AR-WE-VA
COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2011

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AR-WE-VA COMMUNITY SCHOOL DISTRICT

Officials

Name	Title	Term Expires
	Board of Education	
Tony Greve	President	2011
Todd Danner	Vice President	2011
Charles Ertz		2011
Bryan Dalton		2013
Sara Skinner		2013

School Officials

Kurt Brosamle	Superintendent
Rebecca Friederichs (Resigned January, 2011)	District Secretary/ Treasurer
Sharon Stickrod (Appointed February, 2011)	District Secretary/ Treasurer

BRUCE D. FRINK
Certified Public Accountant

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

Independent Auditor's Report

To The Board of Education of
Ar-We-Va Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of Ar-We-Va Community School District, Westside 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 and each major fund of Ar-We-Va 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 5, 2012 on our consideration of Ar-We-Va 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 12 and 34 through 36 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

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P.O. Box 241
Clarion, IA 50525

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bruce@frinkcpa.com

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ar-We-Va 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 seven 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 2, 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.

Bruce D. Frink

BRUCE D. FRINK
Certified Public Accountant

January 5, 2012

AR-WE-VA COMMUNITY SCHOOL DISTRICT

MANANAGEMENT'S DISCUSSION AND ANALYSIS

Ar-We-Va 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 follow.

2011 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from $3,444,826 in fiscal 2010 to $3,236,573 in fiscal 2011, while General Fund expenditures increased from $3,203,340 in fiscal 2010 to $3,509,837 in fiscal 2011.

- The decrease in General Fund revenues was primarily attributable to a decrease in state foundation aid and federal revenue sources due to the American Recovery and Reinvestment Act (ARRA) funds being substantially less than in the previous year. The increase in expenditures was primarily attributable to increases in negotiated salaries and benefits; as well as, increases in student transportation costs seen through higher fuel costs and repairs on aging vehicles.

- The statewide sales, services and use tax is being used for debt retirement, improvements and additions to district facilities and equipment purchases.

- The District makes payments on debt issued in 2008 for the purpose of remodeling at the Westside building.

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 Ar-We-Va 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 Ar-We-Va 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 the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the Student Activity Fund and a multiyear comparison of revenues and expenses.

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

Figure A-1
Ar-We-Va Community School District Annual Financial Report

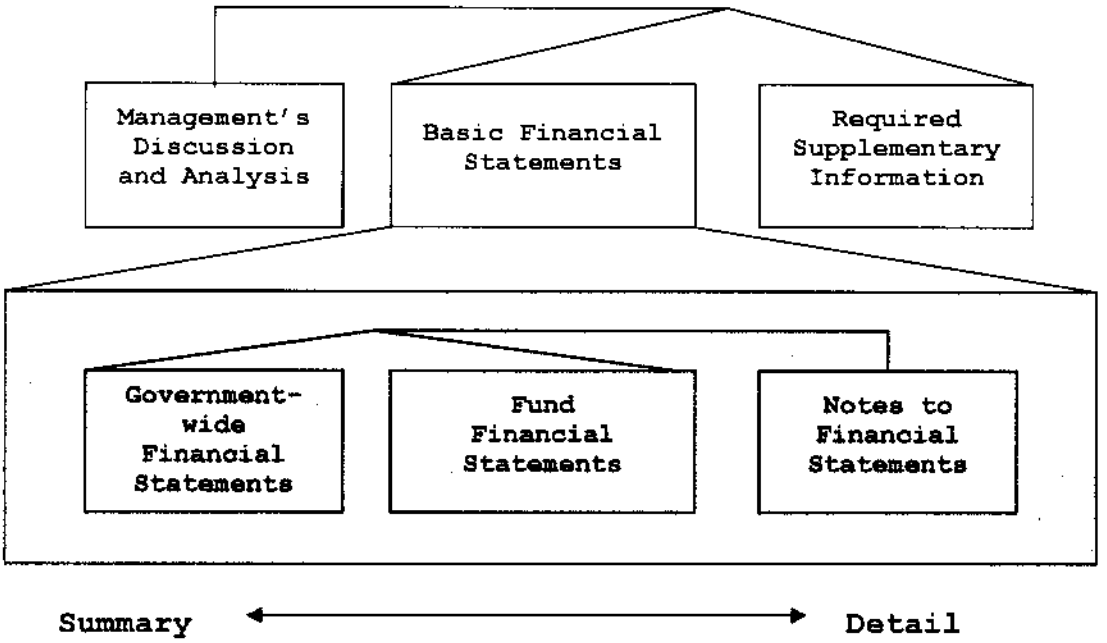

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activity the District operates similar to private businesses: food services
Required financial statements	. Statement of net assets . Statement of activities	. Balance sheet . Statement of revenues, expenditures and changes in fund balances	. Statement of net assets . Statement of revenues, expenses and changes in fund net assets . 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, 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 or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.

- *Business type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

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

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 can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

   The District's governmental funds include the General Fund, Special Revenue Funds, the 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 balances.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2011 compared to June 30, 2010.

Figure A-3
Condensed Statement of Net Assets
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-2011
Current assets	$ 4,450	4,121	23	27	4,473	4,148	7.84%
Capital assets	2,087	2,143	9	11	2,096	2,154	-2.69%
Total assets	6,537	6,264	32	38	6,569	6,302	4.24%
Current liabilities	2,230	2,012	-	-	2,230	2,012	10.83%
Non-current liabilities	1,238	1,437	-	-	1,238	1,437	-13.85%
Total liabilities	3,468	3,449	-	-	3,468	3,449	0.55%
Net Assets							
Invested in capital assets, net of related debt	867	728	9	11	876	739	18.54%
Restricted	1,144	701	-	-	1,144	701	63.20%
Unrestricted	1,058	1,386	23	27	1,081	1,413	-23.50%
Total net assets	$ 3,069	2,815	32	38	3,101	2,853	8.69%

The unrestricted funds decreased primarily as a result of a 20% decrease in the General Fund. Restricted funds increased as the District looks to accumulate funds for future expenditures, such as early retirements and infrastructure projects.

Figure A-4 shows the changes in net assets for the year ended June 30, 2011 compared to the year ended June 30, 2010.

Figure A-4
Changes in Net Assets
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	2011	2010	2011	2010	2011	2010	2010-2011
Revenues:							
Program revenues:							
Charges for service and sales	$ 198	60	89	89	287	149	92.62%
Operating grants, contributions and restricted interest	797	1,044	53	62	850	1,106	-23.15%
General revenues:							
Property tax	1,955	1,705	-	-	1,955	1,705	14.66%
Income surtax	159	116	-	-	159	116	37.07%
Statewide sales, services and use tax	249	236	-	-	249	236	5.51%
Unrestricted state grants	870	933	-	-	870	933	-6.75%
Unrestricted investment earnings	7	8	-	-	7	8	-12.50%
Other	18	54	-	-	18	54	-66.67%
Total revenues	4,253	4,156	142	151	4,395	4,307	2.04%
Program expenses:							
Governmental activities:							
Instruction	2,674	2,474	-	-	2,674	2,474	8.08%
Support services	881	818	-	-	881	818	7.70%
Non-instructional programs	18	18	149	128	167	146	14.38%
Other expenses	426	328	-	-	426	328	29.88%
Total expenses	3,999	3,638	149	128	4,148	3,766	10.14%
Change in net assets	$ 254	518	(7)	23	247	541	-54.34%

Property tax and unrestricted state grants account for 64% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 86% of the total expenses.

Governmental Activities

Revenues for governmental activities were $4,253,301 and expenses were $3,999,470 for the year ended June 30, 2011.

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, for the year ended June 30, 2011 compared to the year ended June 30, 2010.

Figure A-5
Total and Net Cost of Governmental Activities
(Expressed in Thousands)

	Total Cost of Services			Net Cost of Services		
	2011	2010	Change 2010-2011	2011	2010	Change 2010-2011
Instruction	$ 2,674	2,474	8.08%	1,836	1,527	20.24%
Support services	881	818	7.70%	872	809	7.79%
Non-instructional programs	18	18	100.00%	18	18	100.00%
Other expenses	426	328	29.88%	278	181	53.59%
Totals	$ 3,999	3,638	9.92%	3,004	2,535	18.50%

For the year ended June 30, 2011:

- The cost financed by users of the District's programs was $198,219.
- Federal and state governments subsidized certain programs with grants and contributions totaling $517,172.
- The net cost of governmental activities was financed with $1,955,300 in property taxes and $869,567 in state foundation aid.

Business-Type Activities

Revenues for business type activities during the year ended June 30, 2011 were $150,380 and expenses totaled $149,304. The District's business type activity includes the School Nutrition Fund. Revenues of this activity were comprised of charges for service, federal and state reimbursements and investment income.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted Ar-We-Va 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 balances of $2,115,620; a 4% increase from last year's ending fund balances of $2,027,943. The primary reason for the increase was the increase in the Management Fund.

Governmental Fund Highlights

- The District has implemented various methods to increase offerings to all students.
- The District is now paying approximately $250,000 in debt service annually.

Proprietary Fund Highlights

The District's Nutrition Fund decreased by almost $7,000. The District is trying to maintain prices by using effective cost containment measures.

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. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. 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. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison on page 34 and 35.

Legal Budgetary Highlights

The District's receipts were $422,000 less than budgeted receipts. The most significant variance resulted from the District receiving less in state revenues and miscellaneous local revenues than originally anticipated.

The District amended the budget to reallocate spending between functions with no increase in the total budget.

Total expenditures were less than budgeted by over $2,000,000. Ar-We-Va Community School District budgets expenditures at the maximum authorized spending authority. The budget should exceed actual expenditures using this approach. Expenditures exceeded the amended amount budgeted in the non-instructional programs function by less than 3%. The District did not exceed its General Fund unspent authorized budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested almost $2.1 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. The District has invested heavily in the past several years to maintain its technology, transportation and facilities as well as remodeling at the Westside building. Depreciation expense for the year was over $147,000.

Long-Term Debt

The District's long-term debt consists of its early retirement program, capital loan notes and revenue bonds. In 2008, the District issued $1,295,000 of capital loan notes and $510,000 of revenue bonds for remodeling at the Westside building. The District currently has $1,220,000 of debt remaining to be paid over a seven year period ending May 1, 2018.

In July 2011 the District issued $2,305,000 of revenue bonds for the construction of an addition to the Westside building to house the elementary school.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The statewide sales, services and use tax began to be collected in fiscal 2009. This allows the District to maintain its facilities and purchase equipment items not otherwise affordable. It was also used to repay debt issued for remodeling at the Westside building.

- The District has been active in pursuing options for increasing the educational opportunities for all of its students, particularly high school. These will hopefully save costs as well as make the District more attractive to students.

- Iowa law requires that unsettled salary negotiations for teachers go to mandatory arbitration. Invariably arbitrated settlements are higher than current levels of allowable growth in funding (not including the budget cuts after the contracts have been settled and people have been hired).

- The District is closing the Vail and Arcadia buildings and incorporating all grades at the Westside center. An addition will be completed in FY12 to accommodate all grades. It is projected that overall operating expenses will decrease allowing the District to maintain a strong financial position.

- Unfunded mandates are stretching the limits of not only the financial health of the District, but also the human resources aspect of the District. "No Child Left Behind", "Student Achievement and Teacher Quality Act", and "GASB 34", to name a few.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kurt Brosamle, Superintendent, Ar-We-Va Community School District, 108 Clinton Street, Westside, IA 51467.

Basic Financial Statements

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities School Nutrition	Total
Assets			
Cash	$ 2,071,987	17,666	2,089,653
Receivables:			
Property tax:			
Current year	15,650	-	15,650
Succeeding year	2,049,386	-	2,049,386
Income surtax - succeeding year	115,625	-	115,625
Due from other governments	194,199	-	194,199
Other receivables	3,000	-	3,000
Inventory	-	4,758	4,758
Capital assets, net of accumulated depreciation	2,087,298	9,351	2,096,649
Total assets	6,537,145	31,775	6,568,920
Liabilities:			
Accounts payable	146,517	-	146,517
Accrued interest payable	11,442	-	11,442
Deferred revenue:			
Succeeding year property tax	2,049,386	-	2,049,386
Federal programs	22,699	-	22,699
Long-term liabilities:			
Portion due within one year:			
Capital loan notes	125,000	-	125,000
Revenue bonds	85,000	-	85,000
Portion due after one year:			
Net OPEB liability	18,417	-	18,417
Capital loan notes	825,000	-	825,000
Revenue bonds	185,000	-	185,000
Total liabilities	3,468,461	-	3,468,461
Net assets			
Invested in capital assets, net of related debt	867,298	9,351	876,649
Restricted for:			
Categorical funding	113,687	-	113,687
Student activities	125,323	-	125,323
Management levy purposes	547,251	-	547,251
Physical plant and equipment	64,781	-	64,781
School infrastructure	163,385	-	163,385
Debt service	129,908	-	129,908
Unrestricted	1,057,051	22,424	1,079,475
Total net assets	$ 3,068,684	31,775	3,100,459

See notes to financial statements.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2011

		Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction	$ 2,674,113	198,219	639,790	(1,836,104)	-	(1,836,104)
Support services:						
Student services	15,822	-	-	(15,822)	-	(15,822)
Instructional staff services	32,904	-	-	(32,904)	-	(32,904)
Administration services	400,848	-	-	(400,848)	-	(400,848)
Operation and maintenance of plant services	126,426	-	9,158	(117,268)	-	(117,268)
Transportation services	305,315	-	-	(305,315)	-	(305,315)
	881,315	-	9,158	(872,157)	-	(872,157)
Non-instructional programs:						
Community service operations	18,272	-	-	(18,272)	-	(18,272)
Other expenditures:						
AEA flowthrough	147,351	-	147,351	-	-	-
Interest and services on long-term debt	50,529	-	-	(50,529)	-	(50,529)
Facilities acquisition and construction	121,926	-	649	(121,277)	-	(121,277)
Depreciation (unallocated)*	105,964	-	-	(105,964)	-	(105,964)
	425,770	-	148,000	(277,770)	-	(277,770)
Total governmental activities	3,999,470	198,219	796,948	(3,004,303)	-	(3,004,303)

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2011

		Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Business type activities:						
Non-instructional programs:						
Nutrition services	149,304	88,875	53,619	-	(6,810)	(6,810)
Total	$ 4,148,774	287,094	850,567	(3,004,303)	(6,810)	(3,011,113)
General Revenues:						
Property tax levied for:						
General purposes				$ 1,326,556	-	1,326,556
Management				374,249	-	374,249
Capital outlay				254,495	-	254,495
Income surtax				158,700	-	158,700
Statewide sales, services and use tax				249,414	-	249,414
Unrestricted state grants				869,567	-	869,567
Unrestricted investment earnings				6,941	-	6,941
Other				18,212	-	18,212
Total general revenues				3,258,134	-	3,258,134
Change in net assets				253,831	(6,810)	247,021
Net assets beginning of year				2,814,853	38,585	2,853,438
Net assets end of year				$ 3,068,684	31,775	3,100,459

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

See notes to financial statements.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2011

	General	Student Activity	Management	Capital Projects: Physical Plant and Equipment Levy	Capital Projects: Statewide Sales, Services and Use Tax	Debt Service	Total
Assets							
Cash	$ 1,089,158	125,323	544,241	62,783	109,132	141,350	2,071,987
Receivables:							
Property tax:							
Current year	10,642	-	3,010	1,998	-	-	15,650
Succeeding year	1,781,418	-	15,000	252,968	-	-	2,049,386
Income surtax - succeeding year	115,625	-	-	-	-	-	115,625
Due from other governments	139,946	-	-	-	54,253	-	194,199
Other receivables	3,000	-	-	-	-	-	3,000
Total assets	$ 3,139,789	125,323	562,251	317,749	163,385	141,350	4,449,847

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2011

				Capital Projects			
	General	Student Activity	Management	Physical Plant and Equipment Levy	Statewide Sales, Services and Use Tax	Debt Service	Total
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	$ 146,517	-	-	-	-	-	146,517
Deferred revenue:							
Succeeding year property tax	1,781,418	-	15,000	252,968	-	-	2,049,386
Succeeding year income surtax	115,625	-	-	-	-	-	115,625
Federal programs	22,699	-	-	-	-	-	22,699
Total liabilities	2,066,259	-	15,000	252,968	-	-	2,334,227
Fund balances:							
Restricted for:							
Categorical funding	113,687	-	-	-	-	-	113,687
Student activities	-	125,323	-	-	-	-	125,323
Management levy purposes	-	-	547,251	-	-	-	547,251
Physical plant and equipment	-	-	-	64,781		-	64,781
School infrastructure	-	-	-	-	163,385	-	163,385
Debt service	-	-	-	-	-	141,350	141,350
Committed for cash flow	800,000	-	-	-	-	-	800,000
Unassigned	159,843	-	-	-	-	-	159,843
Total fund balance	1,073,530	125,323	547,251	64,781	163,385	141,350	2,115,620
Total liabilities and fund balances	$ 3,139,789	125,323	562,251	317,749	163,385	141,350	4,449,847

See notes to financial statements.

AR-WE-VA 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)		$ 2,115,620
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Income surtax receivable at June 30, 2011 is not recognized as a revenue until received in the governmental funds, however it is shown as a revenue in the Statement of Activities in the year of levy, thus no deferred revenue is shown in the Statement of Net Assets		115,625
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		2,087,298
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.		(11,442)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net OPEB liability	$ (18,417)	
Capital loan notes	(950,000)	
Revenue bonds	(270,000)	
		(1,238,417)
Net assets of governmental activities (Exhibit A)		$ 3,068,684

See notes to financial statements.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

				Capital Projects			
	General	Student Activity	Management	Physical Plant and Equipment Levy	Statewide Sales, Services and Use Tax	Debt Service	Total
Revenues:							
Local sources:							
Local tax	$ 1,463,957	-	374,249	254,495	249,414	-	2,342,115
Tuition	187,251	-	-	-	-	-	187,251
Other	51,530	107,464	8,474	429	649	-	168,546
State sources	1,311,187	-	151	104	-	-	1,311,442
Federal sources	222,648	-	-	-	-	-	222,648
Total revenues	3,236,573	107,464	382,874	255,028	250,063	-	4,232,002
Expenditures:							
Current:							
Instruction	2,568,140	89,015	12,000	8,149	-	-	2,677,304
Support services:							
Student services	15,822	-	-	-	-	-	15,822
Instructional staff services	30,122	-	-	2,782	-	-	32,904
Administration services	326,145	-	57,948	16,755	-	-	400,848
Operation and maintenance of plant services	216,671	-	-	-	-	-	216,671
Transportation services	187,314	-	4,753	73,495	-	-	265,562
	776,074	-	62,701	93,032	-	-	931,807
Non-instructional programs:							
Community service operations	18,272	-	-	-	-	-	18,272

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

				Capital Projects			
	General	Student Activity	Management	Physical Plant and Equipment Levy	Statewide Sales, Services and Use Tax	Debt Service	Total
Other expenditures:							
AEA flowthrough	147,351	-	-	-	-	-	147,351
Debt service:							
Principal	-	-	-	-	-	195,000	195,000
Interest	-	-	-	-	-	52,015	52,015
Services	-	-	-	-	-	650	650
Facilities acquisition and construction	-	-	-	18,579	103,347	-	121,926
	147,351	-	-	18,579	103,347	247,665	516,942
Total expenditures	3,509,837	89,015	74,701	119,760	103,347	247,665	4,144,325
Excess (deficiency) of revenues over (under) expenditures	(273,264)	18,449	308,173	135,268	146,716	(247,665)	87,677
Other financing sources (uses):							
Operating transfers in	-	-	-	-	-	247,265	247,265
Operating transfers out	-	-	-	(152,538)	(94,727)	-	(247,265)
	-	-	-	(152,538)	(94,727)	247,265	-
Net changes in fund balances	(273,264)	18,449	308,173	(17,270)	51,989	(400)	87,677
Fund balances beginning of year	1,346,794	106,874	239,078	82,051	111,396	141,750	2,027,943
Fund balances end of year	$ 1,073,530	125,323	547,251	64,781	163,385	141,350	2,115,620

See notes to financial statements.

AR-WE-VA 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)		$ 87,677
Amounts reported for governmental activities in the Statement of Activities are different because:		
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 This represents the change from the prior fiscal year.		21,299
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets as increase in capital assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:		
Expenditures for capital assets	$ 90,245	
Depreciation expense	(145,717)	(55,472)
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		195,000
Interest on long-term in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		2,136
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Early retirement	12,000	
Other postemployment benefits	(8,809)	3,191
Change in net assets of governmental activities (Exhibit B)		$ 253,831

See notes to financial statements.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	School Nutrition
Operating revenue:	
Local sources:	
Charges for services	$ 88,875
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	53,592
Benefits	7,904
Supplies	85,941
Depreciation	1,867
Total operating expenses	149,304
Operating (loss)	(60,429)
Non-operating revenues:	
State sources	1,229
Federal sources	52,331
Interest income	59
	53,619
Changes in net assets	(6,810)
Net assets beginning of year	38,585
Net assets end of year	$ 31,775

See notes to financial statements.

Exhibit H

AR-WE-VA 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	$ 88,875
Cash payments to employees for services	(61,496)
Cash payments to suppliers for goods or services	(80,549)
Net cash (used by) operating activities	(53,170)
Cash flows from non-capital financing activities:	
State grants received	1,229
Federal grants received	42,530
Net cash provided by non-capital financing activities	43,759
Cash flows from investing activities:	
Interest on investments	59
Net (decrease) in cash and cash equivalents	(9,352)
Cash and cash equivalents beginning of year	27,018
Cash and cash equivalents end of year	$ 17,666
Reconciliation of operating (loss) to net cash (used by) operating activities:	
Operating (loss)	$ (60,429)
Adjustments to reconcile operating (loss) to net cash (used by) operating activities:	
Depreciation	1,867
Commodities used	9,801
(Increase) in inventory	(4,409)
	$ (53,170)

Non-cash investing, capital and financing activities:

During the year ended June 30, 2011, the District received federal commodities valued at $9,801.

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Ar-We-Va 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 Cities of Arcadia, Vail and Westside Iowa, and agricultural area in Carroll and Crawford 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, Ar-We-Va 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 District has no component units, which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in jointly governed organizations that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Carroll and Crawford Counties Assessor's Conference Boards.

B. Basis of Presentation

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

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

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are 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, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has elected to present all funds as major funds for clarity of presentation.

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 Management Levy Fund is utilized for the payment of insurance, unemployment and early retirement benefits.

The Student Activity Fund is used to account for extra curricular activities conducted on behalf of the students.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debts.

The Physical Plant and Equipment Levy Fund is utilized to account for the maintenance and equipping of the District's facilities.

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

The District reports the following major proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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 revenue of the District's Enterprise Fund are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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 non-negotiable certificates of deposit which are stated at cost.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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. No intangible assets were noted that exceeded the threshold amount.

Asset Class	Amount
Land	$ 1,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	10,000
Other furniture and equipment	10,000
Intangibles	50,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

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

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable and income surtax that will not be recognized as revenue until the year for which it is levied as well as unspent grant proceeds.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability is deemed to be immaterial at June 30, 2011.

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 used by taking the same action it employed to commit those amounts.

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 exceeded the amended amount budgeted in the non-instructional programs function. The District did not exceed the General Fund unspent authorized budget.

(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.

The District had no investments at June 30, 2011.

(3) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 54,700	-	-	54,700
Capital assets being depreciated:				
Site Improvements	147,353	-	-	147,353
Buildings	2,760,786	-	-	2,760,786
Furniture and Equipment	1,020,824	90,245	37,417	1,073,652
Total capital assets being depreciated	3,928,963	90,245	37,417	3,981,791
Less accumulated depreciation for:				
Site Improvements	87,130	3,861	-	90,991
Buildings	957,583	38,384	-	995,967
Furniture and Equipment	796,180	103,472	37,417	862,235
Total accumulated depreciation	1,840,893	145,717	37,417	1,949,193
Total capital assets being depreciated, net	2,088,070	(55,472)	-	2,032,598
Governmental activities, capital assets, net	$ 2,142,770	(55,472)	-	2,087,298
Business type activities:				
Furniture and equipment	$ 59,809	-	-	59,809
Less accumulated depreciation	48,591	1,867	-	50,458
Business type activities capital assets, net	$ 11,218	(1,867)	-	9,351

Depreciation expense was charged to the following functions:

Governmental activities:	
Support services:	
Transportation	$ 39,753
Unallocated	105,964
	$ 145,717
Business Type activities:	
Food service operations	$ 1,867

(4) 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, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.50% of their annual salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 were $130,804, $130,873, and $138,051 respectively, equal to the required contributions for each year.

(5) 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 $147,351 for year ended June 30, 2011 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(6) Risk Management

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

(7) Long-Term Liabilities

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

	Balance Beginning Year	Additions	Reductions	Balance End of Year	Due Within One Year
Net OPEB Liability	$ 9,608	8,809	-	18,417	-
Capital Loan Notes	1,065,000	-	115,000	950,000	125,000
Early Retirement	12,000	-	12,000	-	-
Revenue Bonds	350,000	-	80,000	270,000	85,000
Total	$1,436,608	8,809	207,000	1,238,417	210,000

Early Retirement - The District offers a voluntary early retirement to teachers. To qualify, a teacher must have been employed at Ar-We-Va Community School District for a minimum length of 15 years at full time and be at least 55 years of age, also. If a teacher met those requirements and chose to retire, the Ar-We-Va Community School District offers him or her $12,000 to be paid in two installments of $6,000 on July 1 and February 1 immediately following the year of resignation. There is no liability at June 30, 2011.

Capital Loan Notes

In 2008, the District issued $1,295,000 of capital loan notes. These are being repaid over ten years from proceeds of the voter approved Physical Plant and Equipment Levy.

Details of the District's June 30, 2011 Capital Loan Notes are as follows:

Year Ending June 30,	Issue of April 1, 2008			
	Rates	Interest	Principal	Total
2012	3.00%	$ 34,067	125,000	159,067
2013	3.20	30,318	125,000	155,318
2014	3.45	26,317	130,000	156,317
2015	3.65	21,833	135,000	156,833
2016	3.75	16,905	140,000	156,905
2017	3.90	11,655	145,000	156,655
2018	4.00	6,000	150,000	156,000
Total		$147,095	950,000	1,097,095

During the year ended June 30, 2011, the District made principal and interest payments totaling $152,288 under the agreement.

Revenue Bonds Payable

In 2008, the District issued $510,000 of revenue bonds. They are being repaid with proceeds from the statewide sales, services and use tax.

Details of the District's June 30, 2011 statewide sales, services and use tax revenue bond indebtedness are as follows:

Year Ending June 30,	Bond Issue of June 1, 2008			
	Rates	Interest	Principal	Total
2012	4.20%	$11,528	85,000	96,528
2013	4.25	7,957	90,000	97,957
2014	4.35	4,133	95,000	99,133
Total		$23,618	270,000	293,618

The District has pledged future statewide sales, services and use tax revenues to repay the $510,000 bonds issued in May 2008. The bonds were issued for the purpose of financing remodeling of the Westside building. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2014. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 40 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is $293,618. For the current year principal of $80,000 and interest of $14,727 were paid on the bonds and total statewide sales, services and use tax revenues were $249,414.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

a) $51,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.

b) All proceeds from the statewide sales, services and use tax shall be place in a revenue account.

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

d. Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all the revenue bond provisions during the year ended June 30, 2011.

(8) Related Party Transactions

During the year ended June 30, 2011, the District entered into business transactions with one District official. Mr. Todd Danner, board member, was paid $150 for services as an athletic official.

(9) Interfund Transfers

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

Transfer to	Transfer from	Amount
Governmental Funds:		
Debt Service	Capital Projects Fund	$ 94,727
Debt Service	Physical Plant and Equipment Levy	152,538
		$247,265

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

(10) Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 18 active and 3 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which result in an implicit rate 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 benefits 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 which, 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	$14,017
Interest on net OPEB obligation	240
Adjustment to annual required contribution	(1,146)
Annual OPEB cost	13,111
Contributions made	(4,302)
Increase in net OPEB obligation	8,809
Net OPEB obligation beginning of year	9,608
Net OPEB obligation end of year	$18,417

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2010. The end of the 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.

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:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$13,015	26.2%	$ 9,608
June 30, 2011	$13,111	32.8%	$18,417

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was $79,068, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $79,068. The covered payroll (annual payroll of active employees covered by the plan) was approximately $2,215,000 and the ratio of the UAAL to covered payroll was 3.6%. 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, presents 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, 2010 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from information provided by the District.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(11) Commitment

In July 2011 the District issued $2,305,000 of revenue bonds for the purpose of adding an elementary wing to the Westside building. The debt will be paid with proceeds of the statewide sales, services and use tax. The District will close the Arcadia and Vail buildings upon completion of this addition.

(12) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	Capital Projects, Physical Plant and Equipment Levy	Special Revenue, Physical Plant and Equipment Levy
Balances June 30, 2010, as previously reported	$ -	82,051
Change in fund type classification per implementation of GASB Statement No. 54	82,051	(82,051)
Balances July 1, 2010, as restated	$82,051	-

Required Supplementary Information

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information

Year ended June 30, 2011

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues:						
Local sources	$ 2,697,912	88,934	2,786,846	2,987,345	2,987,345	(200,499)
State sources	1,311,442	1,229	1,312,671	1,515,523	1,515,523	(202,852)
Federal sources	222,648	52,331	274,979	294,000	294,000	(19,021)
Total revenues	4,232,002	142,494	4,374,496	4,796,868	4,796,868	(422,372)
Expenditures/Expenses:						
Instruction	2,677,304	-	2,677,304	3,420,756	3,420,756	743,452
Support services	984,906	-	984,906	2,647,534	1,374,513	389,607
Non-instructional programs	18,272	149,304	167,576	163,365	163,365	(4,211)
Other expenditures	463,843	-	463,843	149,628	1,422,649	958,806
Total expenditures/expenses	4,144,325	149,304	4,293,629	6,381,283	6,381,283	2,087,654
Excess (deficiency) of revenues over (under) expenditures/expenses	87,677	(6,810)	80,867	(1,584,415)	(1,584,415)	1,665,282
Other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	87,677	(6,810)	80,867	(1,584,415)	(1,584,415)	1,665,282
Balance beginning of year	2,027,943	38,585	2,066,528	1,744,199	1,744,199	322,329
Balance end of year	$ 2,115,620	31,775	2,147,395	159,784	159,784	1,987,611

See accompanying independent auditor's report.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Note 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 Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. 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 that 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. Total expenditures were not exceeded; however, they were shifted between functions.

During the year ended June 30, 2011, expenditures in the non-instructional programs function exceeded the amended amount budgeted. The District did not exceed its General Fund unspent authorized budget.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

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)
2010	Jul 1, 2009	$0	$79	$79	0.0%	$2,149	3.7%
2011	Jul 1, 2009	$0	$79	$79	0.0%	$2,215	3.6%

See Note 10 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.

See accompanying independent auditor's report.

Other Supplementary Information

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
School Plays	$ 1,168	828	233	1,763
Music	986	1,633	2,347	272
Athletic Fund	42,112	56,019	52,606	45,525
Honor Society	1,683	670	713	1,640
Spirit Club	302	-	76	226
Student Council	4,169	3,861	4,940	3,090
Rambling Rockets/Wellness	7,748	826	339	8,235
Senior Class	607	330	190	747
Junior Class	2,063	5,203	5,300	1,966
Sophomore Class	469	573	150	892
Freshman Class	420	160	118	462
Concessions	20,301	9,237	784	28,754
Elementary	8,207	7,153	2,733	12,627
Industrial Arts	-	1,021	879	142
Middle School	11,527	7,381	5,887	13,021
Resale	619	1,572	1,022	1,169
HS Annual	-	4,329	4,329	-
Cheerleader	272	3,911	3,986	197
Dance Team	4,063	2,657	2,175	4,545
Eighth Grade Class	50	-	-	50
Art Club	108	100	208	-
Total	$ 106,874	107,464	89,015	125,323

See accompanying independent auditor's report.

AR-WE-VA COMMUNITY SCHOOL DISTRICT

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

For the Last Eight Years

	Modified Accrual Basis							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:								
Local sources:								
Local tax	$ 2,342,115	2,056,978	1,918,370	1,552,235	1,526,452	1,378,076	1,305,000	1,366,043
Tuition	187,251	59,717	104,412	159,926	62,688	90,374	231,661	161,303
Other	168,546	191,853	261,494	301,952	266,527	209,451	209,627	287,145
State sources	1,311,442	1,451,190	1,638,819	1,870,705	1,717,550	1,711,092	1,770,346	1,505,133
Federal sources	222,648	397,037	213,440	193,556	163,862	257,805	217,064	223,459
Total	$ 4,232,002	4,156,775	4,136,535	4,078,374	3,737,079	3,646,798	3,733,698	3,543,083
Expenditures:								
Instruction	$ 2,677,304	2,482,730	2,519,859	2,464,043	2,548,388	2,291,524	2,242,372	2,170,197
Support services:								
Student	15,822	19,569	29,652	47,646	46,063	53,940	73,383	60,110
Instructional staff	32,904	25,172	23,897	37,104	36,208	34,705	36,364	33,694
Administration	400,848	381,116	444,888	467,557	482,073	491,699	470,222	368,316
Operation and maintenance of plan	216,671	205,933	235,322	249,253	259,977	274,312	304,369	340,493
Transportation	265,562	146,732	294,162	227,963	251,196	299,595	183,291	227,871
Non-instructional programs	18,272	18,397	19,151	23,312	18,060	-	3,522	-
Other expenditures:								
Facilities acquisition	121,926	69,171	690,478	1,286,148	80,384	219,222	166,846	47,451
Debt service:								
Principal	195,000	200,000	-	-	-	-	-	-
Interest and services	52,665	58,015	-	-	-	-	-	-
AEA flowthrough	147,351	147,136	138,265	136,401	131,790	126,576	137,685	125,360
Total	$ 4,144,325	3,753,971	4,395,674	4,939,427	3,854,139	3,791,573	3,618,054	3,373,492

See accompanying independent auditor's report.

BRUCE D. FRINK
Certified Public Accountant

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of the
Ar-We-Va Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of Ar-We-Va 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 5, 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 Ar-We-Va Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Ar-We-Va Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ar-We-Va 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, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and another deficiency which we consider to be a significant deficiency.

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 deficiencies in internal control described in Part I of the accompanying Schedule of Findings as items I-A-11 and I-B-11 to be material weaknesses.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no items that we consider to be significant deficiencies.

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P.O. Box 241
Clarion, IA 50525

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Fax: (515) 532-3677
bruce@frinkcpa.com

Compliance and Other Matters

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

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

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

Bruce D. Frink

BRUCE D. FRINK
Certified Public Accountant

January 5, 2012

AR-WE-VA COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2011

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

I-A-11 Segregation of Duties - During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the District's financial statements. We noted that one individual has custody of receipts and performs all record-keeping and reconciling functions for the office.

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

Response - We will review procedures and investigate available alternatives.

Conclusion - Response acknowledged.

II-B-11 Auditor Drafting of the Financial Statements and Related Footnote Disclosures

Comment - As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. SAS 112, an auditing standard from the American Institute of Certified Public Accountants, requires auditors to communicate this situation as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of the District's statements and footnotes, and the responsibility of the auditor to determine the fairness of the presentation of those statements. From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do this with organizations of your size. However, based on this auditing standard, it is our responsibility to inform you that this deficiency could result in a misstatement to the financial statements that could have been prevented or detected by the District's management. As in prior years, we have instructed management to review a draft of the auditor prepared financial statements in detail for their accuracy, we have answered any questions they might have, and encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification and disclosure in your financial statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Recommendation - It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response - We feel our review of the draft financials is adequate for us to accept this risk.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-11 Certified Budget - Expenditures for the year ended June 30, 2011 exceeded the amended certified budget amount in the non-instructional programs function. The District did not exceed its unspent authorized budget.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

II-B-11 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

II-C-11 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-11 Business Transactions - We noted the following transaction between the District and District officials or employees.

Name, Title and Business Connection	Transaction Description	Amount
Todd Danner, board member, athletic official	Services	$ 150

The transaction with Mr. Danner does not appear to be a conflict of interest because the amount is less than $2,500 as allowed by Iowa law.

II-E-11 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

II-F-11 Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education were noted.

II-G-11 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

II-H-11 Board Minutes - No transactions requiring Board approval, which had not been approved by the Board were noted.

II-I-11 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

II-J-11 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

II-K-11 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

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

II-L-11 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.

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		$111,396
Revenues/transfers in:		
Sales tax revenues	$249,414	
Other local revenues	649	250,063
		361,459
Expenditures/transfers out:		
School infrastructure construction	$103,347	
Transfers to other funds:		
Debt service fund	94,727	198,074
Ending balance		$163,385

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:

	Per $1,000 Of Taxable Valuation	Property Tax Dollars
Debt Service	$1.64	$247,665