

OGDEN COMMUNITY SCHOOL DISTRICT
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2009

Table of Contents

		<u>Page</u>
Officials		1
Independent Auditor's Report		2-3
Management's Discussion and Analysis (MD&A)		4-13
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	15-16
Statement of Activities	B	17-18
Governmental Fund Financial Statements:		
Balance Sheet	C	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	D	20
Statement of Revenues, Expenditures and Changes in Fund Balances	E	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	24
Statement of Revenues, Expenses, and Changes in Fund Net Assets	H	25
Statement of Cash Flows	I	26
Notes to Financial Statements		27-37
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund		39
Notes to Required Supplementary Information - Budgetary Reporting		40
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	42
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	43
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	3	44
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	4	45
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 <u>Government Auditing Standards</u>		46-47
Schedule of Findings and Responses		48-52

Gary E. Horton CPA

PO Box 384
902 Central Ave. E.
Clarion, IA 50525-0384
(515)532-6681 Phone
(515) 532-2405 Fax
BETCO@mchsi.com E-mail

Independent Auditor's Report

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

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2010, on our consideration of Ogden Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Budgetary Comparison Information on pages 4 through 13 and 39 through 40 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 Ogden Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other auditors previously audited the financial statements for the year ended June 30, 2004, (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4, 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.

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

January 19, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2009 Financial Highlights

- General Fund revenues increased from \$6,567,113 in fiscal 2008 to \$6,934,438 in fiscal 2009, while General Fund expenditures increased from \$6,866,784 in fiscal 2008 to \$7,096,867 in fiscal 2009. The District's General Fund balance decreased from \$169,108 in fiscal 2008 to \$(705) in fiscal 2009.
- The increase in General Fund revenues was attributable to an increase in property tax and a slight increase in state and federal grant revenue in fiscal 2009. The increase in expenditures was due primarily to an increase in instruction costs.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Ogden Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

Other Supplementary Information provides detailed information about the nonmajor funds.

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

Figure A-1
Ogden Community School District Annual Financial Report

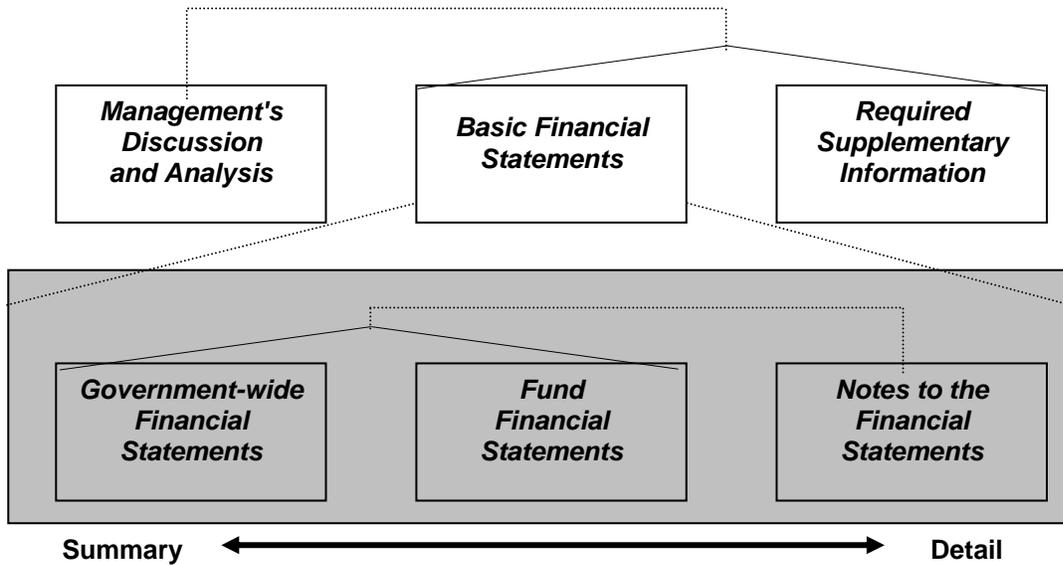


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3

	Condensed Statement of Net Assets						Percentage Change 2008-2009
	Governmental Activities		Business-type Activities		Total School District		
	2009	2008	2009	2008	2009	2008	
	\$	\$	\$	\$	\$	\$	
Current and other assets	7,558,976	6,646,635	7,616	8,472	7,566,592	6,655,107	13.7%
Capital assets	9,227,805	8,020,363	7,881	10,705	9,235,686	8,031,068	15.0%
Total assets	16,786,781	14,666,998	15,497	19,177	16,802,278	14,686,175	14.4%
Long-term liabilities	4,914,653	5,563,349			4,914,653	5,563,349	(11.7%)
Other liabilities	6,452,036	4,008,899	1,011	1,124	6,453,047	4,010,023	61.0%
Total liabilities	11,366,689	9,572,248	1,011	1,124	11,367,700	9,573,372	18.7%
Net Assets:	4,197,167	3,676,751	7,881	10,705	4,205,048	3,687,456	14.0%
Invested in capital assets, net of related debt							
Restricted	1,151,467	1,047,114			1,151,467	1,047,114	10.0%
Unrestricted	71,458	370,885	6,605	7,348	78,063	378,233	(79.4%)
TOTAL NET ASSETS	5,420,092	5,094,750	14,486	18,053	5,434,578	5,112,803	6.3%

The District's combined total net assets increased by approximately 6.3% or approximately \$312,775, over the prior year. The largest portion of the District's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased slightly approximately \$104,353 or 10% over the prior year.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$300,170, or 79.4%. This reduction in unrestricted net assets was a result of the District using carryover fund balance to meet its financial obligations during the year.

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

Figure A-4

	Change in Net Assets						Percentage Change 2008-2009
	Governmental Activities		Business-type Activities		Total School District		
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	
Revenues							
Program Revenues:							
Charges for services	936,451	1,080,392	184,585	169,945	1,121,036	1,250,337	(10.3%)
Operating grants & contributions	1,012,001	864,072	112,900	112,181	1,124,901	976,253	15.2%
Capital grants & contributions	87,560	9,430			87,560	9,430	828.5%
General Revenues:							
Property taxes	3,151,840	2,885,204			3,151,840	2,885,204	9.2%
Income Surtax	199,008	205,094			199,008	205,094	(3.0%)
Local option sales tax	405,907	401,381			405,907	401,381	1.1%
Unrestricted state grants	2,697,606	2,738,594			2,697,606	2,738,594	(1.5%)
Unrestricted investment earnings	10,031	35,415	40	219	10,031	35,634	(71.8%)
Other revenue	2,004	15,532			2,004	15,532	(87.1%)
Total Revenues	8,502,368	8,235,114	297,525	282,345	8,799,893	8,517,459	3.3%
Expenses:							
Instruction	5,201,250	4,950,869			5,201,250	4,950,869	5.1%
Support services	2,174,195	2,176,340			2,174,195	2,176,340	(.1%)
Non-instructional programs	36,464	23,196	301,092	290,110	337,556	313,306	7.7%
Other expenditures	765,117	698,157			765,117	698,157	9.6%
Total expenses	8,177,026	7,848,562	301,092	290,110	8,478,118	8,138,672	4.2%
Change in net assets before transfers	325,342	386,552	(3,567)	(7,765)	321,775	378,787	(15.1%)
Transfers		(6,742)		6,742	0.00	0.00	0.0%
CHANGE IN NET ASSETS	325,342	379,810	(3,567)	(1,023)	321,775	378,787	(15.1%)
Net assets beginning of year	5,094,750	4,714,940	18,053	19,076	5,112,803	4,734,016	8.0%
Net assets end of year	5,420,092	5,094,750	14,486	18,053	5,434,578	5,112,803	6.3%

In fiscal year 2009 property tax and unrestricted state grants account for 67% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 87% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$8,502,368 and expenses were \$8,177,026.

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

Figure A-5

	Total Cost of Services			Net Cost of Services		
	2009	2008	Change 2008- 2009	2009	2008	Change 2008- 2009
	\$	\$		\$	\$	
Instruction	5,201,250	4,950,869	250,381	3,512,952	3,347,171	165,781
Support Services	2,174,195	2,176,340	(2,145)	2,158,056	2,159,698	(1,642)
Non-instructional Programs	36,464	23,196	13,268	34,964	23,196	11,768
Other Expenses	765,117	698,157	66,960	435,042	364,603	70,439
TOTAL	8,177,026	7,848,562	328,464	6,141,014	5,894,668	246,346

For the year ended June 30, 2009

- The cost financed by users of the District's programs was \$936,451. Most of these revenues are derived from tuition charged to other school districts and from student activities.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,099,561.
- The net cost of governmental activities was financed with \$3,756,755 in property and local other taxes and \$2,697,606 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$297,525 and expenses were \$301,092. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2009, the District had another decrease in net assets. Operating expenses for salaries and benefits have increased over last fiscal year.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balances of \$1,566,983, well below last year's ending fund balances of \$3,116,740.

Governmental Fund Highlights

The General Fund balance decreased from \$169,108 to (\$705) due in part to the negotiated salary and benefits settlement and existing expenditure commitments of the District.

The Capital Projects Fund balance decreased from \$2,344,757 at June 30, 2009 to \$1,088,592 at June 30, 2009. This balance is from the fiscal year 2008 sale of capital loan notes to be used for the addition and renovation project at the high school. The balance remaining at June 30, 2009 will be paid as work on the

project progresses. The capital loan notes will be paid from the \$1.34 voter approved physical plant and equipment levy passed on September 12, 2007.

Nonmajor funds include the Management Fund, the Student Activity Fund, the Debt Service Fund, the Physical Plant and Equipment Levy Fund and the Public Education and Recreation Levy Fund. The Public Education and Recreation Levy Fund had a \$7,137 deficit unreserved fund balance at June 30, 2009.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$18,053 at June 30, 2008 to \$14,486 at June 30, 2009, representing a decrease of approximately 24.6%. For fiscal 2009, expenses slightly increased due to rising costs in supplies and employee salary & benefits. Revenues for the sale of breakfast and lunches increased from \$169,945 at June 30, 2008 to \$184,585 at June 30, 2009.

BUDGETARY HIGHLIGHTS

During the fiscal year 2009, Ogden Community School District adopted one budget amendment increasing budgeted expenditures by \$51,966.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the non-instructional programs services functional area due to the timing of expenditures paid at year-end without sufficient time to amend the certified budget. Expenditures were exceeded by \$1,308.

During the year ended June 30, 2009 the District exceeded its General Fund unspent authorized budget by approximately \$460,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the District had invested \$9,235,686, accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents an increase of 15.0% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$317,314.

The original cost of the District's capital assets was \$14,470,780. Governmental funds account for \$14,420,795 with the remainder of \$49,985 accounted for in the Proprietary, School Nutrition Fund.

During fiscal year 2009, the District had construction in progress with the addition and renovation of the high school building. Construction will be completed in fiscal year 2010. The District has committed \$230,000 to complete this project.

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business type Activities		Total School District		Percentage Change 2008-2009
	2009	2008	2009	2008	2009	2008	
	\$	\$	\$	\$	\$	\$	
Land	73,700	73,700			73,700	73,700	0.00%
Construction in progress	1,517,489	160,837			1,517,489	160,837	843.5%
Buildings	6,731,480	6,820,184			6,731,480	6,820,184	(1.3%)
Improvements	600,159	625,095			600,159	625,095	(4.0%)
Equipment & furniture	304,977	340,547	7,881	10,705	312,858	351,252	(10.9%)
TOTAL	9,227,805	8,020,363	7,881	10,705	9,235,686	8,031,068	15.0%

Long-Term Debt

At June 30, 2009 the District had \$5,579,084 in general obligation, revenue and other long-term debt outstanding. This represents a decrease of approximately 10.6% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District had total outstanding bonded indebtedness at June 30, 2009 of \$5,536,000.

Figure A-7

Outstanding Long-Term Obligations

	Total School District		Percentage Change 2008-2009
	2009	2008	
	\$	\$	
General obligation bonds	2,715,000	2,970,000	(8.6%)
Revenue bonds	960,000	1,130,000	(15.0%)
Capital loan notes	1,861,000	2,067,000	(10.0%)
Capital leases	0	18,655	(100.0%)
Early retirement	20,703	30,621	(32.3%)
Compensated absences	22,381	21,604	(3.5%)
	5,579,084	6,237,880	(10.6%)

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- School financing is highly dependent upon student enrollment. The District's October 2009 certified enrollment remained relatively steady, with a slight increase of 2 students.
- The District will experience a 10% across the board cut from the State for the remainder of the 2009 – 2010 school year and will possibly experience these cuts in future years. The district will take this into account while preparing the 2010 – 2011 budget and beyond.

- The District will negotiate a new agreement during fiscal 2010. Settlements in excess of “new money” or allowable growth in state funding will have an adverse effect on the District’s General Fund budget and related fund balance.
- There has been a reduction in commercial businesses in the District in the past several years.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide the District’s citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kris Van Pelt, District Business Manager, Ogden Community School District, 732 W. Division St, Ogden, Iowa 50212.

BASIC FINANCIAL STATEMENTS

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2009

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Assets			
Cash and cash equivalents:			
ISCAP	1,028,202	-	1,028,202
Other	2,352,148	871	2,353,019
Receivables:			
Property tax:			
Delinquent	45,308	-	45,308
Succeeding year	3,621,544	-	3,621,544
Accrued interest ISCAP	5,811	-	5,811
Due from other governments	443,269	-	443,269
Inventories	-	6,745	6,745
Bond issue costs	62,694	-	62,694
Capital assets, net of accumulated depreciation	9,227,805	7,881	9,235,686
	<u>16,786,781</u>	<u>15,497</u>	<u>16,802,278</u>
Liabilities			
Accounts payable	354,063	-	354,063
Salaries and benefits payable	726,437	-	726,437
Accrued interest payable	48,903	-	48,903
Deferred revenue:			
Succeeding year property tax	3,621,544	-	3,621,544
Other	-	1,011	1,011
ISCAP warrants payable	1,014,000	-	1,014,000
ISCAP accrued interest payable	8,224	-	8,224
ISCAP premium	14,434	-	14,434
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	260,000	-	260,000
Revenue bonds payable	180,000	-	180,000
Notes payable	211,000	-	211,000
Termination benefits	5,250	-	5,250
Compensated absences	8,181	-	8,181
Portion due after one year:			
General obligation bonds payable	2,455,000	-	2,455,000
Revenue bonds payable	780,000	-	780,000
Notes payable	1,650,000	-	1,650,000
Termination benefits	15,453	-	15,453
Compensated absences	14,200	-	14,200
	<u>11,366,689</u>	<u>1,011</u>	<u>11,367,700</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2009

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Net assets			
Invested in capital assets, net of related debt	4,197,167	7,881	4,205,048
Restricted for:			
Categorical funding	151,610	-	151,610
Management levy	19,176	-	19,176
Physical plant and equipment levy	39,576	-	39,576
Other special revenue purposes	54,136	-	54,136
Sales tax capital projects	583,230	-	583,230
Debt service	303,739	-	303,739
Unrestricted	71,458	6,605	78,063
Total net assets	<u>5,420,092</u>	<u>14,486</u>	<u>5,434,578</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	\$	\$	\$	\$
Governmental activities:				
Instruction:				
Regular	3,203,115	505,488	630,334	-
Special	827,996	81,306	56,284	-
Other	1,170,139	340,867	74,019	-
	<u>5,201,250</u>	<u>927,661</u>	<u>760,637</u>	<u>-</u>
Support services:				
Student	159,340	-	-	-
Instructional staff	208,130	-	-	-
Administration	727,398	-	-	-
Operation and maintenance of plant	748,328	8,790	-	-
Transportation	330,999	-	7,349	-
	<u>2,174,195</u>	<u>8,790</u>	<u>7,349</u>	<u>-</u>
Non-instructional programs	<u>36,464</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	69,579	-	-	-
Long-term debt interest	214,714	-	2,891	87,560
AEA flowthrough	239,624	-	239,624	-
Depreciation (unallocated)*	241,200	-	-	-
	<u>765,117</u>	<u>-</u>	<u>242,515</u>	<u>87,560</u>
Total governmental activities	8,177,026	936,451	1,012,001	87,560
Business type activities:				
Non-instructional programs:				
Food service operations	301,092	184,585	112,900	-
Total	<u>8,478,118</u>	<u>1,121,036</u>	<u>1,124,901</u>	<u>87,560</u>

General Revenues:

Property taxes levied for:
General purposes
Debt service
Capital outlay
Income surtax
Statewide sales and services tax
Unrestricted state grants
Unrestricted investment earnings
Other
Total general revenues

Change in net assets

Net assets beginning of year
Net assets end of year

*This amount excludes the depreciation that is included in the direct expenses of the various programs.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$	\$	\$
(2,067,293)	-	(2,067,293)
(690,406)	-	(690,406)
(755,253)	-	(755,253)
<u>(3,512,952)</u>	<u>-</u>	<u>(3,512,952)</u>
(159,340)	-	(159,340)
(208,130)	-	(208,130)
(727,398)	-	(727,398)
(739,538)	-	(739,538)
(323,650)	-	(323,650)
<u>(2,158,056)</u>	<u>-</u>	<u>(2,158,056)</u>
(34,964)	-	(34,964)
(69,579)	-	(69,579)
(124,263)	-	(124,263)
-	-	-
(241,200)	-	(241,200)
<u>(435,042)</u>	<u>-</u>	<u>(435,042)</u>
(6,141,014)	-	(6,141,014)
-	(3,607)	(3,607)
<u>(6,141,014)</u>	<u>(3,607)</u>	<u>(6,144,621)</u>
2,485,593	-	2,485,593
359,598	-	359,598
306,649	-	306,649
199,008	-	199,008
405,907	-	405,907
2,697,606	-	2,697,606
9,991	40	10,031
2,004	-	2,004
<u>6,466,356</u>	<u>40</u>	<u>6,466,396</u>
325,342	(3,567)	321,775
<u>5,094,750</u>	<u>18,053</u>	<u>5,112,803</u>
<u>5,420,092</u>	<u>14,486</u>	<u>5,434,578</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2009

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
	\$	\$	\$	\$
Assets				
Cash and pooled investments:				
ISCAP	1,028,202	-	-	1,028,202
Other	637,889	1,232,940	481,319	2,352,148
Receivables:				
Property tax:				
Delinquent	34,652	-	10,656	45,308
Succeeding year	2,812,275	-	809,269	3,621,544
Accrued interest - ISCAP	5,811	-	-	5,811
Due from other governments	359,264	84,005	-	443,269
Total assets	4,878,093	1,316,945	1,301,244	7,496,282
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	116,178	228,353	9,532	354,063
Salaries and benefits payable	723,090	-	3,347	726,437
ISCAP warrants payable	1,014,000	-	-	1,014,000
ISCAP accrued interest payable	8,224	-	-	8,224
ISCAP premium	14,434	-	-	14,434
Deferred revenue:				
Succeeding year property tax	2,812,275	-	809,269	3,621,544
Income surtax	190,597	-	-	190,597
Total liabilities	4,878,798	228,353	822,148	5,929,299
Fund balances:				
Reserved for:				
Categorical funding	151,610	-	-	151,610
Debt service	-	-	352,642	352,642
Unreserved reported in:				
General fund	(152,315)	-	-	(152,315)
Special revenue funds	-	-	126,454	126,454
Capital projects funds	-	1,088,592	-	1,088,592
Total fund balances	(705)	1,088,592	479,096	1,566,983
Total liabilities and fund balances	4,878,093	1,316,945	1,301,244	7,496,282

OGDEN 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 (Exhibit C)	1,566,983
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	9,227,805
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	190,597
Bond issue costs are reported as an asset in the statement of net assets and are amortized over the life of the bonds.	62,694
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.	(48,903)
Long-term liabilities, including bonds payable, notes payable, compensated absences and termination benefits, are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(5,579,084)</u>
Net assets of governmental activities (Exhibit A)	<u><u>5,420,092</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2009

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	2,607,597	375,905	741,282	3,724,784
Tuition	525,364	-	-	525,364
Other	142,072	58,413	358,263	558,748
Intermediate sources	4,100	-	-	4,100
State sources	3,428,766	30,002	441	3,459,209
Federal sources	226,529	-	-	226,529
Total revenues	<u>6,934,428</u>	<u>464,320</u>	<u>1,099,986</u>	<u>8,498,734</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,120,509	-	53,671	3,174,180
Special	827,996	-	-	827,996
Other	823,085	-	340,261	1,163,346
	<u>4,771,590</u>	<u>-</u>	<u>393,932</u>	<u>5,165,522</u>
Support services:				
Student	158,562	-	-	158,562
Instructional staff	193,578	-	-	193,578
Administration	718,872	-	-	718,872
Operation and maintenance of plant	698,451	-	42,874	741,325
Transportation	316,190	-	8,934	325,124
	<u>2,085,653</u>	<u>-</u>	<u>51,808</u>	<u>2,137,461</u>
Non-instructional programs	-	-	36,464	36,464
Other expenditures:				
Facilities acquisition	-	1,505,558	85,953	1,591,511
Long-term debt:				
Principal	-	-	649,655	649,655
Interest and fiscal charges	-	-	229,919	229,919
AEA flowthrough	239,624	-	-	239,624
	<u>239,624</u>	<u>1,505,558</u>	<u>965,527</u>	<u>2,710,709</u>
Total expenditures	<u>7,096,867</u>	<u>1,505,558</u>	<u>1,447,731</u>	<u>10,050,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(162,439)</u>	<u>(1,041,238)</u>	<u>(347,745)</u>	<u>(1,551,422)</u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2009

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
	\$	\$	\$	\$
Other financing sources (uses):				
Compensation for loss of fixed assets	-	1,400	-	1,400
Sales of equipment	265	-	-	265
Operating transfers in	2,208	-	525,643	527,851
Operating transfers out	(9,847)	(216,327)	(301,677)	(527,851)
Total other financing sources (uses)	<u>(7,374)</u>	<u>(214,927)</u>	<u>223,966</u>	<u>1,665</u>
Net change in fund balances	(169,813)	(1,256,165)	(123,779)	(1,549,757)
Fund balances beginning of year	<u>169,108</u>	<u>2,344,757</u>	<u>602,875</u>	<u>3,116,740</u>
Fund balances end of year	<u><u>(705)</u></u>	<u><u>1,088,592</u></u>	<u><u>479,096</u></u>	<u><u>1,566,983</u></u>

OGDEN 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 (Exhibit E)		(1,549,757)
 <i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
<p>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:</p>		
Expenditures for capital assets	1,521,932	
Depreciation expense	<u>(314,490)</u>	1,207,442
<p>Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.</p>		
		1,969
<p>Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
		649,655
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		15,205
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:</p>		
Termination benefits	9,918	
Compensated absences	<u>(777)</u>	9,141
<p>Bond issue costs are reported as an expense in the governmental fund financial statements when incurred, but are capitalized and amortized over the life of the bonds in the government-wide financial statements.</p>		
		<u>(8,313)</u>
Changes in net assets of governmental activities (Exhibit B)		<u><u>325,342</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds

June 30, 2009

	Nonmajor School Nutrition
	<u>\$</u>
Assets	
Cash and cash equivalents	871
Inventories	6,745
Capital assets, net of accumulated depreciation	<u>7,881</u>
Total assets	<u>15,497</u>
Liabilities	
Deferred revenue	<u>1,011</u>
Net assets	
Invested in capital assets	7,881
Unrestricted	<u>6,605</u>
Total net assets	<u><u>14,486</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2009

	Nonmajor School Nutrition
	<u>\$</u>
Operating revenues:	
Local sources:	
Charges for service	<u>184,585</u>
Operating expenses:	
Non-instructional programs:	
Salaries	121,894
Benefits	42,886
Purchased services	5,127
Supplies	128,361
Depreciation	<u>2,824</u>
Total operating expenses	<u>301,092</u>
Operating gain (loss)	<u>(116,507)</u>
Non-operating revenues:	
State sources	3,699
Federal sources	109,201
Interest income	40
Total non-operating revenues	<u>112,940</u>
Change in net assets	(3,567)
Net assets beginning of year	<u>18,053</u>
Net assets end of year	<u><u>14,486</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2009

	Nonmajor School Nutrition
	<u>\$</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	184,472
Cash payments to employees for services	(164,780)
Cash payments to suppliers for goods or services	(112,249)
Net cash used by operating activities	<u>(92,557)</u>
Cash flows from non-capital financing activities:	
State grants received	3,699
Federal grants received	89,678
Net cash provided by non-capital financing activities	<u>93,377</u>
Cash flows from capital and related financing activities	<u>-</u>
Cash flows from investing activities:	
Interest on investments	<u>40</u>
Net increase (decrease) in cash and cash equivalents	860
Cash and cash equivalents at beginning of year	<u>11</u>
Cash and cash equivalents at end of year	<u><u>871</u></u>
Reconciliation of operating gain (loss) to net cash used by operating activities:	
Operating gain (loss)	(116,507)
Adjustments to reconcile operating gain (loss) to net cash used by operating activities:	
Commodities used	19,624
Depreciation	2,824
Decrease (increase) in inventories	1,615
(Decrease) increase in deferred revenue	<u>(113)</u>
Net cash used by operating activities	<u><u>(92,557)</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2009, the District received \$19,624 of federal commodities.

OGDEN COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2009

1. Summary of Significant Accounting Policies

Ogden Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Ogden, Iowa and the predominately agricultural territory in a portion of Boone County. 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, Ogden Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The Ogden 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 County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

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

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

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

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

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the 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 nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

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

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 judgements, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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, have a maturity date no longer than three months.

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

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

Property tax revenue recognized in these funds became 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 repair 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.

<u>Asset Class</u>	<u>Amount</u>
	\$
Land	-
Buildings	1,000
Improvements other than buildings	1,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,000

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	25-50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

The District's collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

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

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

Deferred revenue in the Statement of Net Assets consists of unspent grant proceeds, amounts received in advance for meal sales and 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 and sick leave hours for subsequent use or for payment upon retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have 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 Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or 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 are imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, expenditures in the non-instructional programs functional area exceeded the amount budgeted and the District exceeded its General Fund unspent authorized budget.

2. **Cash and Pooled Investments**

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

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

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

	<u>Fair Value</u>
	\$
Goldman Sachs Financial Square Treasury Obligations Fund	282,377

Credit risk: The investment in the Goldman Sachs Financial Square Treasury Obligations Fund was rated Aaa by Moody's Investors Service.

3. Interfund Transfers

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

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
		\$
Debt Service Fund	Nonmajor Funds: Physical Plant and Equipment Levy Fund	299,469
Debt Service Fund	Capital Projects Fund	216,327
Nonmajor Student Activity Fund	General Fund	9,847
General Fund	Nonmajor Student Activity Fund	2,208

These transfers moved revenues from the funds statutorily required to collect the resources to the fund statutorily required to expend the resources.

4. Iowa School Cash Anticipation Program (ISCAP)

The District participates in the Iowa School 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. N.A. is the trustee for the program. A summary of the District's participation in ISCAP as of June 30, 2009 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Investments</u>	<u>Accrued Interest Receivable</u>	<u>Warrants Payable</u>	<u>Accrued Interest Payable</u>
			\$	\$	\$	\$
2008-09B	1/21/09	1/21/10	622,884	5,761	615,000	8,088
2009-10A	6/25/09	6/23/10	405,318	50	399,000	136
Total			<u>1,028,202</u>	<u>5,811</u>	<u>1,014,000</u>	<u>8,224</u>

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date 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:

Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
\$	\$	\$	\$
-	-	-	-

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
	%	%
2008-09B	3.000	2.110
2009-10A	2.500	0.902

5. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	160,837	1,356,652	-	1,517,489
Land	73,700	-	-	73,700
Total capital assets not being depr.	<u>234,537</u>	<u>1,356,652</u>	<u>-</u>	<u>1,591,189</u>
Capital assets being depreciated:				
Buildings	9,919,359	113,930	-	10,033,289
Improvements other than buildings	1,024,781	13,630	-	1,038,411
Furniture and equipment	1,735,187	37,720	15,001	1,757,906
Total capital assets being deprec.	<u>12,679,327</u>	<u>165,280</u>	<u>15,001</u>	<u>12,829,606</u>
Less accumulated depreciation for:				
Buildings	3,099,175	202,634	-	3,301,809
Improvements other than buildings	399,686	38,566	-	438,252
Furniture and equipment	1,394,640	73,290	15,001	1,452,929
Total accumulated depreciation	<u>4,893,501</u>	<u>314,490</u>	<u>15,001</u>	<u>5,192,990</u>
Total capital assets being depreciated, net	<u>7,785,826</u>	<u>(149,210)</u>	<u>-</u>	<u>7,636,616</u>
Governmental activities capital assets, net	<u>8,020,363</u>	<u>1,207,442</u>	<u>-</u>	<u>9,227,805</u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Business type activities:				
Furniture and equipment	49,985	-	-	49,985
Less accumulated depreciation	<u>39,280</u>	<u>2,824</u>	<u>-</u>	<u>42,104</u>
Business type activities capital assets, net	<u>10,705</u>	<u>(2,824)</u>	<u>-</u>	<u>7,881</u>

Depreciation expense was charged to the following functions:

	\$
Governmental activities:	
Instruction:	
Regular	38,853
Special	
Other	6,793
Support services:	
Student services	778
Instructional staff services	14,552
Administration services	213
Operation and maintenance of plant services	6,226
Transportation	<u>5,875</u>
	73,290
Unallocated depreciation	<u>241,200</u>
Total depreciation expense – governmental activities	<u>314,490</u>
Business type activities:	
Food services	<u>2,824</u>

6. Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
	\$	\$	\$	\$	\$
General obligation bonds	2,970,000	-	255,000	2,715,000	260,000
Sales tax revenue bonds	1,130,000	-	170,000	960,000	180,000
Capital loan notes	2,067,000	-	206,000	1,861,000	211,000
Capital lease	18,655	-	18,655	-	-
Compensated absences	21,604	8,181	7,404	22,381	8,181
Termination benefits	30,621	-	9,918	20,703	5,250
Total	<u>6,237,880</u>	<u>8,181</u>	<u>666,977</u>	<u>5,579,084</u>	<u>664,431</u>

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least fifteen years of continuous service to the District and must have reached the age of fifty-nine on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Education.

Early retirement benefits are equal to 30% of the employee's regular contractual salary in effect during the employee's last year of employment and the District will pay up to \$250 per month for single health insurance until the retiree is eligible for Medicare.

Early retirement benefits will be paid in two equal installments, the first in July following the start of retirement and the second payment will be paid the following January.

At June 30, 2009, the District has obligations to two participants with a total liability of \$20,703. Actual early retirement expenditures for the year ended June 30, 2009 totaled \$7,404.

General Obligation Bonds Payable

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

<u>Year Ending June 30,</u>	<u>Refunding Bond Issue of April, 2008</u>			
	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2010	2.65	260,000	95,885	355,885
2011	2.90	270,000	88,995	358,995
2012	3.10	280,000	81,165	361,165
2013	3.45	290,000	72,485	362,485
2014	3.60	300,000	62,480	362,480
2015-2018	3.75-4.05	<u>1,315,000</u>	<u>143,485</u>	<u>1,458,485</u>
		<u>2,715,000</u>	<u>544,495</u>	<u>3,259,495</u>

Revenue Bonds Payable

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

<u>Year Ending June 30,</u>	<u>Bond Issue of June, 2004</u>			
	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2010	4.50	180,000	42,925	222,925
2011	4.50	185,000	34,825	219,825
2012	4.30	190,000	26,500	216,500
2013	4.45	200,000	18,330	218,330
2014	4.60	<u>205,000</u>	<u>9,430</u>	<u>214,430</u>
		<u>960,000</u>	<u>132,010</u>	<u>1,092,010</u>

The District has pledged future local option (statewide) sales and services tax revenues to repay the \$1,700,000 bonds issued in June 2004. The bonds were issued for the purpose of adding an addition to the elementary school. The bonds are payable solely from the proceeds of the local option (statewide) sales and services tax revenues received by the District and are payable through 2014. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitations of the District. Annual principal and interest payments on the bonds are

expected to require nearly 55 percent of the local option (statewide) sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$1,092,010. For the current year, \$170,000 of principal and \$ 50,065 of interest was paid on the bonds and total statewide sales and services tax revenues were \$405,907.

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

- The bonds will only be redeemed from the future earnings of the local option sales tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- \$170,000 of the proceeds from the bond issue have been placed in a reserve account with a trustee. The reserve account may be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The reserve account is part of the District's Debt Service Fund.
- Proceeds from the local option sales and services tax shall be placed in a revenue account with a trustee. The trustee will make monthly transfers from the revenue account to the sinking account. Money in the sinking account shall be used to pay the interest and principal on the bonds. Any surplus monies remaining in the revenue fund at the end of a quarter may be used for any lawful purpose for which the local option sales tax may be used or may be used to redeem the bonds in accordance with their terms. The sinking fund is part of the Debt Service Fund.

Capital Loan Notes

The District issued \$1,995,000 of capital loan notes during the year ended June 30, 2008 and issued \$180,000 of notes during the year ended June 30, 2005. These notes and the interest will be paid from the Special Revenue, Physical Plant and Equipment Levy Fund. Details of the capital loan notes are as follows:

Year Ending June 30,	Issue of April 2008			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2010	3.000	175,000	65,245	240,245
2011	3.000	180,000	59,995	239,995
2012	3.100	190,000	54,595	244,595
2013	3.450	195,000	48,705	243,705
2014	3.600	200,000	41,978	241,978
2015-2018	3.750-4.050	885,000	89,715	974,715
		<u>1,825,000</u>	<u>360,233</u>	<u>2,185,233</u>

Year Ending June 30,	Issue of April 1, 2005			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2010	3.25	36,000	1,170	37,170
		<u>36,000</u>	<u>1,170</u>	<u>37,170</u>

During the year ended June 30, 2009 the District made principal and interest payments totaling \$279,121 under the note agreements.

7. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that 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 contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$234,758, \$236,148 and \$215,919 respectively, equal to the required contributions for each year.

8. Risk Management

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

9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$239,624 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

10. Construction Commitment

The District has entered into a \$1,536,000 contract for construction. As of June 30, 2009 costs of \$1,307,597 had been incurred against the contract. The balance remaining at June 30, 2009 will be paid as work on the project progresses.

11. Deficit Fund Balances

At June 30, 2009 the District had a General Fund deficit unreserved fund balance of \$152,315 and the Nonmajor Public Education and Recreation Levy Fund had a deficit unreserved fund balance of \$7,137.

REQUIRED SUPPLEMENTARY INFORMATION

OGDEN 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 Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
				Original	Final	
	\$	\$	\$	\$	\$	\$
Revenues:						
Local sources	4,808,896	184,625	4,993,521	5,346,672	5,346,672	(353,151)
Intermediate sources	4,100	-	4,100	-	-	4,100
State sources	3,459,209	3,699	3,462,908	3,556,746	3,556,746	(93,838)
Federal sources	226,529	109,201	335,730	1,075,000	1,075,000	(739,270)
Total revenues	<u>8,498,734</u>	<u>297,525</u>	<u>8,796,259</u>	<u>9,978,418</u>	<u>9,978,418</u>	<u>(1,182,159)</u>
Expenditures/Expenses:						
Instruction	5,165,522	-	5,165,522	6,040,213	6,040,213	874,691
Support services	2,137,461	-	2,137,461	2,254,271	2,306,237	168,776
Non-instructional programs	36,464	301,092	337,556	336,248	336,248	(1,308)
Other expenditures	2,710,709	-	2,710,709	3,245,875	3,245,875	535,166
Total expenditures/expenses	<u>10,050,156</u>	<u>301,092</u>	<u>10,351,248</u>	<u>11,876,607</u>	<u>11,928,573</u>	<u>1,577,325</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(1,551,422)	(3,567)	(1,554,989)	(1,898,189)	(1,950,155)	395,166
Other financing sources (uses) net	<u>1,665</u>	<u>-</u>	<u>1,665</u>	<u>-</u>	<u>-</u>	<u>1,665</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses	(1,549,757)	(3,567)	(1,553,324)	(1,898,189)	(1,950,155)	396,831
Balance beginning of year	<u>3,116,740</u>	<u>18,053</u>	<u>3,134,793</u>	<u>3,827,006</u>	<u>3,827,006</u>	<u>(692,213)</u>
Balance end of year	<u><u>1,566,983</u></u>	<u><u>14,486</u></u>	<u><u>1,581,469</u></u>	<u><u>1,928,817</u></u>	<u><u>1,876,851</u></u>	<u><u>(295,382)</u></u>

OGDEN 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 Internal Service, Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the 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 function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$51,966.

During the year ended June 30, 2009, expenditures in the non-instructional programs function exceeded the amount budgeted and the District exceeded its General Fund unspent authorized budget.

OTHER SUPPLEMENTARY INFORMATION

OGDEN COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2009

Assets	Special Revenue Funds					Total
	Management	Student	Physical	Public	Debt	
	Levy	Activity	Plant and	Education	Service	
		Equipment	and			
	\$	Fund	Levy	Recreation		\$
				Levy		
Cash and pooled investments	39,156	54,136	40,554	-	347,473	481,319
Receivables:						
Property tax:						
Delinquent	723	-	4,408	356	5,169	10,656
Succeeding year	100,000	-	326,954	26,430	355,885	809,269
Total assets	139,879	54,136	371,916	26,786	708,527	1,301,244
Liabilities & Fund Balances						
Liabilities:						
Accounts payable	-	-	5,386	4,146	-	9,532
Salaries and benefits payable	-	-	-	3,347	-	3,347
Deferred revenue:						
Succeeding year property tax	100,000	-	326,954	26,430	355,885	809,269
Total liabilities	100,000	-	332,340	33,923	355,885	822,148
Fund balances:						
Reserved for debt service	-	-	-	-	352,642	352,642
Unreserved reported in:						
Special revenue funds	39,879	54,136	39,576	(7,137)	-	126,454
Total fund balances	39,879	54,136	39,576	(7,137)	352,642	479,096
Total liabilities and fund balances	139,879	54,136	371,916	26,786	708,527	1,301,244

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2009

	Special Revenue Funds					Total
	Management	Student	Physical	Public	Debt	
	Levy	Activity	Plant and	Education	Service	
		Equipment	and			
		Levy	Recreation			
	\$	Fund	Levy	Levy	\$	\$
Revenues:						
Local sources:						
Local tax	50,246	-	306,649	24,789	359,598	741,282
Other	501	317,725	31,163	5,983	2,891	358,263
State sources	30	-	182	15	214	441
Total revenues	<u>50,777</u>	<u>317,725</u>	<u>337,994</u>	<u>30,787</u>	<u>362,703</u>	<u>1,099,986</u>
Expenditures:						
Current:						
Instruction:						
Regular	53,671	-	-	-	-	53,671
Other	-	340,261	-	-	-	340,261
Support services:						
Operation and maintenance	42,874	-	-	-	-	42,874
Transportation	4,875	-	-	4,059	-	8,934
Non-instructional programs	-	-	-	36,464	-	36,464
Other expenditures:						
Facilities acquisition	-	-	85,953	-	-	85,953
Long-term debt:						
Principal	-	-	-	-	649,655	649,655
Interest and fiscal charges	-	-	-	-	229,919	229,919
Total expenditures	<u>101,420</u>	<u>340,261</u>	<u>85,953</u>	<u>40,523</u>	<u>879,574</u>	<u>1,447,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,643)</u>	<u>(22,536)</u>	<u>252,041</u>	<u>(9,736)</u>	<u>(516,871)</u>	<u>(347,745)</u>
Other financing sources (uses):						
Operating transfers in	-	9,847	-	-	515,796	525,643
Operating transfers out	-	(2,208)	(299,469)	-	-	(301,677)
Total other financing sources (uses)	<u>-</u>	<u>7,639</u>	<u>(299,469)</u>	<u>-</u>	<u>515,796</u>	<u>223,966</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(50,643)</u>	<u>(14,897)</u>	<u>(47,428)</u>	<u>(9,736)</u>	<u>(1,075)</u>	<u>(123,779)</u>
Fund balances beginning of year	<u>90,522</u>	<u>69,033</u>	<u>87,004</u>	<u>2,599</u>	<u>353,717</u>	<u>602,875</u>
Fund balances end of year	<u>39,879</u>	<u>54,136</u>	<u>39,576</u>	<u>(7,137)</u>	<u>352,642</u>	<u>479,096</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2009

Account	Balance	Revenues	Expenditures	Intra-fund Transfers	Balance End
	Beginning of Year				of Year
	\$	\$	\$	\$	\$
Interest account	53	381	-	(428)	6
Annual - past	5,344	487	4,914	2,222	3,139
Annual - current	-	2,680	458	(2,222)	-
Activity tickets	-	14,054	2,208	(11,846)	-
Student council	10,393	7,241	9,754	(1,348)	6,532
Concessions	-	10,622	8,631	-	1,991
Art club	-	160	88	-	72
Drama	-	3,717	7,938	4,221	-
CMS club	4,589	287	890	-	3,986
International club	473	572	714	-	331
Boys "O" club	491	12,946	12,800	-	637
Girls "O" club	4,109	4,351	4,123	239	4,576
DC/NYC trip	21,947	143,119	150,419	321	14,968
Cheerleaders	2,020	4,162	6,111	-	71
Character education	1,092	419	623	-	888
Phoenix II club	97	-	-	-	97
Seniors	-	4,381	5,278	3,227	2,330
Juniors	3,242	9,772	10,293	(2,265)	456
Sophomores	1,332	5,621	3,306	(1,332)	2,315
Freshman	-	996	697	-	299
Athletic resale	-	5,066	5,066	-	-
Boys basketball	-	2,933	4,692	1,759	-
Football	-	9,261	8,188	(1,073)	-
Baseball	710	9,510	8,984	33	1,269
Boys track	-	3,342	3,129	(213)	-
Boys/girls cross country	-	1,648	2,985	1,337	-
Boys/girls golf	-	609	1,279	670	-
Wrestling	-	7,880	10,160	2,280	-
Girls basketball	634	7,568	7,902	174	474
Volleyball	-	1,856	4,453	2,597	-
Girls track	-	5,800	6,372	572	-
Softball	2,071	3,895	4,549	602	2,019
Miscellaneous athletics	1,683	5,602	7,618	473	140
Middle school misc. athletics	2,347	2,418	7,886	3,375	254
Middle school athletic resale	-	1,597	1,222	(375)	-
Middle fundraising	1,820	25,519	22,073	(3,000)	2,266
Elementary fundraising	1,518	1,954	1,415	-	2,057
RSA club	1,896	2,483	2,154	-	2,225
English club	-	315	268	-	47
Middle school student council	649	386	695	-	340
Middle school concessions	523	1,962	2,134	-	351
Total	69,033	327,572	342,469	-	54,136

OGDEN COMMUNITY SCHOOL DISTRICT

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

For the Last Six Years

	Modified Accrual Basis					
	2009	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$
Revenues:						
Local sources:						
Local tax	3,724,784	3,420,954	3,462,969	3,159,100	3,068,526	2,940,760
Tuition	525,364	591,169	631,539	601,446	592,000	663,974
Other	558,748	639,445	761,285	585,767	554,301	574,949
Intermediate sources	4,100	-	-	-	-	-
State sources	3,459,209	3,424,108	3,377,645	3,398,630	3,150,578	2,705,023
Federal sources	226,529	140,196	144,518	133,928	124,041	115,011
Total revenues	<u>8,498,734</u>	<u>8,215,872</u>	<u>8,377,956</u>	<u>7,878,871</u>	<u>7,489,446</u>	<u>6,999,717</u>
Expenditures:						
Instruction:						
Regular	3,174,180	2,997,905	2,871,069	2,788,368	2,676,199	2,522,556
Special	827,996	780,523	732,927	691,607	947,610	859,634
Other	1,163,346	1,145,803	1,192,718	953,419	842,145	804,993
Support services:						
Student	158,562	177,496	167,385	164,512	220,374	356,962
Instructional staff	193,578	223,407	172,427	178,040	146,988	-
Administration	718,872	753,519	676,545	673,181	686,798	679,187
Operation and maintenance	741,325	736,196	671,385	674,148	632,183	669,586
Transportation	325,124	331,405	338,826	308,142	301,708	281,492
Non-instructional programs	36,464	23,196	27,429	54,806	42,912	27,265
Other expenditures:						
Facilities acquisition	1,591,511	490,629	272,948	176,549	1,688,930	307,686
Long-term debt:						
Principal	649,655	563,443	542,311	511,000	385,000	280,000
Interest and other charges	229,919	221,534	245,894	262,985	244,439	216,685
AEA flowthrough	239,624	229,281	225,505	218,628	210,629	200,134
Total expenditures	<u>10,050,156</u>	<u>8,674,337</u>	<u>8,137,369</u>	<u>7,655,385</u>	<u>9,025,915</u>	<u>7,206,180</u>

Gary E. Horton CPA

PO Box 384
902 Central Ave. E.
Clarion, IA 50525-0384
(515)532-6681 Phone
(515) 532-2405 Fax
BETCO@mchsi.com E-mail

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
Ogden 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 Ogden 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 January 19, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ogden 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 Ogden Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ogden Community School District's internal control over financial reporting.

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

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Ogden 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 Ogden Community School District's financial statements that is more than inconsequential will not be prevented or detected by Ogden Community School District's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items 09-I-A, 09-I-B and 09-0I-C are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ogden 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. We also noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings and Responses.

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.

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

BURTON E. TRACY & CO., P.C.
Certified Public Accountants

January 19, 2010

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2009

Part I: Findings Related to the Financial Statements:

Significant deficiencies:

09-I-A Segregation of Duties: The limited number of personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities, such as recording and processing cash receipts, preparing checks and bank reconciliations, preparing and posting general journal entries, preparation of journals and general financial information for ledger posting, and the analysis of financial information. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability, although we noted the District had taken steps to segregate duties between the present personnel. This is not an unusual condition but it is important the District officials are aware that the condition exists.

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

District Response: We will continue to review our procedures and implement additional controls where possible.

Conclusion: Response accepted.

09-I-B Signature Stamp: We noted that a stamp bearing the signature of the Board President is used to cosign checks. The stamp is under the care, custody and control of the administrative office. This practice negates the internal control procedure established by requiring two signatures on a check.

Recommendation: We recommend that this practice cease. The board may designate a person other than the board president to cosign checks. If a signature stamp is used, it should remain under the control of the person whose name the stamp bears at all times.

District Response: We will discuss methods to limit access to the signature stamp.

Conclusion: Response accepted.

09-I-C Financial Statement Preparation: Financial statement preparation is the responsibility of the District. At the present time District personnel do not have the skills necessary to be able to write the District's financial statements and the related note disclosures. This is not an unusual situation for small governmental entities.

Recommendation: District personnel should attend any governmental accounting and reporting training sessions that may be offered by the Iowa Department of Education, State Auditor's Office or Iowa Association of School Business Officials. The school business office should also have governmental accounting and reporting reference materials.

District Response: As a school we certainly understand the need for continuing education classes for all of our staff. However, we have a limited budget and must continually prioritize needs. At this point in time it is not cost effective to train our staff to the level necessary that would enable them to write the financial statements, nor is it feasible to hire additional employees that already possess the skills.

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2009

Part I: Findings Related to the Financial Statements (continued):

Conclusion: Response accepted.

09-I-D Expenditures for Student Trips: We noted a \$5,300 check to cash, for student meals on a student trip to Washington D.C. The cash was to be used for student meals, but there is no supporting documentation for the meal expenditures.

We also noted 30 checks that were signed by the trip sponsor for a student trip to Washington D.C. The checks cleared the bank with only one signature, when District policy and Iowa law require that the checks be signed by the board president and the board secretary. We noted three checks totaling \$500 without supporting documentation.

Recommendation: District checks should be signed by the board president and board secretary. All checks should have detailed supporting documentation prepared by a party independent of the school. If activity sponsors purchase meals for students on trips, they should turn in receipts for reimbursement after the trip or use a district credit card for the purchases.

District Response: We will investigate methods to improve our controls over expenditures for student trips.

Conclusion: Response accepted.

Instances of non-compliance:

No matters were noted

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2009

Part II: Other Findings Related to Statutory Reporting:

09-II-A Certified Budget: Expenditures for the year ended June 30, 2009, exceeded the amount budgeted in the non-instructional programs function. The District also exceeded its unspent authorized budget for the year ended June 30, 2009 by approximately \$460,000.

Recommendation: The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget. The District should contact the School Budget Review Committee to resolve the unspent authorized budget issue.

District Response: We did amend our budget but year-end expenditures were more than anticipated. We will contact the School Budget Review Committee to resolve the issue regarding the unspent authorized budget.

Conclusion: Response accepted.

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

09-II-C Travel Expenses: 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.

09-II-D Business Transactions: No transactions between the District and District officials or employees were noted.

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

09-II-F Board Minutes: No transactions requiring board approval that had not been approved by the board were noted.

09-II-G Certified Enrollment: The supplemental weighting reported to the Iowa Department of Education on Line 12 of the Certified Enrollment Certification Form for October 2008, included open enrollment in students. Supplemental weighting should only include resident students.

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

District Response: We will contact these departments.

Conclusion: Response accepted.

09-II-H Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

09-II-I Certified Annual Report (CAR): The Certified Annual Report was certified timely to the Department of Education.

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2009

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

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

According to proposed administrative rules, "Categorical funding shall not be commingled with other funding. School districts shall use a project code and program code as defined by Uniform Financial Accounting." We noted that during the year some categorical funding expenditures were commingled with other General Fund expenditures, then were reclassified as categorical spending at the end of the year.

Recommendation: All categorical funding expenditures should be posted to the correct expenditure accounts as the expenditures are incurred.

Response: We have revised our procedures for identifying categorical expenditures so that they will be coded to the correct expenditure accounts as incurred.

Conclusion: Response accepted.

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

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

Beginning balance	\$	\$	-
Statewide sales and services tax revenue			405,907
Expenditures/transfers out:			
School infrastructure:			
Land and land improvements		-	
Buildings and building improvements	76,987		
Equipment	45,190		
Debt service for school infrastructure:			
Revenue debt	<u>216,327</u>		<u>338,504</u>
Ending balance			<u>67,403</u>

09-II-L Deficit Balances: The District has a \$152,315 deficit unreserved fund balance in the General Fund and the Public Education and Recreation Levy Fund had a \$7,137 deficit unreserved fund balance at June 30, 2009.

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2009

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

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

District Response: We are working on ways to eliminate these deficits.

Conclusion: Response accepted.