,522	20,874
Athletic Equipment	1,459	-	-	-	1,459
General Activities	9,111	(4,088)	84,706	32,789	56,940
Annual	3,495	-	8,807	5,476	6,826
Band Club	2,020	-	22,246	15,984	8,282
Student Council	1,161	-	2,378	2,523	1,016
Distributive Ed. Club	7,023	-	20,931	21,348	6,606
Football Club	8,098	(447)	4,204	2,232	9,623
Band Trip	4,051	-	-	-	4,051
Baseball	6,000	734	-	6,734	-
Basketball - Boys	4,200	-	-	4,017	183
Basketball - Girls	3,700	-	-	3,243	457
Bowling Club	21	-	-	21	-
Boys Track	1,000	285	-	1,285	-
Newspaper Club	4,950	-	1,668	3,290	3,328
Drama Club	6,978	(148)	5,412	2,075	10,167
Vocal Music Club	2,772	(31)	12,656	13,029	2,368
Cross Country Club	169	(228)	176	47	70
Band	4,750	-	-	2,565	2,185
Baseball Club	4,472	(734)	6,577	4,428	5,887

See accompanying independent auditor's report

Oelwein Community School District

Schedule of Changes in Special Revenue Fund
Student Activity Accounts

Year ended June 30, 2009

	Balance Beginning of Year	Intra-Fund Transfers	Revenues	Expenditures	Balance End Year
Senior High Activity (Continued):					
Basketball Club - Boys	655	-	7,947	6,417	2,185
Basketball Club - Girls	2,746	-	9,768	10,076	2,438
Concessions	37,355	-	53,510	36,438	54,427
Football	9,000	447	-	9,447	-
Cheerleader Club	5,923	-	11,720	13,230	4,413
Interest Revenue Account	19,502	-	4,288	-	23,790
Golf - Boys	1,100	165	-	1,265	-
Golf - Girls	1,100	57	-	1,157	-
Tournaments	11,330	-	3,256	2,050	12,536
Tournaments-Gates	-	-	15,770	15,770	-
Vocal Music	2,700	32	-	2,732	-
Class of 2009	5,625	-	-	2,024	3,601
Class of 2010	863	-	9,133	5,351	4,645
Class of 2011	67	-	-	-	67
Class of 2012	-	-	-	-	-
Wrestling Club	257	22	-	279	-
Volleyball Club	692	(507)	3,545	2,518	1,212
Softball Club	-	-	68	-	68
Track Club - Boys	847	(286)	796	645	712
Softball	3,250	2,542	-	5,792	-
Track - Girls	1,000	321	-	1,321	-
Wrestling	2,500	314	-	2,814	-
Cross Country Track - Girls & Boys	500	228	-	728	-
Tennis - Boys	350	-	-	158	192
Tennis Club-Boys	143	-	120	-	263
Miscellaneous	-	-	-	-	-
Husky Elite Club	-	-	-	-	-
Newspaper	300	-	-	300	-
Speech	1,200	-	-	759	441
Lockers	3,283	-	-	-	3,283
Post Prom	618	-	1,929	2,329	218
Cheerleading	1,000	-	-	1,000	-
F.F.A. Grant	9,825	-	1,548	732	10,641
Drama	5,000	148	-	5,148	-
Girls Track Club	721	(322)	-	-	399
Academic Decathlon	100	-	-	-	100
Art	32	-	-	-	32
Girls Bowling	350	-	-	-	350
Club Husky	1,870	-	1,069	1,302	1,637
Manufacturing Club	1,923	-	168	-	2,091
Tennis - Girls	350	-	-	159	191
Tennis Club-Girls	150	-	-	-	150
Volleyball	2,700	507	-	3,207	-
Total	227,714	(989)	336,435	292,756	270,404

See accompanying independent auditor's report

Oelwein Community School District

Schedule of Changes in Special Revenue Fund
Student Activity Accounts

Year ended June 30, 2009

	Balance Beginning of Year	Intra-Fund Transfers	Revenues	Expenditures	Balance End Year
Middle School Activity					
Track Fund	-	-	-	-	-
General Activities	4,919	-	12,997	14,643	3,273
Softball	-	493	-	493	-
Athletic Club	1	2	1,066	1,061	8
Drama	-	437	-	437	-
Activity Office	4,658	-	-	295	4,363
Annual	400	202	2,321	2,923	-
Band Club	425	-	329	426	328
Basketball	-	1,295	-	1,295	-
Football	-	1,567	-	1,567	-
Magazine Campaign	3,780	(7,088)	23,756	13,647	6,801
Interest Reserve Account	12,137	-	4,287	-	16,424
Student Council	1,372	-	-	-	1,372
Student Purchases	1,777	-	-	-	1,777
Track	-	960	-	960	-
Vocal Music	-	425	-	425	-
Wrestling	-	94	-	94	-
6-7-8 Club	132	-	3,600	2,340	1,392
Band	-	754	-	754	-
Industrial Arts Club	640	-	38	-	678
Donations	-	-	720	283	437
Vocal Music Club	1,579	-	1,425	1,163	1,841
Volleyball	-	859	-	859	-
Total	31,820	-	50,539	43,665	38,694
Total Student Activity	315,467	-	480,967	432,482	363,952

See accompanying independent auditor's report

Oelwein Community School District

Schedule of Revenues by Source and Expenditures by Function
All Governmental Fund Types

For the Last Four Years

	Modified Accrual Basis			
	2009	2008	2007	2006
Revenues:				
Local sources:				
Local tax	$ 5,089,924	$ 5,026,687	5,107,804	4,687,148
Tuition	144,555	199,440	219,104	175,839
Other	864,977	1,236,568	1,088,107	1,292,562
State sources	8,711,974	8,008,172	7,605,094	7,317,557
Federal sources	760,013	667,015	598,627	597,772
Total	$ 15,571,443	$ 15,137,882	14,618,736	14,070,878
Expenditures:				
Instruction:				
Regular instruction	$ 5,830,824	$ 5,615,027	5,619,951	5,030,023
Special instruction	2,928,251	2,585,222	2,352,908	2,615,288
Other instruction	1,379,519	1,483,990	1,256,381	668,938
Support services:				
Student services	319,140	318,611	304,482	337,889
Instructional staff services	273,485	294,368	229,760	227,002
Administration services	381,319	349,962	319,890	316,868
School administration	696,674	730,314	702,930	620,992
Business administration	324,525	301,633	273,161	308,524
Operation and maintenance of plant services	1,170,718	1,149,626	1,067,004	1,088,195
Transportation services	409,235	362,915	427,714	297,909
Non-instructional programs	-	-	-	-
Other expenditures:				
Facilities acquisition	1,414,502	1,260,619	406,765	2,254,738
Long-term debt:				
Principal	681,627	649,793	654,653	439,156
Interest and other charges	105,651	184,408	165,370	176,011
AEA flowthrough	538,116	512,133	494,326	472,098
Total	$ 16,453,586	$ 15,798,621	14,275,295	14,853,631

See accompanying independent auditor's report

Oelwein Community School District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
School Nutrition Cluster Programs			
School Breakfast Program	10.553	FY09	$ 69,088
National School Lunch Program	10.555	FY09	257,950
Summer Food Service	10.559	FY09	6,767
			333,805
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY09	344,275
Special Education-Grants to States	84.027	FY09	79,850
Career and Technical Education	84.048	FY09	1,385
Title IIA-Federal Teacher Quality Program	84.367	FY09	96,842
Safe and Drug-Free Schools and Communities-State Grants	84.186	FY09	8,405
ARRA-Special Education-Grants to States	84.391	FY09	43,026
Title VIA	84.369	FY09	8,762
ARRA-State Fiscal Stabilization Fund	84.394	FY09	121,532
ARRA-Title I Grants to Education Agencies	84.389A	FY09	42,724
Total			$ 1,080,606

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

See accompanying independent auditor's report

RFSW Ridihalgh Fuelling Snitker Weber & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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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
Oelwein 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 Oelwein 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 December 14, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oelwein 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 Oelwein Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oelwein 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. We noted no 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 Oelwein 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 Oelwein Community School District's financial statements that is more than inconsequential will not be prevented or detected by Oelwein Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Oelwein 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. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oelwein 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 IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Oelwein Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Oelwein 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 Oelwein Community School District and other parties to whom Oelwein 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 Oelwein 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.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.
Certified Public Accountants

December 14, 2009

RFSW Ridihalgh Fuelling Snitker Weber & Co.
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Independent Auditor's Report on Compliance with Requirements Applicable To Each Major Program and on Internal Control over Compliance In Accordance with OMB Circular A-133

To the Board of Education of
Oelwein Community School District:

Compliance

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

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

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

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. We noted no deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We noted no deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs that we consider to be material weaknesses.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We noted no deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs that we consider to be material weaknesses.

Oelwein Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Oelwein 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 Oelwein Community School District and other parties to whom Oelwein 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.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

Ridihalgh, Fuelling, Snitker, Weber & Co., .C.
Certified Public Accountants

December 14, 2009

OELWEIN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Part I: Summary of the Independent Auditor's Results

a) Unqualified opinions were issued on the financial statements.

b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.

c) The audit did not disclose any noncompliance which is material to the financial statements.

d) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.

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

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

g) Major programs were as follows:

CFDA #84.010 – Title I Grants to Local Educational Agencies
Clustered programs:
CFDA #10.553 School Breakfast Program
CFDA #10.555 National School Lunch Program
CFDA #10.574 Team Nutrition Grant

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

i) Oelwein Community School District did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

No reportable conditions.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

No reportable conditions.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-09 Official Depositories – Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2009.

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

IV-B-09 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-09 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-09 Business Transactions – No business transactions between the District and District officials or employees were noted.

IV-E-09 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-09 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-09 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.

IV-H-09 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

IV-I-09 Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-J-09 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

OELWEIN COMMUNITY SCHOOL DISTRICT

AUDIT STAFF

This audit was performed by:

Gene Fuelling, CPA
David L. Fox, CPA