

CARROLL 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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Carroll Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Kim Tiefenthaler	President	2011
Jerry Fleshner	Vice President	2013
Dennis Molitor	Board Member	2013
Amy Fordyce	Board Member	2011
LaVern Dirkx	Board Member	2011
School Officials		
Robert Cordes	Superintendent	2011
Gary Bengtson	Director of Business Affairs	2011
Gruhn Law Firm	Attorney	2011
Neu, Minnich, Comito and Neu, P.C.	Attorney	2011

Carroll Community School District

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Carroll, Iowa 50208-3040
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Carroll 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 Carroll Community School District, Carroll, 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 Carroll 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 February 27, 2012 on our consideration of Carroll 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. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 15 and 42 through 44 are not required parts of the

basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Carroll Community School District's basic financial statements. We previously audited the four years ended June 30, 2010 (not presented herein) in accordance with the standards referred to in the second paragraph of this report and unqualified opinions were expressed on those financial statements. Another auditor previously audited the three years ended June 30, 2006, (none of which are presented herein) in accordance with the standards referred to in the second paragraph of this report, and unqualified opinions were expressed on those financial statements. The supplemental 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.



NOLTE, CORNMAN & JOHNSON, P.C.

February 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Carroll Community School District provides the 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 increased from \$15,883,633 in fiscal 2010 to \$16,880,739 in fiscal 2011, while General Fund expenditures increased from \$15,565,002 in fiscal 2010 to \$16,569,977 in fiscal 2011. This resulted in an increase in the District's General Fund balance from \$3,548,107 in fiscal 2010 to a balance of \$3,858,869 in fiscal 2011, an 8.76% increase from the prior year.
- The increase in General Fund revenues was attributable to increased funding from state and local sources. The increase in expenditures was due primarily to increases in negotiated salaries and benefits.
- The District's solvency ratio decreased from 19.5% for fiscal year 2010 compared 19.4% for fiscal year 2011.

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 Carroll 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 Carroll Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Carroll Community School District acts solely as an agent or custodial for the benefit of those outside of School District.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of funding progress for the retiree health plan.

Other Supplementary Information provides detailed information about the nonmajor funds. In addition, the Schedule of Expenditures of Federal Awards provides detail of various programs benefiting the District.

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

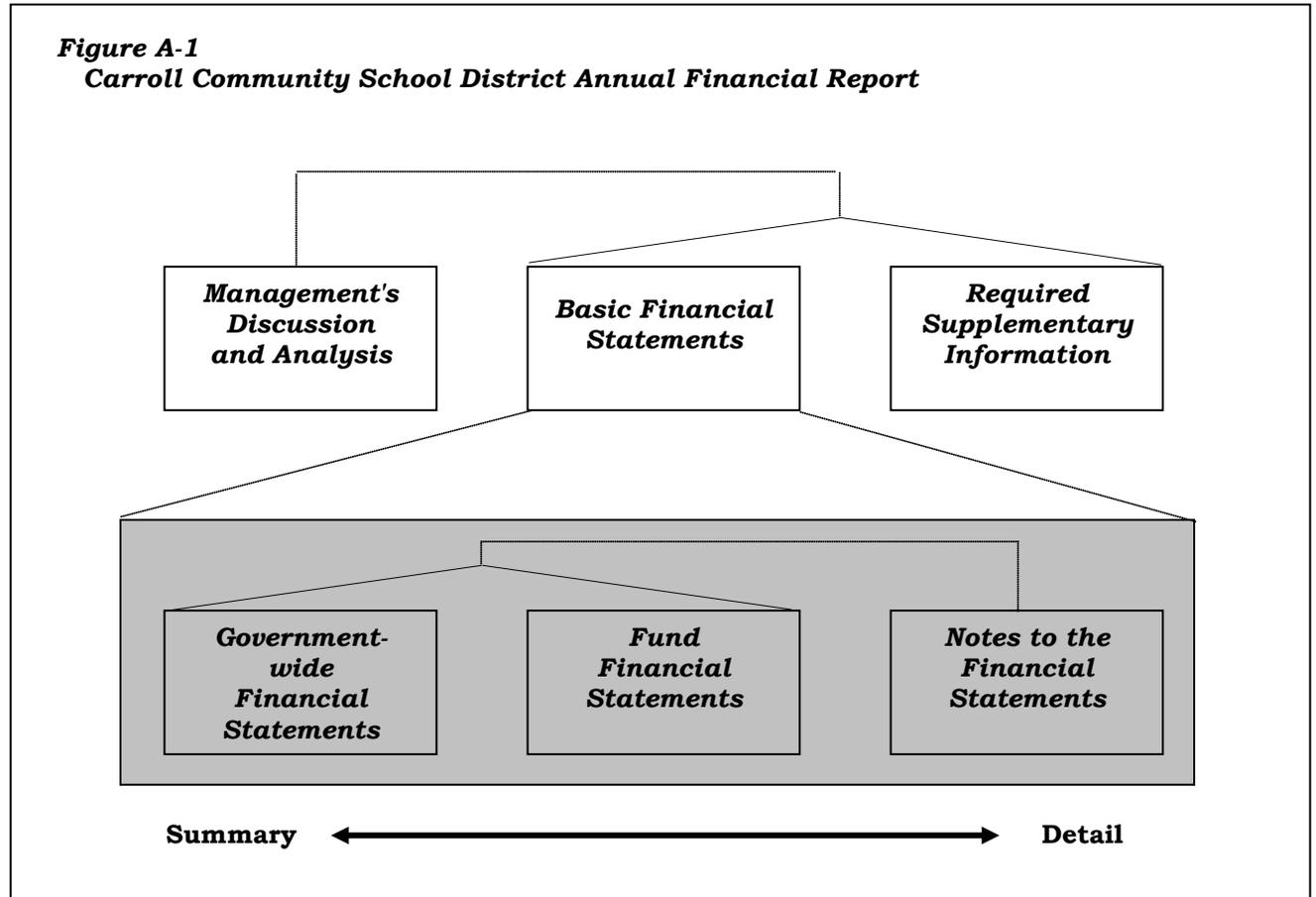


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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	Activities the district operates similar to private businesses: food services and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of revenues, expenses and changes in 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, 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 position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

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

The required financial statements for the proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in 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						
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Current and other assets	\$ 15,467,963	15,014,821	226,657	150,794	15,694,620	15,165,615	3.49%
Capital assets	16,170,114	15,819,132	63,632	69,382	16,233,746	15,888,514	2.17%
Total assets	<u>31,638,077</u>	<u>30,833,953</u>	<u>290,289</u>	<u>220,176</u>	<u>31,928,366</u>	<u>31,054,129</u>	<u>2.82%</u>
Long-term obligations	2,846,473	3,500,064	13,388	11,134	2,859,861	3,511,198	-18.55%
Other liabilities	9,151,050	9,163,822	15,576	21,999	9,166,626	9,185,821	-0.21%
Total liabilities	<u>11,997,523</u>	<u>12,663,886</u>	<u>28,964</u>	<u>33,133</u>	<u>12,026,487</u>	<u>12,697,019</u>	<u>-5.28%</u>
Net assets:							
Invested in capital assets, net of related debt	13,690,114	12,799,132	63,632	69,382	13,753,746	12,868,514	6.88%
Restricted	3,033,039	2,569,698	-	-	3,033,039	2,569,698	18.03%
Unrestricted	2,917,401	2,801,237	197,693	117,661	3,115,094	2,918,898	6.72%
Total net assets	<u>\$ 19,640,554</u>	<u>18,170,067</u>	<u>261,325</u>	<u>187,043</u>	<u>19,901,879</u>	<u>18,357,110</u>	<u>8.42%</u>

The District's combined net assets increased by 8.42%, or \$1,544,769, over the prior year. The largest portion of the District's net assets is the invested in capital assets, net of related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased 18.03%, or \$463,341, over the prior year. Increases in fund balance for the Capital Projects: Statewide Sales, Services and Use Tax Fund and categorical funding reserves are the main reasons for the increase in restricted funds.

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 \$196,196, or 6.72%. This is due mainly to the increase in General Fund carryover balance.

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 of Net Assets							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Revenues & Transfers:							
Program revenues:							
Charges for services	\$ 1,013,579	874,576	443,229	416,949	1,456,808	1,291,525	12.80%
Operating grants and contributions and restricted interest	1,955,388	4,405,273	385,710	346,928	2,341,098	4,752,201	-50.74%
General revenues:							
Property tax	7,197,546	6,914,636	-	-	7,197,546	6,914,636	4.09%
Statewide sales, services and use tax	1,548,102	1,230,003	-	-	1,548,102	1,230,003	25.86%
Unrestricted state grants	7,257,119	4,832,803	-	-	7,257,119	4,832,803	50.16%
Non-specific program federal grants	211,040	-	-	-	211,040	-	100.00%
Other	165,189	201,840	6,573	2,129	171,762	203,969	-15.79%
Transfers	-	(3,269)	-	3,269	-	-	0.00%
Total revenues	<u>19,347,963</u>	<u>18,455,862</u>	<u>835,512</u>	<u>769,275</u>	<u>20,183,475</u>	<u>19,225,137</u>	<u>4.98%</u>
Program expenses:							
Governmental activities:							
Instructional	11,618,805	11,195,604	-	-	11,618,805	11,195,604	3.78%
Support services	4,843,164	4,854,089	12,011	10,122	4,855,175	4,864,211	-0.19%
Non-instructional programs	-	-	749,219	741,045	749,219	741,045	1.10%
Other expenses	1,415,507	1,512,170	-	-	1,415,507	1,512,170	-6.39%
Total expenses	<u>17,877,476</u>	<u>17,561,863</u>	<u>761,230</u>	<u>751,167</u>	<u>18,638,706</u>	<u>18,313,030</u>	<u>1.78%</u>
Change in net assets	1,470,487	893,999	74,282	18,108	1,544,769	912,107	69.36%
Net assets beginning of year, as restated	<u>18,170,067</u>	<u>17,276,068</u>	<u>187,043</u>	<u>168,935</u>	<u>18,357,110</u>	<u>17,445,003</u>	<u>5.23%</u>
Net assets end of year	<u>\$ 19,640,554</u>	<u>18,170,067</u>	<u>261,325</u>	<u>187,043</u>	<u>19,901,879</u>	<u>18,357,110</u>	<u>8.42%</u>

In fiscal 2011, property tax and unrestricted state grants account for 74.71% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 99.21% of the revenue from business type activities.

The District's total revenues were approximately \$20.18 million of which approximately \$19.35 million was for governmental activities and approximately \$0.83 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 4.98% increase in revenues and a 1.78% increase in expenses. Unrestricted state grants increased \$2,424,316 to fund the increase in expenses. The increase in expenses is related to increases in the negotiated salary and benefits.

Governmental Activities

Revenues for governmental activities were \$19,347,963 and expenses were \$17,877,476.

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

	Total Cost of Services			Net Cost of Services		
	2011	2010	Change 2010-11	2011	2010	Change 2010-11
Instruction	\$ 11,618,805	11,195,604	3.78%	9,823,968	6,948,358	41.39%
Support services	4,843,164	4,854,089	-0.23%	4,412,814	4,564,546	-3.32%
Other expenses	1,415,507	1,512,170	-6.39%	671,727	769,110	-12.66%
Totals	\$ 17,877,476	17,561,863	1.80%	14,908,509	12,282,014	21.38%

- The cost financed by users of the District's programs was \$1,013,579.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,955,388.
- The net cost of governmental activities was financed with \$7,197,546 in property tax, \$1,548,102 in statewide sales, services and use tax, \$7,257,119 in unrestricted state grants, \$211,040 in nonspecific program federal grants, \$8,755 in interest income and \$156,434 in other general revenues.

Business type Activities

Revenues of the District's business type activity were \$835,512 and expenses were \$761,230. The District's business type activity is the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements.

INDIVIDUAL FUND ANALYSIS

As previously noted, the Carroll 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 \$6,330,033, above last year's ending fund balances of \$5,867,107. However, the primary reason for the increase in combined fund balances is because of gains in fund balance by the General Fund and the Capital Projects Fund.

Governmental Fund Highlights

- General Fund revenues increased from \$15,883,633 in fiscal 2010 to \$16,880,739 in fiscal 2011. The increase in General Fund revenues was attributable to increased funding from state and local sources. General Fund expenditures increased from \$15,565,002 in fiscal 2010 to \$16,569,977 in fiscal 2011 due in part to increases in negotiated salaries and benefits received by District employees. The difference between fiscal 2011 revenues of \$16,880,739 and expenses of \$16,569,977 results in a net increase in fund balance of \$310,762. As a result, the District's General Fund balance increased from \$3,548,107 in fiscal 2010 to a balance of \$3,858,869 in fiscal 2011. This represents an 8.76% increase from the prior year.
- The Capital Projects Fund balance increased from restated \$1,173,263 at the beginning of fiscal year 2011 to \$1,535,098 at the end of fiscal year 2011. The beginning balance was restated as a result of the Physical Plant and Equipment Levy Fund reclassification as a Capital Projects Fund account in accordance with GASB Statement No. 54. Increased revenue from statewide sales, services and use tax was the main cause for the improvement in fund

balance. The Statewide Sales, Services and Use Tax Fund revenues increased \$396,060 and expenses increased \$202,787 when compared to the previous year. Physical Plant and Equipment Levy Fund revenues increased \$7,653 and expenses increased \$124,836 when compared to the previous year.

Proprietary Fund Highlights

The School Nutrition Fund's increase in revenues outpaced the increase in expenses and led to an increase in fund balance. Overall, net assets increased from \$187,043 at June 30, 2010 to \$261,325 at June 30, 2011, representing an increase of 39.71%.

BUDGETARY HIGHLIGHTS

The District's revenues were \$550,945 less than budgeted revenues, a variance of 2.66%. The most significant dollar variance resulted from the District receiving less in state sources than originally anticipated.

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 up to the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested \$16,233,746, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities and transportation equipment. (See Figure A-6) This amount represents a net increase of 2.17% from last year. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$889,017.

The original cost of the District's capital assets was \$33,984,167. Governmental funds account for \$33,504,655 with the remainder of \$479,512 in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the land improvements category. The District's land improvements totaled \$962,944 at June 30, 2010 as compared to \$1,424,049 at June 30, 2011. This increase in land improvements is due to various projects completed during the year including, but not limited to, the soccer field lighting, driveway patching and practice field renovation projects.

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Land	\$ 694,070	694,070	-	-	694,070	694,070	0.00%
Buildings	12,373,593	12,844,173	-	-	12,373,593	12,844,173	-3.66%
Land improvements	1,424,049	962,944	-	-	1,424,049	962,944	47.88%
Machinery and equipment	1,678,402	1,317,945	63,632	69,382	1,742,034	1,387,327	25.57%
Total	\$ 16,170,114	15,819,132	63,632	69,382	16,233,746	15,888,514	2.17%

Long-Term Debt

At June 30, 2011, the District had \$2,859,861 in general obligation bonds and other long-term debt outstanding. This represents a decrease of approximately 18.55% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The District had total outstanding general obligation bonds payable of \$2,480,000 at June 30, 2011.

The District had total outstanding compensated absences of \$50,861 at June 30, 2011.

The District also had a net OPEB liability of \$329,000 at June 30, 2011.

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
General Obligation Bonds	\$ 2,480,000	3,020,000	-	-	2,480,000	3,020,000	-17.88%
Compensated Absences	50,861	45,038	-	-	50,861	45,038	12.93%
Early Retirement	-	180,483	-	-	-	180,483	-100.00%
Net OPEB Liability	315,612	254,543	13,388	11,134	329,000	265,677	23.83%
Total	\$ 2,846,473	3,500,064	13,388	11,134	2,859,861	3,511,198	-18.55%

ECONOMIC 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 affect its financial health in the future:

- Open enrollment is a process allowed under Iowa Code that allows parents or guardians residing in an Iowa school district to enroll their children into another Iowa school district. In the fiscal year ending June 30, 2011, the Carroll Community School District had 47.0 students enrolled out of the district and 88.7 students enrolled into the district.
- On July 1, 2011 IPERS implemented an employers' contribution increase to 8.07%. This will increase the Carroll Community Schools' employer benefit costs over the next year.

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 Gary Bengtson, Director of Business Affairs, Carroll Community School District, 1026 North Adams Street, Carroll, Iowa, 51401.

Carroll Community School District

BASIC FINANCIAL STATEMENTS

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 7,719,259	197,712	7,916,971
Receivables:			
Property tax:			
Delinquent	47,886	-	47,886
Succeeding year	6,924,446	-	6,924,446
Accounts	191,031	1,301	192,332
Due from other governments	565,332	-	565,332
Inventories	-	20,387	20,387
Prepaid items	20,009	7,257	27,266
Capital assets, net of accumulated depreciation	16,170,114	63,632	16,233,746
Total assets	31,638,077	290,289	31,928,366
Liabilities			
Accounts payable	304,702	1,100	305,802
Salaries and benefits payable	1,598,325	809	1,599,134
Accrued interest payable	13,120	-	13,120
Deferred revenue:			
Succeeding year property tax	6,924,446	-	6,924,446
Other	310,457	-	310,457
Unearned revenue	-	13,667	13,667
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	555,000	-	555,000
Compensated absences	50,861	-	50,861
Portion due after one year:			
General obligation bonds payable	1,925,000	-	1,925,000
Net OPEB liability	315,612	13,388	329,000
Total liabilities	11,997,523	28,964	12,026,487
Net Assets			
Invested in capital assets, net of related debt	13,690,114	63,632	13,753,746
Restricted for:			
Categorical funding	561,875	-	561,875
Debt service	62,842	-	62,842
Management levy purposes	715,147	-	715,147
Student activities	158,077	-	158,077
School infrastructure	1,373,099	-	1,373,099
Physical plant and equipment	161,999	-	161,999
Unrestricted	2,917,401	197,693	3,115,094
Total net assets	\$ 19,640,554	261,325	19,901,879

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating Grants,		Govern- mental Activities	Business Type Activities	Total
		Charges for Services	Contributions and Restricted Interest			
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 7,267,958	615,409	214,522	(6,438,027)	-	(6,438,027)
Special	2,147,083	170,690	265,815	(1,710,578)	-	(1,710,578)
Other	2,203,764	159,415	368,986	(1,675,363)	-	(1,675,363)
	<u>11,618,805</u>	<u>945,514</u>	<u>849,323</u>	<u>(9,823,968)</u>	<u>-</u>	<u>(9,823,968)</u>
Support services:						
Student	495,476	-	119,649	(375,827)	-	(375,827)
Instructional staff	617,555	-	-	(617,555)	-	(617,555)
Administration	1,374,650	-	-	(1,374,650)	-	(1,374,650)
Operation and maintenance of plant	1,180,470	-	-	(1,180,470)	-	(1,180,470)
Transportation	1,175,013	68,065	242,636	(864,312)	-	(864,312)
	<u>4,843,164</u>	<u>68,065</u>	<u>362,285</u>	<u>(4,412,814)</u>	<u>-</u>	<u>(4,412,814)</u>
Other expenditures:						
Long-term debt interest	88,837	-	-	(88,837)	-	(88,837)
AEA flowthrough	743,780	-	743,780	-	-	-
Depreciation (unallocated)*	582,890	-	-	(582,890)	-	(582,890)
	<u>1,415,507</u>	<u>-</u>	<u>743,780</u>	<u>(671,727)</u>	<u>-</u>	<u>(671,727)</u>
Total governmental activities	17,877,476	1,013,579	1,955,388	(14,908,509)	-	(14,908,509)
Business type activities:						
Support services:						
Administration	5,896	-	-	-	(5,896)	(5,896)
Operation and maintenance of plant	6,115	-	-	-	(6,115)	(6,115)
	<u>12,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,011)</u>	<u>(12,011)</u>
Non-instructional programs:						
Nutrition services	749,219	443,229	385,710	-	79,720	79,720
Total business type activities	<u>761,230</u>	<u>443,229</u>	<u>385,710</u>	<u>-</u>	<u>67,709</u>	<u>67,709</u>
Total	\$ 18,638,706	1,456,808	2,341,098	(14,908,509)	67,709	(14,840,800)
General Revenues:						
Property tax levied for:						
General purposes				\$ 6,851,128	-	6,851,128
Debt service				131,889	-	131,889
Capital outlay				214,529	-	214,529
Statewide sales, services and use tax				1,548,102	-	1,548,102
Unrestricted state grants				7,257,119	-	7,257,119
Nonspecific program federal grants				211,040	-	211,040
Unrestricted investment earnings				8,755	306	9,061
Other				156,434	6,267	162,701
Total general revenues				<u>16,378,996</u>	<u>6,573</u>	<u>16,385,569</u>
Change in net assets				1,470,487	74,282	1,544,769
Net assets beginning of year				18,170,067	187,043	18,357,110
Net assets end of year				\$ 19,640,554	261,325	19,901,879

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

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 5,385,510	1,391,758	941,991	7,719,259
Receivables:				
Property tax:				
Delinquent	44,350	1,364	2,172	47,886
Succeeding year	6,035,292	207,212	681,942	6,924,446
Accounts	175,994	15,037	-	191,031
Due from other governments	326,293	239,039	-	565,332
Prepaid items	20,009	-	-	20,009
Total assets	\$ 11,987,448	1,854,410	1,626,105	15,467,963
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 184,505	112,100	8,097	304,702
Salaries and benefits payable	1,598,325	-	-	1,598,325
Deferred revenue:				
Succeeding year property tax	6,035,292	207,212	681,942	6,924,446
Other	310,457	-	-	310,457
Total liabilities	8,128,579	319,312	690,039	9,137,930
Fund balances:				
Nonspendable	20,009	-	-	20,009
Restricted for:				
Categorical funding	561,875	-	-	561,875
Debt service	-	-	62,842	62,842
Management levy purposes	-	-	715,147	715,147
Student activities	-	-	158,077	158,077
School infrastructure	-	1,373,099	-	1,373,099
Physical plant and equipment	-	161,999	-	161,999
Unassigned	3,276,985	-	-	3,276,985
Total fund balances	3,858,869	1,535,098	936,066	6,330,033
Total liabilities and fund balances	\$ 11,987,448	1,854,410	1,626,105	15,467,963

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL 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(page 20)	\$	6,330,033
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		16,170,114
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.		(13,120)
Long-term liabilities, including general obligation bonds, compensated absences payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		<u>(2,846,473)</u>
Net assets governmental activities(page 18)	\$	<u><u>19,640,554</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	Capital			Total
	General	Projects	Nonmajor	
Revenues:				
Local sources:				
Local tax	\$ 6,651,104	1,762,631	331,913	8,745,648
Tuition	729,694	-	-	729,694
Other	170,322	16,384	357,037	543,743
State sources	8,355,524	131	208	8,355,863
Federal sources	973,015	-	-	973,015
Total revenues	<u>16,879,659</u>	<u>1,779,146</u>	<u>689,158</u>	<u>19,347,963</u>
Expenditures:				
Current:				
Instruction:				
Regular	7,197,864	146,278	230,177	7,574,319
Special	2,167,965	-	-	2,167,965
Other	1,934,828	-	333,060	2,267,888
	<u>11,300,657</u>	<u>146,278</u>	<u>563,237</u>	<u>12,010,172</u>
Support services:				
Student	500,560	-	-	500,560
Instructional staff	452,475	205,672	-	658,147
Administration	1,383,663	46	6,355	1,390,064
Operation and maintenance of plant	1,210,206	-	134,497	1,344,703
Transportation	915,968	160,764	62,915	1,139,647
	<u>4,462,872</u>	<u>366,482</u>	<u>203,767</u>	<u>5,033,121</u>
Other expenditures:				
Facilities acquisitions	-	467,219	-	467,219
Long-term debt:				
Principal	-	-	540,000	540,000
Interest and fiscal charges	-	-	91,825	91,825
AEA flowthrough	743,780	-	-	743,780
	<u>743,780</u>	<u>467,219</u>	<u>631,825</u>	<u>1,842,824</u>
Total expenditures	<u>16,507,309</u>	<u>979,979</u>	<u>1,398,829</u>	<u>18,886,117</u>
Excess(deficiency) of revenues over(under) expenditures	372,350	799,167	(709,671)	461,846
Other financing sources(uses):				
Transfer in	-	62,668	500,000	562,668
Transfer out	(62,668)	(500,000)	-	(562,668)
Sale of equipment	1,080	-	-	1,080
Total other financing sources(uses)	<u>(61,588)</u>	<u>(437,332)</u>	<u>500,000</u>	<u>1,080</u>
Net change in fund balances	310,762	361,835	(209,671)	462,926
Fund balances beginning of year, as restated	3,548,107	1,173,263	1,145,737	5,867,107
Fund balances end of year	<u>\$ 3,858,869</u>	<u>1,535,098</u>	<u>936,066</u>	<u>6,330,033</u>

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL 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(page 22) \$ 462,926

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

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

Expenditures for capital assets	\$ 1,246,087	
Depreciation expense	(877,462)	
Loss on asset disposal	(17,643)	350,982

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. 540,000

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. 2,988

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	\$ 180,483	
Compensated Absences	(5,823)	
Other Postemployment Benefits	(61,069)	113,591

Changes in net assets of governmental activities(page 19) \$ 1,470,487

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	School Nutrition
Assets	
Current assets:	
Cash and pooled investments	\$ 197,712
Accounts receivable	1,301
Inventories	20,387
Prepaid items	7,257
Total current assets	226,657
Non-current assets:	
Capital assets:	
Machinery and equipment, net of accumulated depreciation	63,632
Total non-current assets	63,632
Total assets	290,289
Liabilities	
Current liabilities:	
Accounts payable	1,100
Salaries and benefits payable	809
Unearned revenue	13,667
Total current liabilities	15,576
Long-term liabilities:	
Net OPEB liability	13,388
Total long-term liabilities	13,388
Total liabilities	28,964
Net Assets	
Invested in capital assets	63,632
Unrestricted	197,693
Total net assets	\$ 261,325

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	School Nutrition
Operating revenues:	
Local sources:	
Charges for services	\$ 443,229
Miscellaneous	6,267
Total operating revenues	449,496
Operating expenses:	
Support services:	
Administration:	
Services	326
Other	5,570
Operation and maintenance of plant:	
Supplies	6,115
Total support services	12,011
Non-instructional programs:	
Food service operations:	
Salaries	232,884
Benefits	112,991
Services	5,293
Supplies	385,996
Other	500
Depreciation	11,555
Total non-instructional programs	749,219
Total operating expenses	761,230
Operating loss	(311,734)
Non-operating revenues:	
State sources	7,438
Federal sources	378,272
Interest income	306
Total non-operating revenues	386,016
Change in net assets	74,282
Net assets beginning of year	187,043
Net assets end of year	\$ 261,325

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 443,150
Cash received from miscellaneous operating activities	6,267
Cash payments to employees for services	(353,621)
Cash payments to suppliers for goods or services	(313,459)
Net cash used in operating activities	<u>(217,663)</u>
Cash flows from non-capital financing activities:	
State grants received	7,438
Federal grants received	304,694
Net cash provided by non-capital financing activities	<u>312,132</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(5,805)</u>
Cash flows from investing activities:	
Interest on investments	<u>306</u>
Net increase in cash and cash equivalents	88,970
Cash and cash equivalents at beginning of year	<u>108,742</u>
Cash and cash equivalents at end of year	<u>\$ 197,712</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (311,734)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	73,578
Depreciation	11,555
Increase in prepaid items	(1,702)
Decrease in inventories	15,720
Increase in accounts receivable	(911)
Increase in accounts payable	1,043
Decrease in salaries and benefits payable	(8,298)
Increase in unearned revenue	832
Increase in other postemployment benefits	2,254
Net cash used in operating activities	<u>\$ (217,663)</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2011, the District received \$73,578 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

CARROLL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

(1) **Summary of Significant Accounting Policies**

The Carroll 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 primarily includes the Cities of Carroll, Breda, Dedham, Halbur, Roselle, Mt. Carmel, Willey, Lidderdale, Templeton, and Maple River Iowa, and the predominate agricultural territory of Carroll County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Carroll 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 Carroll Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but 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 Carroll County Assessors' Conference Board.

B. Basis of Presentation

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

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds. Combining schedules are also included for the Capital Projects 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 receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The 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 proprietary fund is the Enterprise, School Nutrition Fund. The 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 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 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise 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 nonoperating revenues and expenses.

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

D. Assets, Liabilities and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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, machinery 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 repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Land improvements	10,000
Intangibles	100,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,000

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
Land improvements	20-50 years
Intangibles	2 + years
Machinery and equipment	5-15 years

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

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period

or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

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

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. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Unearned Revenue - Unearned revenues in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The revenue will be considered earned when services are provided. The lunch account balances are reflected on the Statement of Net Assets in the Proprietary Funds.

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:

Nonspendable - Amounts which cannot be spent because they are not expected to be converted to cash. These items include prepaid items.

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.

Unassigned - All amounts not included in other spendable 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 imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Accounting

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

(2) Cash and Pooled Investments

The District's deposits 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 and the Treasurer of the State of Iowa; 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 Direct Government Obligations Portfolio which are valued at an amortized cost of \$6,148,007 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

Governmental Accounting Standards Board Statement Number 3 requires the categorization of District investments to give an indication of the level of risk assumed by the District at year end. The HH Series Bond held by the District is stated at fair value and is not subject to the risk categorization previously mentioned.

At June 30, 2011, the District had an investment in an HH series bond in the amount of \$35,000.

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ 500,000
Capital Projects: Statewide Sales, Services and Use Tax	General	<u>62,668</u>
		<u>\$ 562,668</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service fund was needed for debt relief.

The transfer from the General Fund to the Capital Projects: Statewide Sales, Services and Use Tax Fund was for a corrective transfer requested from the prior year.

(4) **Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 694,070	-	-	694,070
Total capital assets not being depreciated	694,070	-	-	694,070
Capital assets being depreciated:				
Buildings	21,130,782	77,984	37,943	21,170,823
Land improvements	1,648,724	513,074	-	2,161,798
Machinery and equipment	8,932,693	655,029	109,758	9,477,964
Total capital assets being depreciated	31,712,199	1,246,087	147,701	32,810,585
Less accumulated depreciation for:				
Buildings	8,286,609	530,921	20,300	8,797,230
Land improvements	685,780	51,969	-	737,749
Machinery and equipment	7,614,748	294,572	109,758	7,799,562
Total accumulated depreciation	16,587,137	877,462	130,058	17,334,541
Total capital assets being depreciated, net	15,125,062	368,625	17,643	15,476,044
Governmental activities capital assets, net	\$ 15,819,132	368,625	17,643	16,170,114
Business type activities:				
Machinery and equipment	\$ 473,707	5,805	-	479,512
Less accumulated depreciation	404,325	11,555	-	415,880
Business type activities capital assets, net	\$ 69,382	(5,750)	-	63,632

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 51,275
Special	8,274
Other	17,234
Support services:	
Student	1,742
Instructional staff	10,474
Administration	3,724
Operation and maintenance	6,840
Transportation	195,009
	294,572
Unallocated depreciation	582,890
Total governmental activities depreciation expense	\$ 877,462
Business type activities:	
Food services	\$ 11,555

(5) **Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 3,020,000	-	540,000	2,480,000	555,000
Compensated Absences	45,038	50,861	45,038	50,861	50,861
Early Retirement	180,483	-	180,483	-	-
Net OPEB Liability	254,543	61,069	-	315,612	-
Total	<u>\$ 3,500,064</u>	<u>111,930</u>	<u>765,521</u>	<u>2,846,473</u>	<u>605,861</u>
Business Type Activities					
Net OPEB Liability	\$ 11,134	2,254	-	13,388	-

General Obligation Bonds Payable

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

Year Ending June 30,	Interest Rates	Bond Issue of April 1, 2009			
		Principal	Interest	Total	
2012	3.125	% \$ 555,000	74,422	629,422	
2013	3.125	570,000	57,000	627,000	
2014	3.125-3.375	590,000	39,031	629,031	
2015	3.000-3.375	600,000	19,313	619,313	
2016	3.000-3.375	165,000	3,975	168,975	
Total		<u>\$ 2,480,000</u>	<u>193,741</u>	<u>2,673,741</u>	

Early Retirement

The District offered a voluntary early retirement plan to all District employees. Eligible employees must be at least age fifty-five on or before July 1st the year of the retirement request. Eligible employees must have completed twenty years of continuous service or thirty years of non-continuous service to the District. The applicant must submit a written resignation to resign from the existing contract and the resignation may be contingent upon approval by the Board of Education. The application for the program must be submitted to the Superintendent on or before January 15th of the last current school year of employment. The early retirement incentive for each eligible certified employee is equal to a cash payment of 50% of the employee's base salary calculated by using the current year regular salary schedule, and subject to a maximum of \$15,000 per individual, to be paid on July 1st, in the employee's name to the 403(b) employer sponsored defined contribution plan. At the option of the Board, the payment could be made over a period of time not to exceed five years. During the year ended June 30, 2011, the District paid \$180,483 in early retirement benefits.

(6) 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 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 \$669,683, \$631,108 and \$605,667 respectively, equal to the required contributions for each year.

(7) Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical/prescription drug and dental benefits for retirees and their spouses. There are 231 active and 19 retired members in the plan. Employees must be age 55 or older at retirement and have ten or more years of service to the District.

The medical/prescription drug benefit, which is a self-funded medical plan, is administered by Wellmark Blue Cross Blue Shield. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit rate subsidy and an OPEB liability. There is no subsidy or OPEB liability associated with the dental benefit.

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 of the District (ARC), 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 June 30, 2011, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 138,000
Interest on net OPEB obligation	11,955
Adjustment to annual required contribution	(9,632)
Annual OPEB cost	<u>140,323</u>
Contributions made	(77,000)
Increase in net OPEB obligation	<u>63,323</u>
Net OPEB obligation - beginning of year	<u>265,677</u>
Net OPEB obligation - end of year	<u><u>\$ 329,000</u></u>

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 plans actual contributions for the year ended June 30, 2011.

For fiscal year 2011, the District contributed \$77,000 to the medical plan. Plan members receiving benefits contributed \$135,000, or 63.68% 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:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 195,677	31.68%	\$ 265,677
2011	140,323	54.87%	329,000

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 \$1.311 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.311 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9.697 million, and the ratio of the UAAL to the covered payroll was 13.5%. 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 healthcare 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 the 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 that are 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 July 1, 2010 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced by a percentage each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement probabilities were developed from the retirement probabilities from the IPERS Actuarial Valuation Report as of June 30, 2009 and applying the termination factors used in IPERS Actuarial Report as of June 30, 2009.

Projected claim costs of the medical plan are \$766 per month for retirees less than 65 and \$402 per month for retirees who have attained age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(8) Risk Management

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

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$743,780 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.

(10) Categorical Funding

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

Program	Amount
Limited English Proficient	\$ 903
Gifted and Talented Programs	155,269
Four-year-old Preschool State Aid	188,619
Beginning Teacher Mentoring and Induction Program	3,294
Teacher Salary Supplement	109,724
Beginning Administrator Mentoring and Induction Program	3,000
Textbook Aid for Nonpublic Students	5,704
Reading Recovery	375
Professional Development for Model Core Curriculum	67,086
Professional Development	27,901
Total	<u>\$ 561,875</u>

(11) **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:

	<u>Capital Projects</u>	<u>Special Revenue, Physical Plant and Equipment Levy</u>
Balances June 30, 2010, as previously stated	\$ 1,026,855	146,408
Change in fund type classification per implementation of GASB Statement No. 54	146,408	(146,408)
Balances July 1, 2010, as restated	<u>\$ 1,173,263</u>	<u>-</u>

Carroll Community School District

REQUIRED SUPPLEMENTARY INFORMATION

CARROLL COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON OF REVENUES, EXPENDITURES AND
 CHANGES IN BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
 AND PROPRIETARY FUNDS

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2011

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to
	Fund Types	Fund Type		Original	Final	Actual
	Actual	Actual				Variance
Revenues:						
Local sources	\$ 10,019,085	449,802	10,468,887	10,229,751	10,229,751	239,136
State sources	8,355,863	7,438	8,363,301	9,355,669	9,355,669	(992,368)
Federal sources	973,015	378,272	1,351,287	1,149,000	1,149,000	202,287
Total revenues	<u>19,347,963</u>	<u>835,512</u>	<u>20,183,475</u>	<u>20,734,420</u>	<u>20,734,420</u>	<u>(550,945)</u>
Expenditures/Expenses:						
Instruction	12,010,172	-	12,010,172	12,768,349	12,768,349	758,177
Support services	5,033,121	12,011	5,045,132	5,246,200	5,246,200	201,068
Non-instructional programs	-	749,219	749,219	827,000	827,000	77,781
Other expenditures	1,842,824	-	1,842,824	2,086,381	2,086,381	243,557
Total expenditures/expenses	<u>18,886,117</u>	<u>761,230</u>	<u>19,647,347</u>	<u>20,927,930</u>	<u>20,927,930</u>	<u>1,280,583</u>
Excess(Deficiency)of revenues over(under) expenditures/expenses	461,846	74,282	536,128	(193,510)	(193,510)	729,638
Other financing sources, net	1,080	-	1,080	-	-	1,080
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/expenses	462,926	74,282	537,208	(193,510)	(193,510)	730,718
Balances beginning of year	5,867,107	187,043	6,054,150	4,890,326	4,890,326	1,163,824
Balances end of year	<u>\$ 6,330,033</u>	<u>261,325</u>	<u>6,591,358</u>	<u>4,696,816</u>	<u>4,696,816</u>	<u>1,894,542</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL 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 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 or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

CARROLL 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		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)			
2009	July 1, 2008	-	\$ 1,755	1,755	0.0%	\$ 8,625	20.3%
2010	July 1, 2008	-	1,755	1,755	0.0%	8,061	21.8%
2011	July 1, 2010	-	1,311	1,311	0.0%	9,697	13.5%

See Note 7 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

CARROLL COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue				
	Manage- ment Levy	Student Activity	Total	Debt Service	Total Nonmajor
Assets					
Cash and pooled investments	\$ 713,813	166,174	879,987	62,004	941,991
Receivables:					
Property tax:					
Delinquent	1,334	-	1,334	838	2,172
Succeeding year	425,000	-	425,000	256,942	681,942
Total assets	\$ 1,140,147	166,174	1,306,321	319,784	1,626,105
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	8,097	8,097	-	8,097
Deferred revenue:					
Succeeding year property tax	425,000	-	425,000	256,942	681,942
Total liabilities	425,000	8,097	433,097	256,942	690,039
Fund balances:					
Restricted for:					
Debt service	-	-	-	62,842	62,842
Management levy purposes	715,147	-	715,147	-	715,147
Student activities	-	158,077	158,077	-	158,077
Total fund balances	715,147	158,077	873,224	62,842	936,066
Total liabilities and fund balances	\$ 1,140,147	166,174	1,306,321	319,784	1,626,105

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2010

	Special Revenue				
	Manage- ment Levy	Student Activity	Total	Debt Service	Total Nonmajor
Revenues:					
Local sources:					
Local tax	\$ 200,024	-	200,024	131,889	331,913
Other	24,798	332,110	356,908	129	357,037
State sources	128	-	128	80	208
Total revenues	224,950	332,110	557,060	132,098	689,158
Expenditures:					
Current:					
Instruction:					
Regular	230,177	-	230,177	-	230,177
Other	-	333,060	333,060	-	333,060
Support services:					
Administration	6,355	-	6,355	-	6,355
Operation and maintenance of plant	134,497	-	134,497	-	134,497
Transportation	62,915	-	62,915	-	62,915
Other expenditures:					
Long-term debt:					
Principal	-	-	-	540,000	540,000
Interest and fiscal charges	-	-	-	91,825	91,825
Total expenditures	433,944	333,060	767,004	631,825	1,398,829
Deficiency of revenues under expenditures	(208,994)	(950)	(209,944)	(499,727)	(709,671)
Other financing sources:					
Transfer in	-	-	-	500,000	500,000
Net change in fund balances	(208,994)	(950)	(209,944)	273	(209,671)
Fund balances beginning of year, as restated	924,141	159,027	1,083,168	62,569	1,145,737
Fund balance end of year	\$ 715,147	158,077	873,224	62,842	936,066

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS ACCOUNTS
 JUNE 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 1,231,123	160,635	1,391,758
Receivables:			
Property tax:			
Delinquent	-	1,364	1,364
Succeeding year	-	207,212	207,212
Accounts	15,037	-	15,037
Due from other governments	239,039	-	239,039
Total assets	\$ 1,485,199	369,211	1,854,410
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 112,100	-	112,100
Deferred revenue:			
Succeeding year property tax	-	207,212	207,212
Total liabilities	112,100	207,212	319,312
Fund balances:			
Restricted for:			
School infrastructure	1,373,099	-	1,373,099
Physical plant and equipment	-	161,999	161,999
Total fund balances	1,373,099	161,999	1,535,098
Total liabilities and fund balances	\$ 1,485,199	369,211	1,854,410

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 CAPITAL PROJECTS 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	\$ 1,548,102	214,529	1,762,631
Other	16,216	168	16,384
State sources	-	131	131
Total revenues	<u>1,564,318</u>	<u>214,828</u>	<u>1,779,146</u>
Expenditures:			
Instruction:			
Regular	144,938	1,340	146,278
Support Services:			
Instructional staff	190,519	15,153	205,672
Administration	46	-	46
Transportation	62,668	98,096	160,764
Other expenditures:			
Facilities acquisitions	382,571	84,648	467,219
Total expenditures	<u>780,742</u>	<u>199,237</u>	<u>979,979</u>
Excess of revenues over expenditures	783,576	15,591	799,167
Other financing sources(uses):			
Transfers in	62,668	-	62,668
Transfers out	(500,000)	-	(500,000)
Total other financing sources(uses)	<u>(437,332)</u>	<u>-</u>	<u>(437,332)</u>
Net change in fund balances	346,244	15,591	361,835
Fund balances beginning year, as restated	<u>1,026,855</u>	<u>146,408</u>	<u>1,173,263</u>
Fund balances end of year	<u>\$ 1,373,099</u>	<u>161,999</u>	<u>1,535,098</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2011

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balance End of Year
ISJIT investment	\$ 30,558	1,859	60	-	32,357
Interest	13,763	483	39	(14,207)	-
Drama	5,432	2,630	2,312	453	6,203
Speech	-	12	2,369	2,357	-
Vocal	4,037	26,225	19,783	1,633	12,112
HS band	395	5,471	5,373	151	644
Football	6,885	21,878	30,251	2,022	534
Wrestling	-	4,261	5,458	1,197	-
Volleyball	511	9,612	8,095	144	2,172
Sports camp	787	-	-	63	850
Basketball	3,218	13,927	14,788	195	2,552
Soccer	-	2,766	6,034	3,268	-
Baseball-softball	-	12,888	13,969	1,245	164
Track	-	4,329	9,669	5,340	-
Golf	-	357	2,940	2,583	-
Swimming	-	2,158	3,379	1,221	-
Activity tickets	30,308	80,455	68,551	(18,236)	23,976
Letterwinners	106	-	-	8	114
Weight room	94	-	-	7	101
Tiger banner newspaper	431	-	-	34	465
Cheerleaders	886	564	1,100	39	389
HS class accounts	3,853	7,064	6,748	-	4,169
Concessions	6,433	29,928	29,986	1,622	7,997
Academic competitions	6,796	950	1,113	1,257	7,890
FFA	3,177	52,371	49,162	1,021	7,407
FCCLA	2,678	570	-	239	3,487
National Honor Society	1,546	3,516	3,511	134	1,685
HS student council	10,361	10,095	11,358	1,486	10,584
Fine arts festival	910	-	-	72	982
Yearbook	5,397	23,408	21,325	1,239	8,719
Dance/Drill team	2,453	7,858	8,148	132	2,295
MS band	295	-	-	23	318
MS G+T Store	2,567	738	758	204	2,751
MS student council	-	5,683	4,497	2,004	3,190
MS youth market place	816	-	-	64	880
Adams student council	14,334	54	2,284	986	13,090
Total	\$ 159,027	332,110	333,060	-	158,077

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
 ALL GOVERNMENTAL FUND TYPES
 FOR THE LAST EIGHT YEARS

	Modified Accrual Basis							
	Years Ended June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:								
Local sources	10,019,085	9,354,592	9,641,046	8,858,576	8,877,725	8,335,891	7,488,451	7,546,200
Intermediate sources	-	-	-	-	19,285	-	65	228
State sources	8,355,863	7,387,234	8,494,094	8,457,365	7,846,948	7,353,539	7,150,935	6,476,515
Federal sources	973,015	1,717,305	494,736	475,069	505,885	546,403	698,099	661,011
Total	\$ 19,347,963	18,459,131	18,629,876	17,791,010	17,249,843	16,235,833	15,337,550	14,683,954
Expenditures:								
Instruction:								
Regular	\$ 7,574,319	7,071,859	6,790,703	6,213,698	5,969,777	6,519,588	5,643,087	5,708,589
Special	2,167,965	1,870,050	2,026,319	2,071,485	1,927,109	1,724,461	1,984,390	2,153,381
Other	2,267,888	2,235,501	2,110,621	1,921,260	1,887,533	1,008,200	1,117,162	1,066,924
Support services:								
Student	500,560	531,269	460,891	392,422	390,182	377,605	479,114	524,577
Instructional staff	658,147	568,704	497,993	500,475	538,959	371,027	481,170	296,238
Administration	1,390,064	1,324,408	1,391,303	1,528,113	1,497,596	1,409,424	1,280,991	1,206,753
Operation and maintenance of plant	1,344,703	1,297,012	1,231,896	1,247,605	1,200,735	1,073,745	1,071,520	1,039,436
Transportation	1,139,647	1,129,790	1,112,221	929,136	1,216,032	775,040	786,821	708,661
Other support	-	-	-	-	-	-	435,669	1,003
Non-instructional programs	-	3,268	-	115	145	-	-	-
Other expenditures:								
Facilities acquisitions	467,219	305,835	729,289	611,628	65,729	38,090	61,717	260,167
Long-term debt:								
Principal	540,000	510,000	480,000	460,000	705,000	950,000	915,000	895,831
Interest and other charges	91,825	117,419	176,933	197,593	222,942	291,216	325,908	306,827
AEA flow-through	743,780	743,060	677,165	665,070	630,994	584,151	570,404	565,814
Total	\$ 18,886,117	17,708,175	17,685,334	16,738,600	16,252,733	15,122,547	15,152,953	14,734,201

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CARROLL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	PROGRAM EXPENDITURES
INDIRECT:			
DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
SCHOOL NUTRITION CLUSTER PROGRAMS:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 11	\$ 32,682
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 11	342,383 *
SPECIAL MILK PROGRAM FOR CHILDREN	10.556	FY 11	3,207
			<u>378,272</u>
DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I CLUSTER PROGRAMS:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	1701-G	183,620
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT	84.389	FY 10	74,251
			<u>257,871</u>
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 11	18,685
IMPROVING TEACHER QUALITY STATE GRANTS(TITLE IIA)	84.367	FY 11	88,898
GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES(TITLE VI A)	84.369	FY 11	11,057
STATE FISCAL STABILIZATION FUND CLUSTER:			
STATE FISCAL STABILIZATION FUND(SFSF)			
EDUCATION STATE GRANTS, RECOVERY ACT	84.394	FY 11	91,162
STATE FISCAL STABILIZATION FUND(SFSF)			
GOVERNMENT SERVICES, RECOVERY ACT	84.397	FY 11	81,312
			<u>172,474</u>
EDUCATION JOBS FUND	84.410	FY 11	38,566
HEARTLAND AREA EDUCATION AGENCY 11:			
SPECIAL EDUCATION CLUSTER PROGRAMS:			
SPECIAL EDUCATION - GRANTS TO STATES(PART B)	84.027	FY 11	124,755
SPECIAL EDUCATION - GRANTS TO STATES(PART B), RECOVERY ACT	84.391	FY 10	141,060
			<u>265,815</u>
TOTAL			<u>\$ 1,231,638</u>

* - Includes \$73,578 of non-cash awards.

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

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Telephone (641) 792-1910

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

To the Board of Education of the
Carroll 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 Carroll 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 February 27, 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 Carroll 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 Carroll Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carroll Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Carroll Community School District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll 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, noncompliance 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 noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

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

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



NOLTE, CORNMAN & JOHNSON, P.C.

February 27, 2012

NOLTE, CORNMAN & JOHNSON P.C.

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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 the
Carroll Community School District:

Compliance

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

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carroll 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 Carroll Community School District's compliance with those requirements.

In our opinion, Carroll Community School District complied, in all material respects, with the 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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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.

A deficiency in the District's 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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. No deficiencies we consider to be significant deficiencies or material weaknesses were noted.

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



NOLTE, CORNMAN & JOHNSON, P.C.

February 27, 2012

CARROLL 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) No significant deficiencies or material weaknesses in internal control over financial reporting were noted.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in control over the major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.556 - Special Milk Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Carroll Community School District did qualify as a low-risk auditee.

CARROLL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over financial reporting were noted.

OTHER MATTERS:

II-A-11 Intangible Asset Policy - Although the District implemented Governmental Accounting Standards Board Statement No. 51 with regard to intangible assets, the District does not have a board policy addressing capitalization of intangible assets.

Recommendation - The District's Board of Directors should adopt an intangible asset policy addressing the capitalization threshold and useful life to be in compliance with Governmental Accounting Standards Board Statement No. 51.

Response - The Board of Directors will adopt an intangible asset policy during fiscal year 2012.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major programs were noted.

CARROLL COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2011

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-11 Certified Budget - District disbursements for the year ended June 30, 2011, did not exceed the budgeted amounts.

IV-B-11 Questionable Disbursements - We noted no disbursements that may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-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.

IV-D-11 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Amy Fordyce, Board Member Substitute Nurse	Payroll	\$408
Kim Tiefenthaler, Board Member Stockholder, Paul and Wayne's Inc.	Repairs Bus tires per bid	\$1,940 \$11,401
Doug Hoffman, Bus Driver/Grounds Keeper Owns Midwest Clock Shop	Supplies	\$180
Jerry Fleshner, Board Member Athletic Official	Services	\$490
Jill Weber, Preschool Teacher Stockholder, Stone Printing & Office Supplies	supplies	\$29,564

In accordance with the Chapter 279.7A of the Code of Iowa, the above transactions with the Board Members do not appear to represent a conflict of interest.

In accordance with the Attorney's General's opinion dated July 2, 1990, the above transactions with District employees do not appear to represent a conflict of interest.

IV-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.

IV-F-11 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

IV-G-11 Certified Enrollment - We noted the following variance in the basic enrollment data certified to the Department of Education. The total number of students certified was overstated by 1.74 students.

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

Response - Our auditors will be contacting the Iowa Department of Education and the Department of Management to resolve this issue.

Conclusion - Response accepted.

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

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

IV-J-11 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.

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

IV-L-11 Statewide Sales, Services and Use Tax - No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, 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		\$ 1,026,855
Revenues/transfers in:		
Statewide sales, services and use tax revenue	\$ 1,548,102	
Other local revenues	16,216	
Transfers from other funds	62,668	1,626,986
		<u>2,653,841</u>
Expenditures/transfers out:		
School Infrastructure Construction	305,591	
Equipment	437,650	
Other	37,501	
Transfers to Other Funds:		
General obligation debt	500,000	1,280,742
		<u>1,280,742</u>
Ending Balance		<u>\$ 1,373,099</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
Debt service levy	\$ 0.76923	\$ 500,000

IV-M-11 Payroll Procedures - We noted during our audit that the District is not keeping track of hours worked for coaches who are non-certified staff.

Recommendation - In compliance with the Department of Labor requirements on wage per hour contracts, the District needs to keep track of the hours worked for non-certified staff coaches, and determine that the wage paid is in compliance with minimum wage requirements as well as any overtime issues.

Response - The district is working on a process to track hours of non-certified coaches and sponsors and insure that the wage paid is in compliance with minimum wage and overtime requirements.

Conclusion - Response accepted.

IV-N-11 Student Activity Fund - In accordance with 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), the purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for students.

Scholarship awards: There are scholarships being paid to students from the Student Activity Fund. The check written by the District for the award is being written to the student only.

Recommendation - Scholarships are most appropriately paid from the Private Purpose Trust Fund; therefore, funds intended for scholarships should be placed and expended from the Private Purpose Trust Fund. Scholarship checks should be written to the School the student is attending and the student. A scholarship is tax free if you are a degree candidate and the award is used to pay for tuition and required fees, books, supplies and

equipment. Any amounts used to pay for room and board or a stipend for living expenses is taxable. By issuing the check to the college or university the District can ensure that the scholarships are properly reported on the student's 1098-T. If the District wishes to make the checks payable to the student, the District should issue a W-2 for the scholarship amount since the District could not determine what type of expense is ultimately paid with the award. The scholarship amount would then be subject to federal withholding, but not Social Security or Medicare withholdings.

Response - The District is working to eliminate scholarships paid with District funds.

Conclusion - Response accepted.

Checks written to cash - We noted during our audit that the District is writing checks made payable to cash which are subsequently cashed at that bank for start-up money at District events.

Recommendation - The District writes various checks throughout the year for change boxes for startup cash at the gate for District events. It was noted that these checks were being written to cash instead of the custodian/sponsor for these events and the bank. Checks made out to cash alone are bearer paper and in the event the check would be lost or stolen, anyone could cash the check. In the future the District should write the check payable to the custodian/sponsor.

Response - The District will ensure that all checks for startup cash will be made out to the custodian/sponsor.

Conclusion - Response accepted.

Administratively Maintained Accounts: We noted during our audit the District had a club account identified as ISJIT Investment in the Student Activity Fund. This account does not appear to be a student run organization nor extracurricular or cocurricular in nature. It appears to be multiple organizations' money pooled for investing purposes.

Recommendation - The District may have investments in ISJIT, however this should be reflected on the balance sheet. The balance shown in the ISJIT Investment account should be accounted for in the clubs and organizations that the investment belongs.

Response - The District has reviewed all accounts in the Student Activity Fund and appropriate changes have been made.

Conclusion - Response accepted.

IV-O-11 Checks Outstanding - We noted during our audit that the District had checks included in the General Fund bank reconciliation which have been outstanding for over a year.

Recommendation - The District needs to determine if the checks need to be voided, reissued or submitted to the State Treasurer as unclaimed property. Per Chapter 556.1(10) and 556.11 of the Code of Iowa, the District is required to report unclaimed property to the State Treasurer annually before November 1st.

Response - This issue has been resolved.

Conclusion - Response accepted.