

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

June 30, 2011

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Gary E. Horton CPA

PO Box 384

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
Allamakee 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 Allamakee Community School District, Waukon, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements 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 Allamakee Community School District at June 30, 2011, 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 30, 2012, on our consideration of Allamakee Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 14 and 41 through 43 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 Allamakee 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 eight years ended June 30, 2010, (which are not presented herein) and expressed an unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

January 30, 2012

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Allamakee 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, 2011. We encourage readers to consider this information in conjunction with the District’s financial statements, which follows.

2011 Financial Highlights

- * General Fund revenues increased from \$11,929,065 in fiscal 2010 to \$12,977,054 in fiscal 2011 and General Fund expenditures increased from to \$11,726,862 in fiscal 2010 to \$11,889,279 in fiscal 2010. This resulted in an increase in the District’s General Fund balance from \$1,313,903 in fiscal 2010 to \$2,410,656 in fiscal 2011.
- * The District’s solvency ratio as of June 30, 2011 was 14.3%. The District’s solvency level indicates the District is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.
- * In September, 2010 the District patrons passed a ten year extension to the Physical Plant and Equipment Levy.

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 Allamakee 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 Allamakee 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.

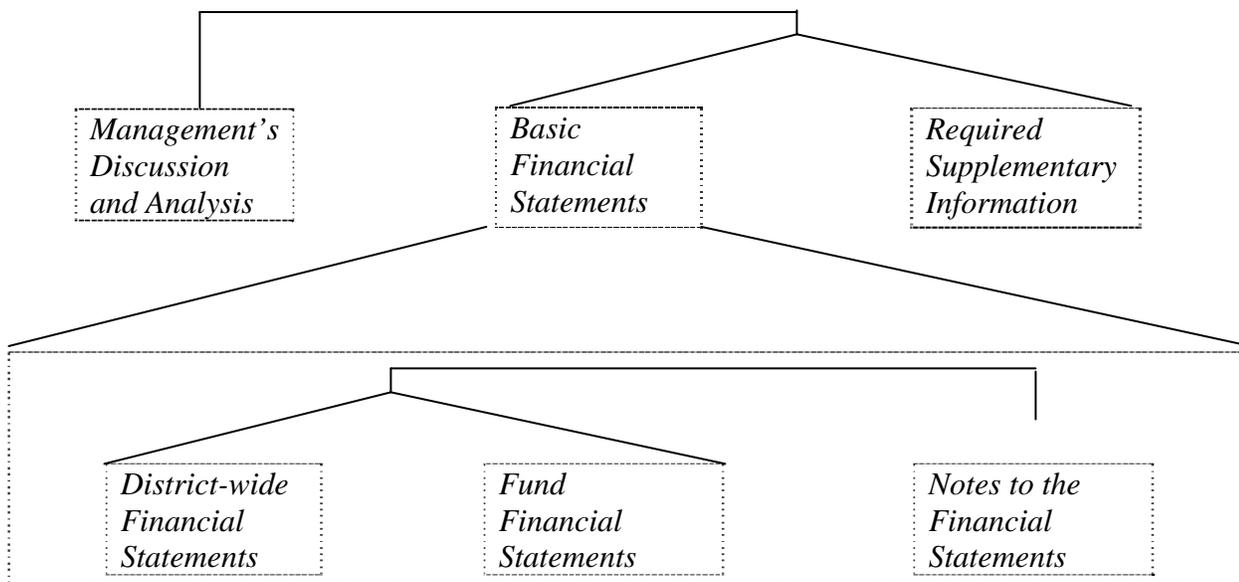
Required Supplementary Information further explains and supports the financial statements with a comparison of the District’s budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the non-major funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

Figure A-1

Allamakee Community School District Annual Financial Report



Summary ←-----→ Detail

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 Financial Statements	
		Governmental Funds	Propriety Funds
Scope	Entire district	The activities of the district that are not proprietary such as special education and building maintenance	Activities the district operates similar to private businesses: food services
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, expenditures, and changes in fund balances * Statement of cash flows
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
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
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

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 to 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:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you 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 the Capital Projects Fund.

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

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's Enterprise Funds, one type of proprietary fund, are the same as it's 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.

Reconciliation's between the government-wide financial statements and the fund financial statements follow the fund financial statements.

Government-Wide Financial Statements

Net assets. The District's combined net assets showed an increase ending June 30, 2011 compared to June 30, 2010.

Figure A-3

	Condensed Statement of Net Assets						
	<u>(Expressed in thousands)</u>						
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		Total <u>Allamakee CSD</u>		Percentage <u>Change</u>
	2011	2010	2011	2010	2011	2010	2010-11
Current & other assets	12,412	10,926	587	478	12,999	11,404	14.0%
Capital assets	15,087	15,533	201	199	15,288	15,732	-2.8%
Total assets	\$27,499	\$26,459	\$788	\$677	\$28,287	\$27,136	4.2%
Current Liabilities	6,677	6,442	19	19	6,696	6,461	3.6%
Long-term obligations	9,831	9,618	16	7	9,847	9,625	2.3%
Total liabilities	\$16,508	\$16,060	\$35	\$26	\$16,543	\$16,086	2.8%
Net Assets							
Invested in capital assets, net of related debt	6,094	6,158	201	199	6,295	6,357	-1.0%
Restricted	3,295	3,505			3,295	3,505	-6.0%
Unrestricted	1,602	737	551	452	2,153	1,189	81.1%
TOTAL NET ASSETS	\$10,991	\$10,400	\$752	\$651	\$11,743	\$11,051	6.3%

The District's total combined net assets increased by approximately \$692,000 or 6.3% 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 decreased approximately \$210,000 or 6% over the prior year. The decrease was primarily a result of a decrease in categorical funding and additional expense in the physical plant and equipment fund.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased approximately \$964,000 or 81.1%.

Changes in net assets – Figure A-4 shows the changes in net assets for year ended June 30, 2011 and June 30, 2010.

Figure A-4

	Changes in Net Assets						% Change 2010- 2011
	(Expressed in thousands)						
	Governmental		Business-Type		Total		
	Activities		Activities		Allamakee CSD		
	2011	2010	2011	2010	2011	2010	
Revenues:							
Program revenues:							
Charges for services	960	796	390	404	1,350	1,200	12.5%
Operating grants & contributions	3,675	3,508	423	401	4,098	3,909	4.8%
Capital grants & contributions	41	108			41	108	62.0%
General revenues							
Property taxes	4,571	4,659			4,571	4,659	-1.9%
Sales tax	879	940			879	940	-6.5%
Income Surtax	421	463			421	463	-9.1%
Unrestricted state grants	4,747	4,018			4,747	4,018	18.1%
Unrestricted investment earnings	49	43	4	3	53	46	15.2%
Other Revenue	38	57			38	57	-33.3%
Total revenues	15,381	14,592	817	808	16,198	15,400	5.2%
Expenses:							
Instruction	8,366	7,636			8,366	7,636	9.6%
Support services	4,798	4,233			4,798	4,233	13.3%
Non-instructional programs	2	2	716	709	718	711	1.0%
Other expenditures	1,624	1,759			1,624	1,759	-7.7%
Total expenses	14,790	13,630	716	709	15,506	14,339	8.1%
CHANGE IN NET ASSETS	591	962	101	99	692	1,061	-34.8%
Net assets beginning of year	10,400	9,438	651	552	11,051	9,990	-10.6%
Net assets end of year	10,991	10,400	752	651	11,743	11,051	6.3%

In fiscal year 2011 property tax and unrestricted state grants account for 57.5% of the total revenue. The District expenses primarily relate to instruction and support services, which account for 84.9% of the total expenses.

As shown in figure A-4 the District as a whole experienced a 5.2% increase in revenues and 8.1% increase in expenses. The increase in expenses related to increases in the negotiated salaries and benefits.

Governmental Activities

Revenues for governmental activities were \$15,381,564 while expenses amounted to \$14,790,099. The District continues to monitor revenues and expenses.

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

Figure A-5

Total and Net Cost of Governmental Activities (Expressed in thousands)

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$8,366	\$7,636	\$5,184	\$4,705
Support Services	\$4,798	\$4,233	\$3,910	\$3,418
Non-instructional programs	\$2	\$2	\$2	\$2
Other expenses	\$1,624	\$1,759	\$1,018	\$1,093

For the year ended June 30, 2011:

- The cost financed by users of the District's programs was \$960,088. Most of these revenues are derived from tuition, student fees, building rental and miscellaneous income.
- Federal and state government subsidized certain programs with grants and contributions totaling \$3,674,753.
- The net cost portion of governmental activities was financed with \$4,571,604 in property tax and other taxes, \$4,746,674 in state foundation aid and \$1,299,783 in sales tax and income surtax.

Business-Type Activities

Revenues of the District's business-type activities increased to \$817,482 while expenses increased to \$716,454.

The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for services, federal and state reimbursements and investment income.

Individual Fund Analysis

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$5,308,511 an increase from last year's ending fund balance of \$4,057,661.

Governmental Fund Highlights

- The District's General Fund balance increased by \$1,096,753. This is a result of an increase in state and federal source funding and controlling expenditures,
- Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund type Definitions, was implemented during the year ended 2011. The effect of fund type reclassifications is as follows: Physical Plant and Equipment Levy \$1,072,083 transferred to capital projects. The balance restated from July 1, 2010 is \$1,720,571.
- The non-major governmental funds combined fund balances increased by \$187,600 to \$1,210,787.

Proprietary Fund Highlights

- School Nutrition Fund net assets increased from \$651,424 at June 30, 2010, to \$752,452 at June 30, 2011. This increase is a result of controlling expenditures and high utilization of the ala carte, salad bar and extra portion programs for grades 7-12.
- Students qualifying for free and reduced meals increased from 46% to 51.4% of District students.
- During the 2010-11 school year the percent of students participating in the school lunch program was maintained at 85% and the breakfast program showed an increase from 24% to 28%.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the Generally Accepted Accounting Principles (GAAP) basis. Over the course of the year, the District amended its annual operating one time to reflect additional expenditures in the instructional, support services and non-instructional expenditure areas. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. .

School districts have two levels of budgetary control. One form of budgetary control exists through the "certified budget", which includes all funds of the District as noted above. This budget is certified with the County Auditor and Department of Management each year. Iowa school districts may not certify a general fund budget in excess of its spending authority.

The other level of budgetary control is the "unspent (maximum) authorized budget" and pertains only to the General Fund of the District. The maximum authorized budget is the total "spending authority" in the General Fund of the District. The unspent balance is a budgetary concept and does not mean the "actual General Fund cash". It is imperative for users of District financial information to make this important distinction. The unspent balance is the amount of spending authority that is carried over into the next fiscal year. The unspent balance is a budgetary carryover and does not represent actual dollars (General Fund cash) or actual financial position (unreserved, undesignated General Fund balance) of the District.

The District's receipts for Governmental and Proprietary Funds were \$440,456 higher than budgeted. This was a result of additional federal revenue and the District's expenditures for Governmental and Proprietary Funds were \$4,554,889 lower than budgeted.

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 similar to the previous year and then amend the budget to reflect anticipated or actual expenditures before the end of the fiscal year.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal 2011, the District had invested \$15,288,059 net of accumulated depreciation in the Governmental and Business-type Funds, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, transportation equipment and food service equipment.. (See Figure A-6) More detailed information is available in Note 5 of the financial statement. Net depreciation expense for the year was \$824,189.

Figure A-6

Capital Assets, net of depreciation

	Governmental		Business-Type		Total		Total
	<u>Activities</u>		<u>Activities</u>		<u>Allamakee CSD</u>		Change
	2011	2010	2011	2010	2011	2010	%
Land	277,641	277,641			277,641	277,641	0.0%
Buildings	13,206,662	13,665,964			13,206,662	13,665,964	-3.4%
Improvements other than buildings	462,815	461,969			462,815	461,969	0.2%
Furniture and Equipment	1,140,199	1,127,921	200,742	199,209	1,340,941	1,327,130	1.0%
Totals	15,087,317	15,533,495	200,742	199,209	15,288,059	15,732,704	-2.8%

Long Term Debt

At year-end, the District had \$9,778,105 in general obligation, revenue and other long-term debt outstanding. This reflects \$495,000 owed in salary for termination benefits, \$20,064 in compensated absences and \$269,996 in OPEB liability. The District also issued \$9,700,000 in general obligation bonds in May of 2006 for a construction projected started in the fall of 2006 and completed in fiscal 2008. At the end of 2010 \$7,985,000 was still outstanding.

The District's general obligation bonds are not rated.

The constitution of the State of Iowa limits the amount of debt school districts can issue to 5% of the assessed value of all taxable property within the district. The District's outstanding bonded and not indebtedness is significantly below its constitutional debt limit of approximately \$19.2 million.

The District issued \$1,000,000 of qualified zone academy bonds in September 2003. The bonds were issued to finance remodeling of existing school facilities at East Elementary, West Elementary and Waterville Elementary. The bonds are interest free and the entire balance is due on May 1, 2013. Beginning May 1, 2005 the District began placing the first of 10 payments of \$98,327 into an escrow account, which has a 3% interest rate. Payments will be made from the Voter Approved Physical Plant and Equipment Levy to an escrow account at the Bank of America. (See Figure A-7.)

At year end the District had an outstanding Equipment Loan Note of \$8,045. These funds were used to buy new instrumental music equipment and will be paid over a 5-year period out of the General Fund. The first payment was made in fiscal 2008.

Figure A-7

	<u>Outstanding Long-Term Obligations</u>		
	2011	2010	Total % Change 2010-2011
General Obligation Bonds	7,985,000	8,360,000	-4.50%
Qualified Zone Academy Bonds	1,000,000	1,000,000	0.0%
Termination Benefits	495,000	48,442	921.8%
Equipment Notes Payable	8,045	15,923	-49.5%
OPEB Liability	\$269,996	\$107,010	152.3%
Compensated absences	20,064	\$19,210	4.4%
Total	\$9,778,105	\$9,550,585	2.4%

Factors Bearing on the District's Future

At the time these financial statement were prepared, the District was aware of three circumstances that could significantly affect its financial health in the future:

- * School financing is highly dependent upon student enrollment. The District's October 2010 enrollment decreased by 43 students. This drop in enrollment will decrease the District's funding for fiscal 2012.
- * The District negotiated a one year agreement with the Allamakee Community Education Association (ACEA) during fiscal 2011. Settlements in excess of "new money" or allowable growth in state funding will have an adverse effect on the District's General Fund budget related to fund balance.
- * Concerns of the downturn in the economy at the national, state and local level is a concern for the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customer, and 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 Janice Rea, School Board Secretary/Treasurer/Business Manager, Allamakee Community School District, 1059 Third Avenue N.W., Waukon, Iowa 52172.

BASIC FINANCIAL STATEMENTS

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Assets			
Cash and cash equivalents	6,359,147	540,664	6,899,811
Receivables:			
Property tax:			
Delinquent	71,641	-	71,641
Succeeding year	4,935,102	-	4,935,102
Accounts	19,756	194	19,950
Accrued interest	3,708	-	3,708
Due from other governments	962,548	12,614	975,162
Inventories	-	33,635	33,635
Unamortized bond issue costs	60,066	-	60,066
Capital assets, net of accumulated depreciation	15,087,317	200,742	15,288,059
Total assets	27,499,285	787,849	28,287,134
Liabilities			
Accounts payable	409,426	355	409,781
Salaries and benefits payable	960,058	9,293	969,351
Accrued interest payable	55,174	-	55,174
Deferred revenue:			
Succeeding year property tax	4,935,102	-	4,935,102
Other	316,905	9,569	326,474
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	390,000	-	390,000
Equipment note payable	8,045	-	8,045
Termination benefits	99,000	-	99,000
Compensated absences	20,064	-	20,064
Portion due more than one year:			
Termination benefits	396,000	-	396,000
General obligation bonds payable	7,595,000	-	7,595,000
Unamortized bond premium	69,637	-	69,637
Qzab bonds payable	1,000,000	-	1,000,000
Net OPEB liability	253,816	16,180	269,996
Total liabilities	16,508,227	35,397	16,543,624

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net assets			
Invested in capital assets, net of related debt	6,094,272	200,742	6,295,014
Restricted for:			
Categorical funding	329,143	-	329,143
Physical plant and equipment levy	1,331,093	-	1,331,093
Student activities	145,696	-	145,696
School infrastructure	777,875	-	777,875
Debt service	711,239	-	711,239
Unrestricted	<u>1,601,740</u>	<u>551,710</u>	<u>2,153,450</u>
Total net assets	<u><u>10,991,058</u></u>	<u><u>752,452</u></u>	<u><u>11,743,510</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2011

Functions/Programs	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>
	\$	\$	\$	\$
Governmental activities:				
Instruction:				
Regular	5,290,452	312,479	1,640,719	-
Special	1,430,649	58,923	443,271	-
Other	1,645,304	383,778	342,901	-
	<u>8,366,405</u>	<u>755,180</u>	<u>2,426,891</u>	<u>-</u>
Support services:				
Student	881,621	-	635,440	-
Instructional staff	971,264	139,378	-	-
Administration	990,209	-	-	-
Operation and maintenance of plant	1,003,015	33,571	-	-
Transportation	952,298	31,959	47,572	-
	<u>4,798,407</u>	<u>204,908</u>	<u>683,012</u>	<u>-</u>
Non-instructional programs	<u>1,785</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	151,267	-	-	40,906
Long-term debt interest	338,744	-	20,258	-
AEA flowthrough	544,592	-	544,592	-
Depreciation (unallocated)*	588,899	-	-	-
	<u>1,623,502</u>	<u>-</u>	<u>564,850</u>	<u>40,906</u>
Total governmental activities	14,790,099	960,088	3,674,753	40,906
Business type activities:				
Non-instructional programs:				
Food service operations	716,454	390,463	422,828	-
Total	<u>15,506,553</u>	<u>1,350,551</u>	<u>4,097,581</u>	<u>40,906</u>
General Revenues:				
Property taxes levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use 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

Governmental Activities	Business Type Activities	Total
\$	\$	\$
(3,337,254)	-	(3,337,254)
(928,455)	-	(928,455)
(918,625)	-	(918,625)
<u>(5,184,334)</u>	<u>-</u>	<u>(5,184,334)</u>
(246,181)	-	(246,181)
(831,886)	-	(831,886)
(990,209)	-	(990,209)
(969,444)	-	(969,444)
(872,767)	-	(872,767)
<u>(3,910,487)</u>	<u>-</u>	<u>(3,910,487)</u>
(1,785)	-	(1,785)
(110,361)	-	(110,361)
(318,486)	-	(318,486)
-	-	-
(588,899)	-	(588,899)
<u>(1,017,746)</u>	<u>-</u>	<u>(1,017,746)</u>
(10,114,352)	-	(10,114,352)
<u>-</u>	<u>96,837</u>	<u>96,837</u>
<u>(10,114,352)</u>	<u>96,837</u>	<u>(10,017,515)</u>
4,228,045	-	4,228,045
217,727	-	217,727
125,832	-	125,832
420,912	-	420,912
878,871	-	878,871
4,746,674	-	4,746,674
49,414	4,191	53,605
38,342	-	38,342
<u>10,705,817</u>	<u>4,191</u>	<u>10,710,008</u>
591,465	101,028	692,493
<u>10,399,593</u>	<u>651,424</u>	<u>11,051,017</u>
<u>10,991,058</u>	<u>752,452</u>	<u>11,743,510</u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
	\$	\$	\$	\$
Assets				
Cash and pooled investments	3,436,153	1,710,283	1,212,711	6,359,147
Receivables:				
Property tax:				
Delinquent	62,142	1,943	7,556	71,641
Succeeding year	4,261,450	153,012	520,640	4,935,102
Accounts	19,756	-	-	19,756
Accrued interest	-	-	3,708	3,708
Due from other governments	482,684	479,817	47	962,548
Total assets	8,262,185	2,345,055	1,744,662	12,351,902
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	377,810	18,381	13,235	409,426
Salaries and benefits payable	960,058	-	-	960,058
Deferred revenue:				
Succeeding year property tax	4,261,450	153,012	520,640	4,935,102
Income surtax	-	421,900	-	421,900
Other	252,211	64,694	-	316,905
Total liabilities	5,851,529	657,987	533,875	7,043,391
Fund balances:				
Restricted for:				
Categorical funding	329,143	-	-	329,143
Debt service	-	-	766,413	766,413
Management levy	-	-	298,678	298,678
Student activities	-	-	145,696	145,696
School infrastructure	-	777,875	-	777,875
Physical plant and equipment	-	909,193	-	909,193
Committed for cash flow	300,000	-	-	300,000
Unassigned	1,781,513	-	-	1,781,513
Total fund balances	2,410,656	1,687,068	1,210,787	5,308,511
Total liabilities and fund balances	8,262,185	2,345,055	1,744,662	12,351,902

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets

June 30, 2011

	\$
Total fund balances of governmental funds (Exhibit C)	5,308,511
<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.	15,087,317
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	421,900
Bond issue costs and bond discounts are an expense when incurred in the governmental funds, but are capitalized and amortized over the life of the bonds for the government-wide financial statements.	60,066
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.	(55,174)
Long-term liabilities, including bonds payable, unamortized bond premiums, termination benefits, compensated absences and other postemployment benefits payable are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Funds.	<u>(9,831,562)</u>
Net assets of governmental activities (Exhibit A)	<u><u>10,991,058</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	3,960,707	1,423,558	485,065	5,869,330
Tuition	222,535	-	-	222,535
Other	440,096	21,452	413,463	875,011
State sources	6,391,871	94	363	6,392,328
Federal sources	1,961,845	40,906	-	2,002,751
Total revenues	<u>12,977,054</u>	<u>1,486,010</u>	<u>898,891</u>	<u>15,361,955</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,658,097	-	103,839	4,761,936
Special	1,408,304	-	-	1,408,304
Other	1,275,976	-	364,070	1,640,046
	<u>7,342,377</u>	<u>-</u>	<u>467,909</u>	<u>7,810,286</u>
Support services:				
Student	873,187	-	4,491	877,678
Instructional staff	467,986	526,429	1,152	995,567
Administration	958,004	-	4,957	962,961
Operation and maintenance of plant	895,435	12,047	83,357	990,839
Transportation	807,698	100,980	25,835	934,513
	<u>4,002,310</u>	<u>639,456</u>	<u>119,792</u>	<u>4,761,558</u>
Non-instructional programs	-	-	1,785	1,785
Other expenditures:				
Facilities acquisition	-	281,710	-	281,710
Long-term debt:				
Principal	-	-	382,878	382,878
Interest and fiscal charges	-	-	345,848	345,848
AEA flowthrough	544,592	-	-	544,592
	<u>544,592</u>	<u>281,710</u>	<u>728,726</u>	<u>1,555,028</u>
Total expenditures	<u>11,889,279</u>	<u>921,166</u>	<u>1,318,212</u>	<u>14,128,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,087,775</u>	<u>564,844</u>	<u>(419,321)</u>	<u>1,233,298</u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
	\$	\$	\$	\$
Other financing sources (uses):				
Compensation for loss of fixed assets	6,805	-	-	6,805
Sale of equipment	10,747	-	-	10,747
Operating transfers in	-	-	606,921	606,921
Operating transfers out	(8,574)	(598,347)	-	(606,921)
Total other financing sources (uses)	<u>8,978</u>	<u>(598,347)</u>	<u>606,921</u>	<u>17,552</u>
Net change in fund balances	1,096,753	(33,503)	187,600	1,250,850
Fund balances beginning of year, as restated	<u>1,313,903</u>	<u>1,720,571</u>	<u>1,023,187</u>	<u>4,057,661</u>
Fund balances end of year	<u><u>2,410,656</u></u>	<u><u>1,687,068</u></u>	<u><u>1,210,787</u></u>	<u><u>5,308,511</u></u>

ALLAMAKEE 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, 2011

	\$	\$
Net change in fund balances - total governmental funds (Exhibit E)		1,250,850
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Expenditures for capital assets	349,416	
Depreciation expense	<u>(795,594)</u>	(446,178)
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.		2,057
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.		382,878
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 and includes the amortization of bond premiums.		7,104
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:		
Other post employment benefits	(153,785)	
Termination benefits	(446,558)	
Compensated absences	<u>(854)</u>	(601,197)
Bond issue costs are reported as expenses in the fund financial statements when incurred, but are capitalized and amortized over the life of the bonds for the government-wide financial statements.		<u>(4,049)</u>
Changes in net assets of governmental activities (Exhibit B)		<u><u>591,465</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds

June 30, 2011

	School Nutrition
	<u>\$</u>
Assets	
Cash and cash equivalents	540,664
Accounts receivable	194
Due from other governments	12,614
Inventories	33,635
Capital assets, net of accumulated depreciation	<u>200,742</u>
Total assets	<u>787,849</u>
Liabilities	
Accounts payable	355
Salaries and benefits payable	9,293
Deferred revenue	9,569
Net OPEB liability	<u>16,180</u>
Total liabilities	<u>35,397</u>
Net assets	
Invested in capital assets	200,742
Unrestricted	<u>551,710</u>
Total net assets	<u><u>752,452</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	School Nutrition
	<u>\$</u>
Operating revenues:	
Local sources:	
Charges for service	<u>390,463</u>
Operating expenses:	
Food service operations:	
Salaries	218,620
Benefits	87,426
Purchased services	81,226
Supplies	300,376
Other expenses	211
Depreciation	<u>28,595</u>
Total operating expenses	<u>716,454</u>
Operating income (loss)	<u>(325,991)</u>
Non-operating revenues (expenses):	
State sources	6,375
Federal sources	416,453
Interest income	<u>4,191</u>
Total non-operating revenues	<u>427,019</u>
Increase in net assets	101,028
Net assets beginning of year	<u>651,424</u>
Net assets end of year	<u><u>752,452</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2011

	School Nutrition
	\$
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	389,857
Cash payments to employees for services	(295,988)
Cash payments to suppliers for goods or services	(334,543)
Net cash used by operating activities	<u>(240,674)</u>
Cash flows from non-capital financing activities:	
State grants received	6,375
Federal grants received	360,856
Net cash provided by non-capital financing activities	<u>367,231</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	<u>(30,128)</u>
Cash flows from investing activities:	
Interest on investments	<u>4,191</u>
Net increase (decrease) in cash and cash equivalents	100,620
Cash and cash equivalents at beginning of year	<u>440,044</u>
Cash and cash equivalents at end of year	<u><u>540,664</u></u>
Reconciliation of operating income (loss) to net cash used by operating activities:	
Operating income (loss)	(325,991)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Commodities used	55,952
Depreciation	28,595
Decrease (increase) in inventories	(8,882)
Decrease (increase) in accounts receivable	(164)
(Decrease) increase in accounts payable	200
(Decrease) increase in salaries and benefits payable	857
(Decrease) increase in deferred revenue	(442)
(Decrease) increase in net OPEB liability	9,201
Net cash used by operating activities	<u><u>(240,674)</u></u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2011, the District received \$55,952 of federal commodities.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies

The Allamakee 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 Waukon, Iowa and areas of Allamakee and Winneshiek Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Allamakee 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 Allamakee 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 non-fiduciary 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 non-fiduciary 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 and proprietary funds. 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. Combining schedules are also included for the Capital Project Fund accounts.

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 and other capital assets.

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the district's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned, and then unassigned fund balances.

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 that 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, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2010.

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 and intangibles, 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	25,000
Improvements other than buildings	25,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
	\$
Buildings	25-50 years
Improvements other than buildings	20-25 years
Intangibles	3-10 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 receivable 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 hours for subsequent use. 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 resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2011. 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 fund balances are classified as follows:

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in other classifications.

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. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2011, expenditures did not exceed the amounts budgeted.

2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2011, 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, 2011, the District had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of \$334,343 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

Transfer To	Transfer From	Amount
		\$
Nonmajor Governmental Funds, Debt Service	Capital Projects Fund	598,347
Nonmajor Governmental Funds, Debt Service	General Fund	8,574

These transfers moved revenues from the funds statutorily required to collect the resources to the funds 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. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. Bankers Trust Co. N.A. is the trustee for the program.

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. 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. The interest rate on the Series 2010-11A warrants is 1.2% plus the one-month LIBOR rate, adjusted daily. A summary of the District's ISCAP activity for the year ended June 30, 2010, is as follows:

Series	Warrant Date	Final Warrant Maturity Date	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
			\$	\$	\$	\$
2010-11A	6/30/10	6/28/11	-	-	-	-

During the year ended June 30, 2011, the District did not pay any interest on the ISCAP warrants.

5. Capital Assets

Capital assets activity for the year ended June 30, 2011 was as follows:

	Balance Beginning of Year, as Restated	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Governmental activities:				
Capital assets not being depreciated:				
Land	277,641	-	-	277,641
Capital assets being depreciated:				
Buildings	16,764,533	86,443	-	16,850,976
Improvements other than buildings	1,197,641	44,000	-	1,241,641
Furniture and equipment	2,989,125	218,973	-	3,208,098
Total capital assets being depreciated	<u>20,951,299</u>	<u>349,416</u>	<u>-</u>	<u>21,300,715</u>
Less accumulated depreciation for:				
Buildings	3,098,569	545,745	-	3,644,314
Improvements other than buildings	735,672	43,154	-	778,826
Furniture and equipment	1,861,204	206,695	-	2,067,899
Total accumulated depreciation	<u>5,695,445</u>	<u>795,594</u>	<u>-</u>	<u>6,491,039</u>
Total capital assets being depreciated, net	<u>15,255,854</u>	<u>(446,178)</u>	<u>-</u>	<u>14,809,676</u>
Governmental activities capital assets, net	<u>15,533,495</u>	<u>(446,178)</u>	<u>-</u>	<u>15,087,317</u>
Business type activities:				
Furniture and equipment	372,246	30,129	-	402,374
Less accumulated depreciation	<u>173,037</u>	<u>28,595</u>	<u>-</u>	<u>201,632</u>
Business type activities capital assets, net	<u>199,209</u>	<u>1,534</u>	<u>-</u>	<u>200,742</u>
Depreciation expense was charged to the following functions:				
Governmental activities:				\$
Instruction:				
Regular				48,454
Support services:				
Instructional staff services				7,955
Operation and maintenance of plant				4,290
Transportation				<u>145,996</u>
				206,695
Unallocated depreciation				<u>588,899</u>
Total depreciation expense – governmental activities				<u>795,594</u>
Business type activities:				
Food service operations				<u>28,595</u>

6. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2011, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
	\$	\$	\$	\$	\$
Governmental activities:					
General obligation bonds	8,360,000	-	375,000	7,985,000	390,000
Qualified Zone Academy bonds	1,000,000	-	-	1,000,000	-
Equipment notes payable	15,923	-	7,878	8,045	8,045
Termination benefits	48,442	495,000	48,442	495,000	99,000
Compensated absences	19,210	20,064	19,210	20,064	20,064
Net OPEB liability	100,031	153,785	-	253,816	-
Total	9,543,606	668,849	450,530	9,761,925	517,109
Business type activities:					
Net OPEB liability	6,979	9,201	-	16,180	-

Termination Benefits

The District offered a voluntary early retirement plan to its employees during fiscal prior 2011. Employees must have completed at least fifteen years of service to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences.

An early retirement benefit of \$45,000 per participant will be paid in ten payments over five years.

At June 30, 2011, the District has obligations to eleven participants with a total liability of \$532,868. Actual early retirement expenditures for the year ended June 30, 2011 totaled \$48,442.

General Obligation Bonds

Details of the District's June 30, 2011 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of May, 2006			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2012	3.75	390,000	330,640	720,640
2013	3.75	410,000	316,015	726,015
2014	4.25	425,000	300,640	725,640
2015	5.00	445,000	282,578	727,578
2016	5.00	465,000	260,328	725,328
2017-2021	3.85-4.00	2,630,000	987,812	3,617,812
2022-2026	4.00-4.15	3,220,000	413,630	3,633,630
		<u>7,985,000</u>	<u>2,891,643</u>	<u>10,876,643</u>

Qualified Zone Academy Bonds – The District issued \$1,000,000 of qualified zone academy bonds in September 2003. The bonds were issued to finance remodeling of existing school facilities that have been designated qualified zone academy projects. The bonds are interest free and the entire balance is due on May 1, 2013. Beginning May 1, 2005 the District is required to place nine annual payments of \$98,347 into an escrow account, which has a 3% interest rate. The balance accumulated in the escrow account will be used to repay the bonds when they mature. The annual payments to the escrow account will be made from the Physical Plant and Equipment Levy Fund and the escrow account is recorded in the Debt Service Fund.

Year Ending June 30,	Interest Rates	Principal
	%	\$
2012	-	-
2013	-	1,000,000
		<u>1,000,000</u>

Equipment Notes

The District borrowed \$37,500 in April 2007 to purchase band instruments. The note bears interest at 4.9%. Note payments are made from the General Fund.

Year Ending June 30,	Principal	Interest	Total
	\$	\$	\$
2012	<u>8,045</u>	<u>528</u>	<u>8,573</u>

The District paid \$8,573 of principal and interest during the year.

7. Pension and Retirement Benefits

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

Plan members are required to contribute 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 was \$480,796, \$463,454, and \$448,244 respectively, equal to the required contributions for each year.

8. Risk Management

Allamakee Community School District is a member in the Northeast Iowa Conference Schools 28E Retention Pool Trust, an Iowa Code Chapter 28E organization. The Northeast Iowa Conference School 28E Retention Pool Trust (Trust) is a local government risk-sharing pool whose members include various schools throughout northeast Iowa. The primary purpose of the Trust is to provide medical and dental benefits to the School employees and retirees, and their dependents, through a partially self-funded plan.

Each member's contributions to the Trust fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Trust's general and administrative expenses, claims, claims expenses and insurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital.

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the Trust. District contributions to the Trust for the year ended June 30, 2011 were \$1,229,867.

Payments from participating schools are the sole source for paying claims and establishing reserves for the Trust's partially self-funded programs. As of June 30, 2011, settled claims have not exceeded the risk pool or insurance company coverage.

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

9. Other Postemployment Benefits (OPEB)

Plan Description – As explained in Note 8, the District is a member of the Northeast Iowa Conference Schools 28E Retention Pool Trust which provides medical and prescription drug benefits for retirees and their spouses. Allamakee Community School District has 124 active and 12 retired members in the plan. Participants must be age 55 or older at retirement.

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

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

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

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

	\$
Annual required contribution	91,487
Interest on net OPEB obligation	4,960
Adjustment to annual required contribution	<u>(11,976)</u>
Annual OPEB cost	84,471
Actuarial adjustment to Net OPEB obligation	91,377
Contributions made	<u>(12,862)</u>
Increase in net OPEB obligation	162,986
Net OPEB obligation beginning of year	<u>107,010</u>
Net OPEB obligation end of year	<u>269,996</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

For the year ended June 30, 2011, the District contributed \$12,862 to the medical plan. Plan members eligible for benefits contributed \$71,195, or 85% of the premium costs.

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u> \$	<u>Percentage of Annual OPEB Cost Contributed</u> %	<u>Net OPEB Obligation</u> \$
2009	101,433	51.7%	48,987
2010	108,036	46.0%	107,010
2011	84,471	15.2%	269,996

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$767,054, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$767,054. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$6,160,000, and the ratio of the UAAL to covered payroll was 12.5%. As of June 30, 2011, there were no trust fund assets.

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

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

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

Mortality rates are from the 94 Group Annuity Mortality Table, projected to 2000.

The UAAL is being amortized over 30 years.

10. 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 \$544,592 for the year ended June 30, 2011, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

11. Lease Commitment

The District entered into a 4 year contract to lease copy machines during fiscal year 2008. The remaining payments the District will make over the next year are as follows:

<u>Year Ended June 30</u>	<u>Lease Payment</u> \$
2012	23,900

12. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2011 is comprised of the following programs:

Program	Amount
	\$
Preschool	89,402
Returning dropout and dropout prevention	69,487
At risk	667
Teacher salary supplement	65,733
Gifted and talented	19,092
Educator quality, professional development	22,223
Core curriculum	56,330
Market factor	5,957
Other	252
	329,143

13. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund type Definitions, was implemented during the year ended 2011. The effect of fund type reclassifications is as follows:

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
	\$	\$
Balances June 30, 2010, as previously reported	648,488	1,072,083
Change in fund type classification per implementation of GASB Statement No. 54	1,072,083	(1,072,083)
Balances July 1, 2010, as restated	1,720,571	-

REQUIRED SUPPLEMENTARY INFORMATION

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Budgetary Comparison of Revenues, Expenditures/Expenses, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Fund
Required Supplementary Information

Year ended June 30, 2011

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
				Original	Final	
	\$	\$	\$	\$	\$	\$
Revenues:						
Local sources	6,966,876	394,654	7,361,530	6,834,651	6,834,651	526,879
Intermediate sources	-	-	-	3,500	3,500	(3,500)
State sources	6,392,328	6,375	6,398,703	7,350,830	7,350,830	(952,127)
Federal sources	2,002,751	416,453	2,419,204	1,550,000	1,550,000	869,204
Total revenues	<u>15,361,955</u>	<u>817,482</u>	<u>16,179,437</u>	<u>15,738,981</u>	<u>15,738,981</u>	<u>440,456</u>
Expenditures/Expenses:						
Instruction	7,810,286	-	7,810,286	7,992,400	8,900,000	1,089,714
Support services	4,761,558	-	4,761,558	4,604,450	5,600,000	838,442
Non-instructional programs	1,785	716,454	718,239	671,500	1,600,000	881,761
Other expenditures	1,555,028	-	1,555,028	2,331,072	3,300,000	1,744,972
Total expenditures/expenses	<u>14,128,657</u>	<u>716,454</u>	<u>14,845,111</u>	<u>15,599,422</u>	<u>19,400,000</u>	<u>4,554,889</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	1,233,298	101,028	1,334,326	139,559	(3,661,019)	4,995,345
Other financing sources net	<u>17,552</u>	<u>-</u>	<u>17,552</u>	<u>-</u>	<u>-</u>	<u>17,552</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures/expenses	1,250,850	101,028	1,351,878	139,559	(3,661,019)	5,012,897
Balance beginning of year	<u>4,057,661</u>	<u>651,424</u>	<u>4,709,085</u>	<u>4,222,472</u>	<u>4,222,472</u>	<u>486,613</u>
Balance end of year	<u>5,308,511</u>	<u>752,452</u>	<u>6,060,963</u>	<u>4,362,031</u>	<u>561,453</u>	<u>5,499,510</u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2011

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 \$3,800,578.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the Retiree Health Plan

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a) \$	Actuarial Accrued Liability (AAL) (b) \$	Unfunded AAL (UAAL) (b-a) \$	Funded Ratio (a/b) %	Covered Payroll (c) \$	UAAL as a Percentage of Covered Payroll ((b-a)/c) %
2009	July 1, 2008	-	909,845	909,845	0.0%	6,085,000	15.0%
2010	July 1, 2008	-	889,333	889,333	0.0%	5,775,000	15.4%
2011	July 1, 2010	-	767,054	767,054	0.0%	6,160,000	12.5%

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

OTHER SUPPLEMENTARY INFORMATION

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2011

Assets	Special Revenue Funds			Total
	Management	Student	Debt	
	Levy	Activity	Service	
	\$	\$	\$	\$
Cash and pooled investments	297,543	155,846	759,322	1,212,711
Receivables:				
Property tax:				
Delinquent	4,194	-	3,362	7,556
Succeeding year	299,999	-	220,641	520,640
Accrued interest	-	-	3,708	3,708
Due from other governments	26	-	21	47
Total assets	601,762	155,846	987,054	1,744,662
Liabilities & Fund Balances				
Liabilities:				
Accounts payable	3,085	10,150	-	13,235
Deferred revenue:				
Succeeding year property tax	299,999	-	220,641	520,640
Total liabilities	303,084	10,150	220,641	533,875
Fund balances:				
Restricted for:				
Debt service	-	-	766,413	766,413
Management levy	298,678	-	-	298,678
Student activities	-	145,696	-	145,696
Total fund balances	298,678	145,696	766,413	1,210,787
Total liabilities and fund balances	601,762	155,846	987,054	1,744,662

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	Special Revenue Funds			Total
	Management Levy	Student Activity	Debt Service	
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	267,338	-	217,727	485,065
Other	21,498	371,707	20,258	413,463
State sources	200	-	163	363
Total revenues	<u>289,036</u>	<u>371,707</u>	<u>238,148</u>	<u>898,891</u>
Expenditures:				
Current:				
Instruction:				
Regular	103,839	-	-	103,839
Other	-	364,070	-	364,070
Support services:				
Student	4,491	-	-	4,491
Instructional staff	1,152	-	-	1,152
Administration	4,957	-	-	4,957
Operation and maintenance of plant	83,357	-	-	83,357
Transportation	25,835	-	-	25,835
Non-instructional programs	1,785	-	-	1,785
Other expenditures:				
Long-term debt:				
Principal	-	-	382,878	382,878
Interest and fiscal charges	-	-	345,848	345,848
Total expenditures	<u>225,416</u>	<u>364,070</u>	<u>728,726</u>	<u>1,318,212</u>
Excess (deficiency) of revenues over (under) expenditures	63,620	7,637	(490,578)	(419,321)
Other financing sources (uses):				
Operating transfers in	-	-	606,921	606,921
Net changes in fund balances	63,620	7,637	116,343	187,600
Fund balances beginning of year, as restated	<u>235,058</u>	<u>138,059</u>	<u>650,070</u>	<u>1,023,187</u>
Fund balances end of year	<u><u>298,678</u></u>	<u><u>145,696</u></u>	<u><u>766,413</u></u>	<u><u>1,210,787</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Capital Project Accounts

June 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets	\$	\$	\$
Cash and pooled investments	719,970	990,313	1,710,283
Receivables:			
Property tax:			
Delinquent	-	1,943	1,943
Succeeding year	-	153,012	153,012
Due from other governments	57,905	421,912	479,817
Total assets	<u>777,875</u>	<u>1,567,180</u>	<u>2,345,055</u>
Liabilities & Fund Balances			
Liabilities:			
Accounts payable	-	18,381	18,381
Deferred revenue:			
Succeeding year property tax	-	153,012	153,012
Income surtax	-	421,900	421,900
Other	-	64,694	64,694
Total liabilities	<u>-</u>	<u>657,987</u>	<u>657,987</u>
Fund balances:			
Restricted for:			
School infrastructure	777,875	-	777,875
Physical plant and equipment	-	909,193	909,193
Total fund balances	<u>777,875</u>	<u>909,193</u>	<u>1,687,068</u>
Total liabilities and fund balances	<u>777,875</u>	<u>1,567,180</u>	<u>2,345,055</u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Project Accounts

Year ended June 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	\$	\$	\$
Revenues:			
Local sources:			
Local tax	878,871	544,687	1,423,558
Other	8,401	13,051	21,452
State sources	-	94	94
Federal sources	-	40,906	40,906
Total revenues	<u>887,272</u>	<u>598,738</u>	<u>1,486,010</u>
Expenditures:			
Current:			
Support services:			
Instructional staff services	239,597	286,832	526,429
Operation and maintenance of plant	-	12,047	12,047
Transportation services	-	100,980	100,980
Other expenditures:			
Facilities acquisition	18,288	263,422	281,710
Total expenditures	<u>257,885</u>	<u>663,281</u>	<u>921,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>629,387</u>	<u>(64,543)</u>	<u>564,844</u>
Other financing sources (uses):			
Operating transfers out	<u>(500,000)</u>	<u>(98,347)</u>	<u>(598,347)</u>
Net change in fund balance	129,387	(162,890)	(33,503)
Fund balances beginning of year, as restated	<u>648,488</u>	<u>1,072,083</u>	<u>1,720,571</u>
Fund balance end of year	<u><u>777,875</u></u>	<u><u>909,193</u></u>	<u><u>1,687,068</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

Account	Balance	Revenues	Expenditures	Intra-Fund Transfers	Balance
	Beginning of Year				End of Year
	\$	\$	\$	\$	\$
East Elementary					
Unallocated interest	3,362	2,069	4,036	-	1,395
BK fund raiser	-	1,465	1,465	-	-
Waterville					
Unallocated interest	6,148	2,724	3,356	-	5,516
Waterville prairie	404	-	-	-	404
Junior High					
Drama	537	520	392	-	665
Boys athletics	3,825	1,274	3,021	-	2,078
Boys basketball	-	2,548	1,748	-	800
Boys football	-	2,673	1,673	-	1,000
Boys track	-	2,169	1,169	-	1,000
Boys cross country	-	500	-	-	500
Boys wrestling	-	2,429	1,629	-	800
Girls athletics	4,435	196	251	-	4,380
Girls basketball	-	2,244	1,244	-	1,000
Girls volleyball	-	1,289	650	-	639
Girls track	-	2,478	1,478	-	1,000
Girls cross country	-	500	-	-	500
Annual	412	2,550	2,462	-	500
Juice machine	1,233	126	-	-	1,359
Milk vendor	500	-	-	-	500
Interest	120	154	-	-	274
Student council	6,237	15,749	18,947	-	3,039
Community service club	73	-	-	-	73
Unallocated interest	4,767	221	2,000	-	2,988
West Elementary					
Unallocated interest	3,703	2,241	4,117	-	1,827
BK fund raiser	3,509	1,758	165	-	5,102
High School					
Rewards club	320	-	-	-	320
Drama	5,275	670	566	-	5,379
Musical	8,541	4,931	4,758	-	8,714
Boys athletics	5,471	7,177	6,325	9,907	16,230
Boys basketball	2,632	9,335	5,870	(2,632)	3,465
Boys basketball club	82	3,092	1,975	(589)	610
Boys football	6,270	15,393	14,598	(6,270)	795
Football club	4,596	21,634	22,519	-	3,711
Boys baseball	-	15,216	15,216	-	-
Boys track	-	5,998	5,998	-	-
Boys cross country	129	1,205	1,334	-	-
Boys golf	415	2,793	2,793	(415)	-

See accompanying independent auditor's report.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

Account	Balance	Revenues	Expenditures	Intra-Fund Transfers	Balance
	Beginning of Year				End of Year
	\$	\$	\$	\$	\$
Boys wrestling	-	8,870	8,870	-	-
Girls athletics	3,194	6,320	5,378	11,484	15,620
Girls basketball	6,138	10,219	4,538	(6,138)	5,681
Indian girls basketball club	7,372	6,013	7,730	-	5,655
Girls volleyball	5,269	4,600	2,718	(5,269)	1,882
Volleyball club	7,975	37,797	43,898	-	1,874
Girls softball	-	11,205	8,551	-	2,654
Girls track	-	5,270	5,270	-	-
Girls cross country	381	630	1,011	-	-
Girls golf	78	1,574	1,574	(78)	-
Girls golf club	-	1,601	1,076	-	525
Annual	4,536	5,296	9,643	-	189
Cheerleaders	396	14,780	12,686	-	2,490
Milk vendor	451	-	-	-	451
Interest	2,333	1,436	293	-	3,476
Concessions	4,030	43,000	45,778	-	1,252
Class of 2010	159	-	-	-	159
Class of 2011	190	524	714	-	-
Class of 2012	-	1,500	1,042	-	458
FBLA	-	19,791	17,407	-	2,384
FFA	4,110	46,372	46,639	-	3,843
FCCLA	252	-	-	-	252
FSCLA sewing club	226	-	-	-	226
Flags	184	-	-	-	184
NHS	98	463	516	-	45
Tasty treat club	116	-	40	-	76
SADD	56	-	-	-	56
Student council	4,695	6,950	5,645	-	6,000
The burning W club	894	-	-	-	894
Spanish club	9,426	-	592	-	8,834
Unallocated interest	1,848	2,175	706	-	3,317
Indian café club	656	-	-	-	656
Total	138,059	371,707	364,070	-	145,696

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Nine Years

Modified Accrual Basis

	2011	2010	2009	2008	2007	2006	2005	2004	2003
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues:									
Local sources:									
Local tax	5,869,330	6,022,180	5,583,011	5,385,131	5,411,110	5,010,212	5,017,715	4,259,912	3,995,152
Tuition	222,535	202,615	137,722	164,566	155,825	145,314	172,562	192,329	136,907
Other	875,011	755,862	895,076	915,649	1,269,568	884,658	623,274	581,635	546,063
State sources	6,392,328	5,638,118	6,519,253	6,584,505	6,403,794	6,202,183	6,021,701	6,006,881	6,094,479
Federal sources	2,002,751	1,888,971	1,412,940	1,351,558	1,679,652	1,389,472	1,160,599	768,204	800,788
Total revenues	15,361,955	14,507,746	14,548,002	14,401,409	14,919,949	13,631,839	12,995,851	11,815,271	11,581,063
Expenditures:									
Instruction:									
Regular	4,761,936	4,707,555	5,062,049	5,560,725	5,215,421	5,131,305	5,060,832	4,778,337	4,901,094
Special	1,408,304	1,299,932	1,330,191	1,287,541	1,401,050	1,418,881	1,326,160	1,636,501	1,380,698
Other	1,640,046	1,681,795	1,460,516	1,205,521	1,222,688	1,239,289	1,299,578	977,129	960,432
Support services:									
Student	877,678	993,378	899,927	481,852	515,240	441,909	260,553	359,070	236,796
Instructional staff	995,567	396,466	363,287	410,966	504,002	430,164	618,854	479,584	567,641
Administration	962,961	952,085	1,072,810	1,252,387	1,212,009	1,314,717	1,151,871	950,972	843,616
Operation and maintenance	990,839	983,518	1,014,977	1,049,080	956,074	944,881	844,649	746,067	647,529
Transportation	934,513	1,024,324	938,186	1,049,910	930,079	905,148	861,017	827,668	847,563
Other support	-	-	-	-	-	-	-	-	1,818
Non-instructional programs	1,785	1,645	-	-	-	-	-	33,793	12,505
Other expenditures:									
Facilities acquisition	281,710	970,593	1,182,695	5,561,622	6,293,811	1,015,233	809,220	466,148	395,083
Long-term debt:									
Principal	382,878	367,508	347,131	336,938	310,000	-	-	-	-
Interest and other charges	345,848	359,668	372,795	385,163	394,952	-	-	-	-
AEA flowthrough	544,592	541,103	497,033	487,015	473,417	455,445	450,862	459,398	486,388
Total expenditures	14,128,657	14,279,570	14,541,597	19,068,720	19,428,743	13,296,972	12,683,596	11,714,667	11,281,163

See accompanying independent auditor's report.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures \$</u>
Direct:			
U.S. Department of Education:			
Safe and Drug Free Schools and Communities - National Programs	84.184A	Q184A080212	293,916 **
Total direct			<u>293,916</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY11	66,607
National School Lunch Program (non-cash)	10.555	FY11	55,952
National School Lunch Program	10.555	FY11	275,938
Summer Food Service Program for Children	10.559	FY11	17,956
			<u>416,453</u>
U.S. Department of the Interior:			
Iowa Department of Natural Resources:			
Sport Fish Restoration Program	15.605	FY11	250
U.S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	FY11	252,540
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY11	68,904
			<u>321,444</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	FY11	267
Fund for the Improvement of Education	84.215	FY11	40,906
Twenty-First Century Community Learning Centers	84.287	FY11	332,357
Advanced Placement Program	84.330	FY11	282
Improving Teacher Quality State Grants	84.367	FY11	78,517
Grants for State Assessments and Related Activities	84.369	FY11	8,047
State Fiscal Stabilization Fund Cluster:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY11	410,029
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	FY11	59,204
			<u>469,233</u>
Keystone AEA:			
Special Education - Grants to States	84.027	FY11	72,004 *
Career and Technical Education - Basic Grants to States	84.048	FY11	14,262
ARRA - Special Education Grants to States, Recovery Act	84.391	FY11	98,689 *
Total indirect			<u>1,852,711</u>
Total			<u><u>2,146,627</u></u>

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

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

* Total for the Special Education Cluster (IDEA) is \$170,693

** Expenditures include payments to subrecipients, Postville Community School District \$51,450 and Eastern Allamakee Community School District \$29,117

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
Allamakee 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 Allamakee Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated January 30, 2012. 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 Allamakee Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Allamakee Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Allamakee 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 11-II-A to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2011 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.

Allamakee Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Allamakee 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 Allamakee Community School District and other parties to whom Allamakee Community School District may report, including federal awarding agencies and pass-through entities, and 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 Allamakee 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 30, 2012

Gary E. Horton CPA

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

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Board of Education of
Allamakee Community School District:

Compliance

We have audited Allamakee Community School District's compliance with the types of compliance requirements described in the (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Allamakee Community School District's major federal programs for the year ended June 30, 2011. Allamakee Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Allamakee Community School District's management. Our responsibility is to express an opinion on Allamakee Community School District's compliance based on our audit.

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

In our opinion, Allamakee Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Allamakee Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Allamakee Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Allamakee Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

January 30, 2012

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements. No significant deficiencies were reported.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses in internal control over the major programs were reported.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - State Fiscal Stabilization Fund Cluster
 - CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act
 - CFDA Number 84.397 – ARRA - State Fiscal Stabilization Fund – Government Services, Recovery Act
 - CFDA Number 84.287 - Twenty-First Century Community Learning Centers
 - Title I Part A Cluster
 - CFDA Number 84.010 - Title I Grants to Local Educational Agencies
 - CFDA Number 84.389 – ARRA – Title I Grants to Local Educational Agencies, Recovery Act
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Allamakee Community School District did not qualify as a low-risk auditee.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Part II: Findings Related to the Financial Statements:

Internal Control Deficiencies:

11-II-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, payroll processing, 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 consider increasing its monitoring procedures 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.

Instances of Noncompliance:

No matters were reported.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Part III: Findings and Questioned Costs for Federal Awards:

Instances of Noncompliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Part IV: Other Findings Related to Required Statutory Reporting:

- 11-IV-A Certified Budget: Expenditures for the year ended June 30, 2011, did not exceed amounts budgeted.
- 11-IV-B Questionable Expenditures: We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 11-IV-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.
- 11-IV-D Business Transactions: Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u> \$
Greg Byrnes, board member, owner of Byrnes Landscaping Services	Grounds maintenance	2,223

The transaction does not appear to represent a conflict of interest since the dollar amount was less than \$2,500 as allowed by the Code of Iowa.

- 11-IV-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.
- 11-IV-F Board Minutes: We noted no transactions requiring Board approval that had not been approved by the Board.
- 11-IV-G Certified Enrollment: No variances in the basic enrollment data certified to the Department of Education were noted.
- 11-IV-H Supplementary Weighting: No variances regarding supplementary weighting certified to the Department of Education were noted.
- 11-IV-I Deposits and Investments: We noted 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.
- 11-IV-J Certified Annual Report (CAR): The CAR was certified to the Iowa Department of Education timely.
- 11-IV-K Categorical Funding: No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 11-IV-L Statewide Sales, Services and Use Tax: No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

ALLAMAKEE COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

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

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, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance	\$	\$
		648,488
Revenues/transfers in:		
Statewide sales, services and use tax revenue	878,871	
Interest	<u>8,401</u>	887,272
Expenditures/transfers out:		
Equipment	239,597	
Other	18,288	
Transfers to debt service fund	<u>500,000</u>	<u>757,885</u>
Ending balance		<u>777,875</u>

For the year ended June 30, 2011, the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per \$1,000 of Taxable Valuation	Property Tax Dollars Reduced
	<u>\$</u>	<u>\$</u>
Debt service Levy	1.30265	500,000