

Mount Pleasant Community School District

Mount Pleasant, Iowa



Comprehensive Annual Financial Report

**For the Fiscal Year
Ended June 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the**

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

Mount Pleasant, Iowa

For the fiscal year ended June 30, 2011

OFFICIAL ISSUING REPORT

W. Edward Chabal

Director of Finance

OFFICE ISSUING REPORT

Business Office

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2-7
Certificate of Excellence from the Association of School Business Officials of the United States and Canada	8
Organizational Chart	9
Board of Education and School District Administration	10
Consultants and Advisors	11

FINANCIAL SECTION

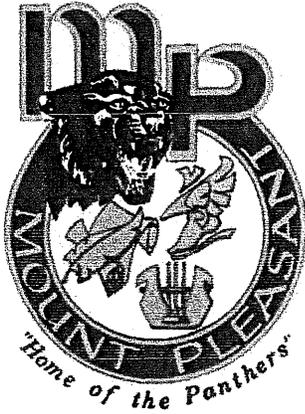
Independent Auditor's Report	14-15
Management Discussion and Analysis (MD&A)	16-22
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	24
Statement of Activities	25
Governmental Fund Financial Statements:	
Balance Sheet	26
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	29
Proprietary Fund Financial Statements:	
Statement of Net Assets	30
Statement of Revenues, Expenses and Changes in Net Assets	31
Statement of Cash Flows	32
Notes to Basic Financial Statements	33-48
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Actual to Budget - All Governmental Fund Types and Proprietary Fund Type	50
Notes to Required Supplementary Information - Budgetary Reporting	51
Schedule of Funding Progress for the Retiree Health Plan	52
Other Supplementary Information:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
Capital Project Accounts:	
Combining Balance Sheet	57

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CONTENTS

	<u>Page</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
STATISTICAL SECTION	
Net Assets by Component, Last Nine Fiscal Years	62-63
Expenses, Program Revenues and Net (Expense) Revenue, Last Nine Fiscal Years	64-67
General Revenues and Total Change in Net Assets, Last Nine Fiscal Years	68-69
Fund Balances, Governmental Funds, Last Ten Fiscal Years	70-71
Governmental Funds Revenues, Last Ten Fiscal Years	72-73
Governmental Funds Expenditures and Debt Service Ratio, Last Ten Fiscal Years	74-75
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds, Last Ten Fiscal Years	76-77
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	78
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	79
Principal Property Taxpayers, Current Year and Nine Years Ago	80
Property Tax Levies and Collections, Last Ten Fiscal Years	81
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	82
Outstanding Debt by Type, Last Ten Fiscal Years	83
Direct and Overlapping Governmental Activities Debt, As of June 30, 2011	85
Legal Debt Margin Information, Last Ten Fiscal Years	86-87
Pledged-Revenue Coverage, Last Ten Fiscal Years	88
Demographic and Economic Statistics, Last Ten Calendar Years	89
Principal Employers, Current Year and Nine Years Ago	91
Full-Time Equivalent District Employees By Type, Last Ten Fiscal Years	92-93
Operating Statistics, Last Ten Fiscal Years	94-95
School Building Information, Last Ten Fiscal Years	96-97
Certified Staff Salaries, Last Ten Fiscal Years	98
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	100
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	102-103
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	104-105
Schedule of Findings and Questioned Costs	106-108

Introductory Section



Mt. Pleasant Community School District

"Learning for a Lifetime"

Central Office
400 East Madison Street
Mt. Pleasant, IA 52641

Dr. John A. Roederer, Superintendent
Paul Beatty, Director of Instruction
W. Edward Chabal, Business Manager

Phone: 319-385-7750

Fax: 319-385-7788

November 30, 2011

Members of the Board of Education
and Residents of the Mount Pleasant Community School District
Mt. Pleasant Community School District
Mt. Pleasant, Iowa

We are pleased to submit to you the Comprehensive Annual Financial Report of the Mt. Pleasant Community School District for the year ending June 30, 2011. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds and account groups of the District. The District is not included in any other reporting entity, nor are other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is presented in four sections:

Introductory Section – This section includes this transmittal letter, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2010, a list of principal officers and the District's organizational chart.

Financial Section – This section includes the management's discussion and analysis, the basic financial statements – government-wide statements and fund statements, required supplementary information, notes to the financial statements and the report of the independent accountants on the financial statements and schedules.

Statistical Section – This section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

Compliance Section – This section includes audit reports relating to the Board's single audit over internal control, federal and state awards, as well as a Schedule of Expenditures of Federal and State Awards.

This letter of transmittal is designed to compliment the Management's Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

Mt. Pleasant Community School District

The District is governed by a seven-member elected Board of Education who serves staggered terms of four years. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The District is the 41st largest of Iowa's 359 public school systems. The enrollment is approximately 2,139 students. The District operates one regular and one alternative high school, one middle school and four elementary schools. The District provides a full range of educational services appropriate to students in early childhood and grades kindergarten through twelve. These services include regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students. The District also provides the educational component for Christamore House, a court-appointed juvenile facility located in the District.

The District is supported financially by state aid, property taxes, income surtaxes, state and federal grants for special projects and local revenue received for tuition and other services.

Economic Condition and Outlook

The City of Mt. Pleasant is located in southeastern Iowa at the intersection of U.S. Highways 34 and 218. Construction is nearing completion that will make Highway 218 a four-lane north/south corridor from St. Paul, Minnesota to St. Louis, Missouri, otherwise known as the Avenue of the Saints. Highway 34 also serves as an expressway from Burlington to Des Moines that gives Mt. Pleasant four-lane access to the East and West Coasts. The community also boasts a local airport and Amtrak train service. All of this indicates that Mt. Pleasant is truly a transportation hub of Southeast Iowa. An estimated 271,500 people live within 50 miles of the city.

With Fortune 500 companies such as CECO Building Systems, Federal Express, Goodyear Tire and Rubber, Hearth and Home Technologies, Pioneer Hi-Bred International and WalMart located in Mt. Pleasant, the community has already earned a reputation for providing a significant and diverse employment base for southeast Iowa. Over the years, expansion has come from within and from attracting complementary industries such as City Carton Company, a natural fit for a town that boasts a large regional distribution center and two new warehouses that have been constructed in the last ten years.

Retail sales in Mt. Pleasant totaled \$129.9 million in 2009. Compared to 2008, sales decreased 7.0 million or 5.1%. Retail sales in Mt. Pleasant amounted to \$14,921 per capita in 2009 which was 133% of the statewide average of \$11,209. The number of retail firms increased to 399. In 2009, Mt. Pleasant had 171% as many retail business as it had in 1976. This data reflects the most recent data available to the District.

In February of 2005, a vote was held to approve a one-cent local option sales tax which is projected to bring in annual revenues of approximately \$1.1 million. Sixty percent of the voters approved the sales tax which may be used for school infrastructure purposes and/or property tax relief. Prior to the vote, a ten-year building repair and expansion plan was assembled by the District to ensure that future building needs are addressed. In September of 2006, the one-cent sales tax was extended to 2022 with an eighty-two percent approval. This allowed the District to issue \$8.5 million in sales tax revenue bonds to finance a Middle School construction and remodel project.

Current tentative budget projections indicate that the 2012-2013 control budget will decrease approximately \$25,000 or .2%. This is smaller than the 1% increase in the 2011-12 fiscal year due to a declining student enrollment. The decrease in new dollars for 2012-2013 is due to the state funding formula. This formula projects an increase for a one-year period based on October's enrollment for the current budget year multiplied by the state cost per pupil for the 2012-2013 school year based upon 2% allowable growth. In previous years, this allowable growth has fluctuated between 0% to 4%. Given the current financial status of the State of Iowa, there is a good possibility that this allowable growth rate will remain at 2% in the near future.

The financial solvency ratio of the District is a measure of the District's year-end position after payment of all current and outstanding or accrued liabilities. After improving the ratio to a positive number during the 1993-94 school year, the financial indicator has climbed to over ten percent. During fiscal year 1999-2000, the ratio dipped to just over four percent due to a board authorized expenditure to equip the new High School. A decline from 4.23% in the 2000-01 fiscal year to 2.45% in the 2001-02 fiscal year can be attributed to an across-the-board state funding cut of 4.3% of state foundation aid. The current solvency ratio is 4.76%, which is slightly below the target range of five to ten percent. The decline in the solvency ratio from the 10.38% in 2007-2008 can in part be attributed to expenses related to construction on the Middle School renovation project and a statewide 10% across the board reduction in state aid for fiscal year 2009-2010. The Board of Directors made the decision to reduce expenditures for 2010-2011, including reduction of an elementary section in grades K-5, to increase the solvency ratio.

Major Initiatives and Achievements

The 2010-2011 school year was a productive one for the Mt. Pleasant Community School District. The District continued to expand technology, update curriculum and standards and invest in staff development with the goal of impacting student achievement.

Technology

The District has completed the installation of the Local Area Network and Wide Area Network to connect all faculty and staff. In-service programs for staff development are being held to educate staff on the use of software programs, digital cameras and scanners. Secondary staff continue to use a student management system, Infinite Campus, to communicate with parents and students. Secondary students continue to use software to investigate career choices. Middle school science classes have implemented the use of graphic calculators to support student use of data. The District is also launching a project to incorporate the use of I-Pads as an instructional aid in the classroom.

Student Achievement

Students in the Mt. Pleasant Community School District have traditionally scored well on standardized tests. The composite score on the ACT college admission test was similar to that of Iowa and National averages: 22.1 for Mt. Pleasant students, 22.3 for Iowa and 21.1 nationally.

An additional academic indicator is the attendance of students. Research tells us that students need to be in school to excel in the classroom or to fulfill their individual potential. The ratio of average daily attendance to average daily membership for the 2010-2011 school year was 95.05%. A program implemented for at-risk students in grades 6 – 8 continues to assist Middle School at-risk students. An alternative High School continues to meet the needs of students in grades 9-12.

The District uses federal and state class size reduction funds to increase the number of kindergarten to third grade certified teachers who directly teach reading. Research-based reading strategies remain the basis of classroom teacher staff development. Individual reading assessments are used to track primary student progress in reading. Federal stimulus money has helped to retain teaching staff.

Community Involvement

The Mt. Pleasant Community School District continues to encourage input and participation from the community. During the 2010-2011 school year, volunteers contributed more than 20,000 hours of service. Volunteers enhanced our students' learning experiences by serving as tutors and classroom resource speakers, assisting teachers in class or on field trips, helping interview for teacher and administrator openings, supporting extra-curricular events and serving on district and building-level committees.

Many Mt. Pleasant area residents served on school advisory committees in 2010-2011, on topics ranging from school improvement, to facilities, to technology, to hiring. Their input and involvement ensures that the District reflects the needs and values of the community.

In addition, the Mt. Pleasant Community School District Parent-Teacher Association continued their active involvement in support of District students, staff and programs this year. The PTA also provided hundreds of volunteer hours in the buildings and classrooms.

Mission Statement

The mission statement of the Mt. Pleasant Community School District is to develop responsible, productive, lifelong learners for a changing world by effectively using all available resources.

In addition, the Board has expectations for student learning that it sets forth as belief statements. They believe that:

- Education is the foundation of a lifelong learning process.
- Education is a partnership among students, staff, family and community.
- All students have a right to a quality education.
- Meeting the education needs of individual students is vital.
- Positive self-esteem is necessary for personal development.
- A quality staff is essential.
- A secure environment is fundamental.
- Continuous evaluation and improvement is an integral part of education.
- Accountability is necessary.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund and Debt Service Fund are included in the annual budget. The level of budgetary control, (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Basis of Presentation

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). This statement represents a significant change in the way state and local governments present basic financial information. Beginning in Fiscal year 2002-03, the District implemented this statement.

GASB 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include entity-wide statements prepared on the accrual basis of accounting, and fund financial statements which presents information for individual major funds and aggregate non-major funds rather than by fund type.

The charts and accounts used by the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of States, Local Governments and Non-Profit Organizations* issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools and Area Educational Agencies issued by the Department of Education, State of Iowa. The chart of accounts is updated annually and the District is in full compliance with these requirements.

Cash Management

The District, in its effort to be a good manager of public funds, competitively bids its banking services. Cash, while temporarily idle during the year, was invested in local bank deposits and the Iowa Schools Joint Investment Trust. Interest revenue of \$46,915 was earned on all investments for the year ended June 30, 2011, an increase of \$14,942 or 47% from Fiscal Year 2010. This increase was due to a three year agreement with a local bank that guarantees an interest rate of at least 1.25%.

The District's investment policy establishes the following objectives:

Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective.

Liquidity: Maintaining the necessary liquidity to match expected liabilities is the second objective.

Return: Obtaining a reasonable return is the third investment objective.

Risk Management

The District currently covers property, liability and worker's compensation losses with traditional insurance coverage through the Iowa Association of School Board's group plan carried by Employer's Mutual Insurance Company. The group health plan is carried by Wellmark of Iowa through the Southeast Iowa Schools Healthcare Trust and the dental plan is carried by Blue Dental.

Independent Audit

State law and District policy require an annual audit to be made of the books of account, financial records and transactions of all funds of the District by a Certified Public Accountant selected by the Board of Directors of the District. We have complied with this requirement. The report of our independent accountants, Nolte, Cornman and Johnson, P.C., appears in this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO), awards a Certificate of Excellence in Financial Reporting. The Mt. Pleasant Community School District received this Certificate for its comprehensive annual financial report for the fiscal year ending June 30, 2010. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports.

In order to receive the Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

This Certificate is valid for a period of one year only. We believe that our current CAFR conforms to the requirements for the Certificate of Excellence and therefore, we are submitting to ASBO to determine its eligibility for the Certificate.

Acknowledgements

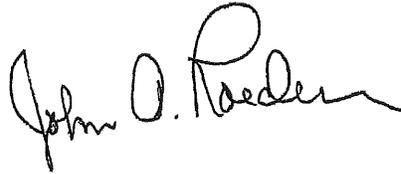
The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

Finally, sincere appreciation is extended to the Board of Education, where commitment to excellence begins.

It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Education.



W. Edward Chabal
Director of Finance
Board Secretary/Treasurer



Dr. John A. Roederer
Superintendent of Schools

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

The logo of the Association of School Business Officials International (ASBO International) is a circular emblem. It features the letters 'ASBO' in a stylized, intertwined font in the center. The words 'ASSOCIATION OF SCHOOL BUSINESS OFFICIALS' are written in a smaller font around the top inner edge of the circle, and 'INTERNATIONAL' is at the bottom. There are small decorative dots on either side of the word 'INTERNATIONAL'.

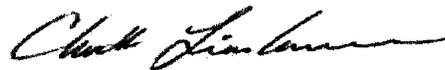
This Certificate of Excellence in Financial Reporting is presented to

MT. PLEASANT COMMUNITY SCHOOL DISTRICT

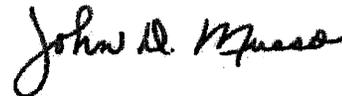
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

A handwritten signature in cursive script, appearing to read 'Chuck Linderman'.

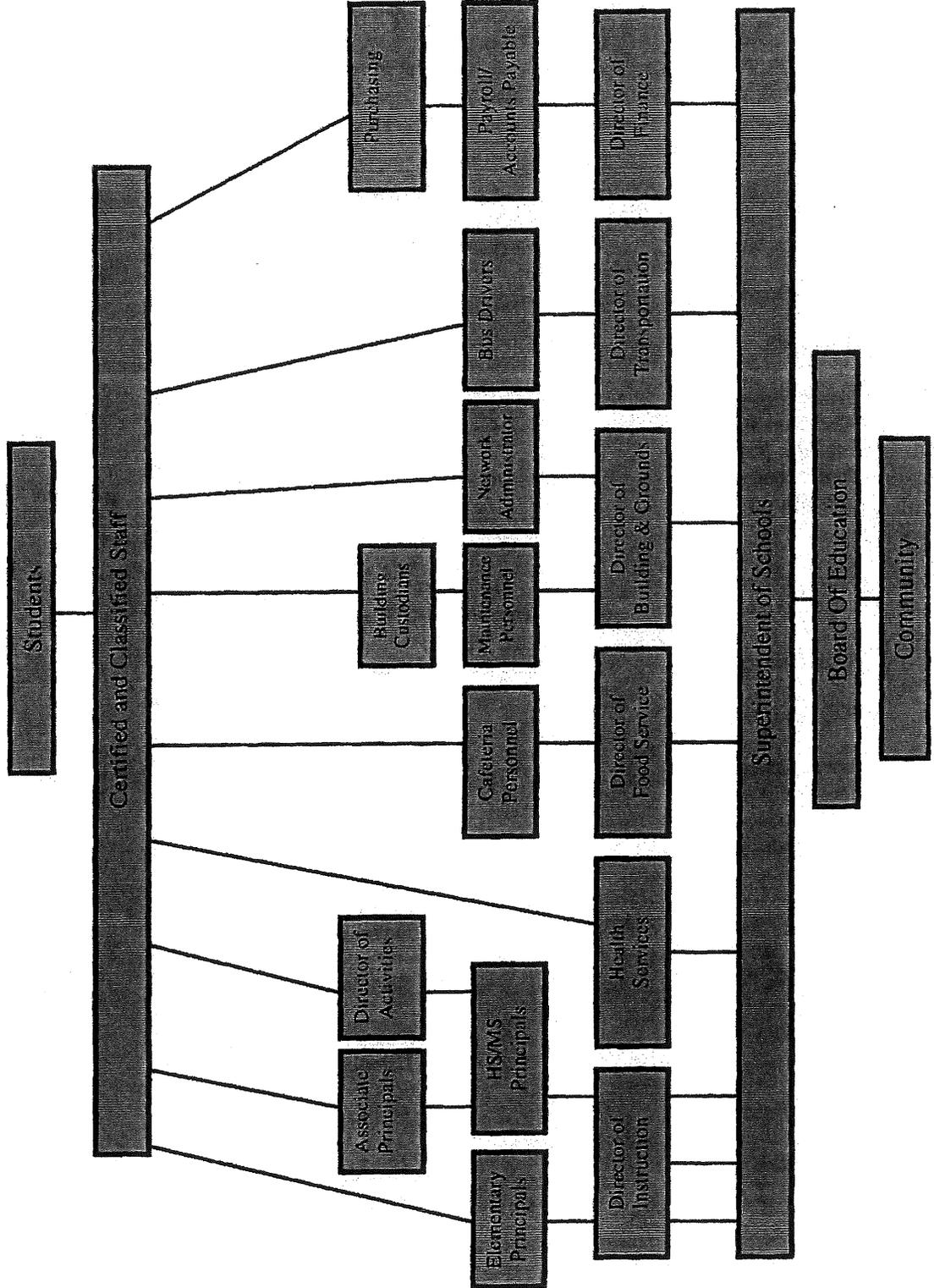
President

A handwritten signature in cursive script, appearing to read 'John D. Mueso'.

Executive Director

Mt. Pleasant Community School District

Organizational Chart



Mount Pleasant Community School District

Officials

Year ended June 30, 2011

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
(Before September 2010 Reorganizational Meeting)		
Regina Erickson	President	2013
Lois Roth	Vice President	2011
Ken Feldmann	Board Member	2011
Chris Prellwitz	Board Member	2011
Melodee Yaley	Board Member	2011
Brad Holtkamp	Board Member	2013
Lyle Murray	Board Member	2013
Board of Education		
(After September 2010 Reorganizational Meeting)		
Regina Erickson	President	2013
Melodee Yaley	Vice President	2011
Ken Feldmann	Board Member	2011
Chris Prellwitz	Board Member	2011
Lois Roth	Board Member	2011
Brad Holtkamp	Board Member	2013
Lyle Murray	Board Member	2013
School Officials		
Dr. John A. Roederer	Superintendent	2011
W. Edward Chabal	Board Secretary/Treasurer Director of Finance	2011
Michael Vance	Attorney	2011
Toby Gordon	Attorney	2011

Mount Pleasant Community School District

Consultants and Advisors

Year ended June 30, 2011

CERTIFIED PUBLIC ACCOUNTANT

Nolte, Cornman & Johnson P.C.
117 West 3rd Street North
Newton, IA 50208-3040

BOND ATTORNEYS

Ahlers and Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, IA 50309-2207

FINANCIAL CONSULTANTS

Piper Jaffray, Inc.
700 Walnut Street, Suite 1300
Des Moines, IA 50309-3999

GENERAL COUNSEL

Primary:
Vance Law Office
101 North Jefferson
Mt. Pleasant, IA 52641

Additional:
Schulte, Hahn, Swanson, Engler & Gordon
P.O. Box 517
Burlington, IA 52601

INSURANCE CONSULTANT

Gamrath-Doyle-Vens Insurance, Inc.
207 South Harrison, Suite One
Mt. Pleasant, IA 52641

ARCHITECTS & ENGINEERS

Howard R. Green Company
8710 Earhart Lane SW
Cedar Rapids, IA 52404

OFFICIAL DEPOSITORIES

US Bank
301 East Washington
Mt. Pleasant, IA 52641

Pilot Grove Savings Bank
410 South Grand Avenue
Mt. Pleasant, IA 52641

Two Rivers Bank and Trust
100 West Washington Street
Mt. Pleasant, IA 52641

Wayland State Bank
301 South Main Street
Mt. Pleasant, IA 52641

Farmers and Merchant Bank and Trust
P.O. Box 210
Mt. Pleasant, IA 52641

Iowa Schools Joint Investment Trust
Bankers Trust
666 Walnut Street, P.O. Box 897
Des Moines, IA 50304

THIS PAGE INTENTIONALLY LEFT BLANK



Financial Section

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3040

Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Mount Pleasant Community School District:

We have audited the accompanying financial statements of governmental activities, business type activities, each major fund and the aggregate remaining fund information of Mount Pleasant Community School District, Mount Pleasant, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Mount Pleasant 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 November 30, 2011 on our consideration of the Mount Pleasant Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 16 through 22 and 50 through 52 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 Mount Pleasant Community School District's basic financial statements. The combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of

Members American Institute & Iowa Society of Certified Public Accountants

States and Local Governments and Non-Profit Organizations, listed in the table of contents under the single audit section, are presented for purposes of additional analysis and are not a required part of the basic financial statements of Mount Pleasant Community School District. Such information has been subjected to the auditing procedures applied in the 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.

The accompanying statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.


NOLTE, CORNMAN & JOHNSON, P.C.

November 30, 2011

MT. PLEASANT COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management has prepared the following discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2011 in order to enhance the readers' understanding of the District's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net assets for governmental activities were \$12,689,931 at June 30, 2011 compared to \$11,134,996 at June 30, 2010, an increase of 13.96%.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$848,823 or 4.27% of total general fund revenues compared to prior years ending balance of \$555,724 or 3.04% of total general fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The audited financial statements of the District consist of three components: They are as follows:

- Management Discussion and Analysis
- Basic Financial Statements, which include government-wide financial statements, fund financial statements and notes to the financial statements
- Required supplemental section that represents individual statements and schedules

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. These statements are presented on a full accrual basis of accounting and include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets includes all of the District's assets and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the fund financial statements, which are presented for the Board's governmental funds and proprietary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. Because a different basis of accounting is used in the government-wide statements, a reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statement provides information about the District as an economic unit while the fund financial statements provide information on the financial resources of the District's funds. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. earned but unused vacation leave).

Government-wide statements

The government-wide financial statements report information about the District as a whole using the 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 paid or received.

These two government-wide 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 Board's financial health or position.

- Over time, an increase or decrease in the District's net assets may indicate whether its financial position is improving or deteriorating.
- To assess the District's overall financial health, one needs to consider additional non-financial factors such as changes in the condition of its school buildings and other physical assets.

The District's activities are divided into two categories on the government-wide statements:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local funding, as well as state and federal aid, finances most of these activities.
- *Business type activities*: The District charges fees to cover the costs of certain services it provides. School food service is included here.

Fund Financial Statements

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

The District has two types of funds:

Governmental funds: Most of the District's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flows in and out and the balances remaining at year-end that are available for spending. As a result of this focus, the governmental funds 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 term to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds, in the form of a reconciliation, explains the relationship (or differences) between them.

Proprietary fund: Services for which the District charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. The District has one proprietary fund – the School Food Service Fund.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets are an indicator of the fiscal health of the District. The District's net assets were \$12,898,959 at June 30, 2011 compared to \$11,305,025 at June 30, 2010. (See Table 1).

Table 1
Condensed Statement of Net Assets

	Governmental		Business type		Total		Total Change June 30, 2010-11
	Activities		Activities		District		
	June 30,		June 30,		June 30,		
	2011	2010	2011	2010	2011	2010	
Current and other assets	\$ 14,893,263	13,391,461	247,535	221,620	15,140,798	13,613,081	11.22%
Capital assets	20,863,460	21,056,720	59,719	33,757	20,923,179	21,090,477	-0.79%
Total assets	35,756,723	34,448,181	307,254	255,377	36,063,977	34,703,558	3.92%
Long-term obligations	12,105,709	13,056,963	5,920	4,598	12,111,629	13,061,561	-7.27%
Other liabilities	10,961,083	10,256,222	92,306	80,750	11,053,389	10,336,972	6.93%
Total liabilities	23,066,792	23,313,185	98,226	85,348	23,165,018	23,398,533	-1.00%
Net assets:							
Invested in capital assets, net of related debt	9,043,962	8,343,346	59,719	33,757	9,103,681	8,377,103	8.67%
Restricted	2,584,447	2,152,791	-	-	2,584,447	2,152,791	20.05%
Unrestricted	1,061,522	638,859	149,309	136,272	1,210,831	775,131	56.21%
Total net assets	\$ 12,689,931	11,134,996	209,028	170,029	12,898,959	11,305,025	14.10%

Invested in capital assets (e.g., land, buildings, machinery and equipment) less any outstanding debt used to acquire those assets is \$9,103,681. These assets are not available for future spending since they represent capital assets used to provide services to students. The resources needed to pay the debt related to these capital assets must be provided from other resources. \$2,584,447 of net assets reflects amounts with external restrictions on how the funds may be used. The remaining balance of \$1,210,831 represents unrestricted net assets which may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

Restricted net assets represents 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 \$431,656, or 20.05% over the prior year. The increase was primarily a result of the District's increase in fund balance for the Debt Service Fund and the Statewide Sales, Services and Use Tax Fund.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased \$435,700, or 56.21%. The increase in unrestricted net assets can be mainly attributable to the increase in General Fund carryover balance.

The following table shows changes in net assets for the year ended June 30, 2011 compared to the year ended June 30, 2010.

Table 2
Changes of Net Assets

	Governmental Activities		Business type Activities		Total		Total Change 2010-11
	2011	2010	2011	2010	2011	2010	
Revenues:							
Program revenues:							
Charges for services	\$ 1,736,230	1,640,276	419,699	437,439	2,155,929	2,077,715	3.76%
Operating grants and contributions and restricted interest	3,367,291	4,254,559	574,992	532,809	3,942,283	4,787,368	-17.65%
General revenues:							
Property tax	6,384,072	5,871,351	-	-	6,384,072	5,871,351	8.73%
Income surtax	332,558	488,136	-	-	332,558	488,136	-31.87%
Statewide sales, services and use tax	1,445,699	1,248,383	-	-	1,445,699	1,248,383	15.81%
Unrestricted state grants	8,917,273	7,597,781	-	-	8,917,273	7,597,781	17.37%
Nonspecific program federal grants	406,642	-	-	-	406,642	-	100.00%
Other	384,164	192,618	6,503	364	390,667	192,982	102.44%
Total revenues	22,973,929	21,293,104	1,001,194	970,612	23,975,123	22,263,716	7.69%
Program expenses:							
Governmental activities:							
Instructional	14,227,774	13,749,865	-	-	14,227,774	13,749,865	3.48%
Support services	5,326,700	5,226,245	14,076	12,557	5,340,776	5,238,802	1.95%
Non-instructional programs	24,477	7,378	948,119	916,962	972,596	924,340	5.22%
Other expenses	1,840,043	1,984,467	-	-	1,840,043	1,984,467	-7.28%
Total expenses	21,418,994	20,967,955	962,195	929,519	22,381,189	21,897,474	2.21%
Changes in net assets	1,554,935	325,149	38,999	41,093	1,593,934	366,242	335.21%
Beginning net assets, as restated	11,134,996	10,809,847	170,029	128,936	11,305,025	10,938,783	3.35%
Ending net assets	\$ 12,689,931	11,134,996	209,028	170,029	12,898,959	11,305,025	14.10%

In fiscal 2011, property tax, income surtax, statewide sales, services and use tax, and unrestricted state grants account for 74.34% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 99.35% of the revenue from business type activities.

The District's total revenues were approximately \$24.0 million of which \$23.0 million was for governmental activities approximately \$1.0 million was for business type activities.

As shown in Table 2, the District as a whole experienced a 7.69% increase in revenues and a 2.21% increase in expenses. The increase in expenses is related to the increase in the negotiated salary and benefits.

Governmental Activities

Revenues for governmental activities were \$22,973,929 and expenses were \$21,418,994.

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

Table 3
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2011	2010	Change	2011	2010	Change
			2010-11			2010-11
Instruction	\$ 14,227,774	13,749,865	3.48%	9,973,741	8,693,585	14.73%
Support services	5,326,700	5,226,245	1.92%	5,315,852	5,216,471	1.91%
Non-instructional programs	24,477	7,378	231.76%	24,477	7,378	231.76%
Other expenses	1,840,043	1,984,467	-7.28%	1,001,403	1,155,686	-13.35%
Totals	\$ 21,418,994	20,967,955	2.15%	16,315,473	15,073,120	8.24%

- The cost financed by users of the District's programs was \$1,736,230.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$3,367,291.
- The net cost of governmental activities was financed with \$6,384,072 in property tax, \$332,558 in income surtax, \$1,445,699 in statewide sales, services and use tax, \$8,917,273 in unrestricted state grants, \$406,642 in nonspecific program federal grants and \$384,164 in other income.

Business Type Activities

Revenues of the District's business type activities were \$1,001,194 and expenses were \$962,195. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2011, the District's net assets increased in the business type activities by \$38,999.

Financial Analysis of the District's Funds

At the end of the fiscal year ended June 30, 2011, the District's governmental funds reported combined ending fund balances of \$3,701,700, an increase of \$856,248 in comparison with the prior year. Of this amount, \$949,934 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

Governmental Fund Highlights

- The General Fund balance increased from \$894,367 on June 30, 2010 to \$1,258,962 on June 30, 2011. The fluctuation in the General Fund financial position is the product of many factors. An increase in local tax and state source revenues was more than enough to offset the increase in General Fund expenditures as compared to the previous year.
- The Debt Service Fund balance increased from \$721,995 in 2010 to \$818,385 in 2011. This resulted from the District paying less in interest costs on long-term debt as compared to the previous year.

Proprietary Fund Highlights

- The District's business type fund did better than breakeven for the fifth time in several years. The District received more in federal grant funding for the nutrition program and expenses increased minimally as compared to the previous year. As a result, the net assets for the District's School Nutrition Fund increased from \$170,029 at June 30, 2010 to \$209,028 at June 30, 2011, representing an increase of 22.94%.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional expenditures associated with additional special education costs, fuel and utility costs and additional food costs. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison on page 50.

The District's total actual receipts were \$533,390 more than the total budgeted receipts, a variance of 2.27%. The most significant change resulted in the District receiving more in federal sources than originally anticipated due to revenue recognition from ARRA grant funding.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction and support services functional areas due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to \$20,923,179 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles and equipment. Detailed information regarding the District's capital assets can be found in Note 6 of the notes to the basic financial statements.

Table 4
Capital Assets, Net of Depreciation

	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	\$ 185,400	185,400	-	-	185,400	185,400	0.00%
Buildings	19,521,192	20,038,760	-	-	19,521,192	20,038,760	-2.58%
Land improvements	662,132	715,626	-	-	662,132	715,626	-7.48%
Machinery and equipment	494,736	116,934	59,719	33,757	554,455	150,691	267.94%
Total	\$ 20,863,460	21,056,720	59,719	33,757	20,923,179	21,090,477	-0.79%

Long-Term Debt

At the end of June 30, 2011, the District had total long-term debt of \$12,111,629, a decrease of \$949,932 from the prior fiscal year. Of this amount, \$1,367,880 is due within one year. Detailed information regarding the District's long-term debt can be found in Note 7 of the notes to the basic financial statements.

Table 5
Outstanding Long-Term Obligations

	Governmental		Business-type		Total		Total
	Activities		Activities		District		Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
General obligation bonds	\$ 4,165,000	4,855,000	-	-	4,165,000	4,855,000	-14.21%
Revenue bonds	7,270,000	7,695,000	-	-	7,270,000	7,695,000	-5.52%
School bus lease	357,168	69,493	-	-	357,168	69,493	413.96%
Computer lease	27,330	93,881	-	-	27,330	93,881	-70.89%
Compensated absences	48,199	45,807	1,667	1,646	49,866	47,453	5.09%
Early retirement	143,953	232,491	-	-	143,953	232,491	-38.08%
Net OPEB liability	94,059	65,291	4,253	2,952	98,312	68,243	44.06%
Total	\$ 12,105,709	13,056,963	5,920	4,598	12,111,629	13,061,561	-7.27%

Economic Factors and Next Year's Budgets and Rates

Indicators, both financial and non-financial, that will impact the District in the immediate future are:

- The District is gradually growing the General Fund fund balance following a ten percent state aid cut in 2009.
- The District expects a slight decrease in student enrollment over the next several years. This is crucial due to the Iowa school funding formula based in part upon student enrollment.
- A projected 2% increase in allowable growth will allow the District additional state funding in fiscal year 2012.
- The upcoming Iowa legislative session could again prove to be most challenging in respect to the state budget. The impact of state reductions to education is an unknown that we must be ready to address and compensate.

Requests for Information

This financial report is designed to provide our 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 any questions about this report or need additional information, contact the District's Business Office.

Basic Financial Statements

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities	Business type Activities	Total
ASSETS			
Cash and pooled investments	\$ 7,051,362	230,929	7,282,291
Receivables:			
Property tax:			
Delinquent	71,257	-	71,257
Succeeding year	6,503,445	-	6,503,445
Income surtax	414,156	-	414,156
Accounts	10,052	769	10,821
Due from other governments	785,868	-	785,868
Inventories	54,703	15,837	70,540
Prepaid expenses	2,420	-	2,420
Capital assets not being depreciated:			
Land	185,400	-	185,400
Capital assets net of accumulated depreciation:			
Buildings	19,521,192	-	19,521,192
Land improvements	662,132	-	662,132
Machinery and equipment	494,736	59,719	554,455
TOTAL ASSETS	35,756,723	307,254	36,063,977
LIABILITIES			
Accounts payable	534,280	2,605	536,885
Salaries and benefits payable	3,403,601	80,224	3,483,825
Accrued interest payable	183,676	-	183,676
Deferred revenue:			
Succeeding year property tax	6,503,445	-	6,503,445
Other	336,081	-	336,081
Unearned revenue	-	9,477	9,477
Long-term liabilities:			
Portion due within one year:			
Bonds payable	1,155,000	-	1,155,000
School bus lease payable	110,997	-	110,997
Computer lease payable	27,330	-	27,330
Compensated absences payable	48,199	1,667	49,866
Early retirement payable	26,353	-	26,353
Portion due after one year:			
Bonds payable	10,280,000	-	10,280,000
School bus lease payable	246,171	-	246,171
Early retirement payable	117,600	-	117,600
Net OPEB liability	94,059	4,253	98,312
TOTAL LIABILITIES	23,066,792	98,226	23,165,018
NET ASSETS			
Invested in capital assets, net of related debt	9,043,962	59,719	9,103,681
Restricted for:			
Categorical funding	254,325	-	254,325
Debt service	1,668,385	-	1,668,385
Student activities	99,469	-	99,469
School infrastructure	521,606	-	521,606
Physical plant and equipment levy	40,662	-	40,662
Unrestricted	1,061,522	149,309	1,210,831
TOTAL NET ASSETS	\$ 12,689,931	209,028	12,898,959

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 8,742,182	795,629	1,362,013	(6,584,540)	-	(6,584,540)
Special	3,181,836	545,240	726,793	(1,909,803)	-	(1,909,803)
Other	2,303,756	384,813	439,545	(1,479,398)	-	(1,479,398)
	<u>14,227,774</u>	<u>1,725,682</u>	<u>2,528,351</u>	<u>(9,973,741)</u>	<u>-</u>	<u>(9,973,741)</u>
Support services:						
Student	443,594	-	-	(443,594)	-	(443,594)
Instructional staff	345,115	-	-	(345,115)	-	(345,115)
Administration	2,126,717	-	-	(2,126,717)	-	(2,126,717)
Operation and maintenance of plant	1,574,399	-	-	(1,574,399)	-	(1,574,399)
Transportation	836,875	10,548	300	(826,027)	-	(826,027)
	<u>5,326,700</u>	<u>10,548</u>	<u>300</u>	<u>(5,315,852)</u>	<u>-</u>	<u>(5,315,852)</u>
Non-instructional programs:						
Community service and education operations	24,477	-	-	(24,477)	-	(24,477)
Other expenses:						
Long-term debt interest	430,341	-	-	(430,341)	-	(430,341)
AEA flowthrough	838,640	-	838,640	-	-	-
Depreciation(unallocated)*	571,062	-	-	(571,062)	-	(571,062)
	<u>1,840,043</u>	<u>-</u>	<u>838,640</u>	<u>(1,001,403)</u>	<u>-</u>	<u>(1,001,403)</u>
Total governmental activities	<u>21,418,994</u>	<u>1,736,230</u>	<u>3,367,291</u>	<u>(16,315,473)</u>	<u>-</u>	<u>(16,315,473)</u>
Business type activities:						
Support services:						
Operation and maintenance of plant	14,076	-	-	-	(14,076)	(14,076)
Non-instructional programs:						
Food service operations	948,119	419,699	574,992	-	46,572	46,572
Total business type activities	<u>962,195</u>	<u>419,699</u>	<u>574,992</u>	<u>-</u>	<u>32,496</u>	<u>32,496</u>
Total	<u>\$ 22,381,189</u>	<u>2,155,929</u>	<u>3,942,283</u>	<u>(16,315,473)</u>	<u>32,496</u>	<u>(16,282,977)</u>
General Revenues:						
Property tax levied for:						
General purposes				\$ 5,445,689	-	5,445,689
Capital projects				45,865	-	45,865
Debt service				892,518	-	892,518
Income surtax				332,558	-	332,558
Statewide sales, services and use tax				1,445,699	-	1,445,699
Unrestricted state grants				8,917,273	-	8,917,273
Nonspecific program federal grants				406,642	-	406,642
Unrestricted investment earnings				44,969	1,946	46,915
Other				339,195	4,557	343,752
Total general revenues				<u>17,870,408</u>	<u>6,503</u>	<u>17,876,911</u>
Changes in net assets				1,554,935	38,999	1,593,934
Net assets beginning of year				11,134,996	170,029	11,305,025
Net assets end of year				<u>\$ 12,689,931</u>	<u>209,028</u>	<u>12,898,959</u>

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

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2011

	General	Debt Service	Nonmajor	Total
ASSETS				
Cash and pooled investments	\$ 4,954,172	808,585	1,288,605	7,051,362
Receivables:				
Property tax				
Delinquent	57,542	9,800	3,915	71,257
Succeeding year	5,332,601	817,790	353,054	6,503,445
Income surtax	414,156	-	-	414,156
Accounts	8,603	-	1,449	10,052
Due from other governments	413,557	-	372,311	785,868
Inventories	54,703	-	-	54,703
Prepaid expenses	2,420	-	-	2,420
TOTAL ASSETS	\$ 11,237,754	1,636,175	2,019,334	14,893,263
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 492,353	-	41,927	534,280
Salaries and benefits payable	3,403,601	-	-	3,403,601
Deferred revenue:				
Succeeding year property tax	5,332,601	817,790	353,054	6,503,445
Income surtax	414,156	-	-	414,156
Other	336,081	-	-	336,081
Total liabilities	9,978,792	817,790	394,981	11,191,563
Fund balances:				
Nonspendable	57,123	-	-	57,123
Restricted for:				
Categorical funding	254,325	-	-	254,325
Debt service	-	818,385	850,000	1,668,385
Management levy purposes	-	-	112,616	112,616
Student activities	-	-	99,469	99,469
School infrastructure	-	-	521,606	521,606
Physical plant and equipment levy	-	-	40,662	40,662
Assigned for specific special purposes	98,691	-	-	98,691
Unassigned	848,823	-	-	848,823
Total fund balances	1,258,962	818,385	1,624,353	3,701,700
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,237,754	1,636,175	2,019,334	14,893,263

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT 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 26)	\$ 3,701,700
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in in the governmental funds.	20,863,460
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.	(183,676)
Accounts receivable income surtax, are not yet available to finance expenditures of the current fiscal period.	414,156
Long-term liabilities, including bonds payable, school bus lease payable, computer lease payable, compensated absences, early retirement and other post employee benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(12,105,709)</u>
Net assets of governmental activities(page 24)	<u>\$ 12,689,931</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2011

	General	Debt Service	Nonmajor	Total
REVENUES:				
Local sources:				
Local tax	\$ 5,543,338	892,518	1,796,315	8,232,171
Tuition	1,283,406	-	-	1,283,406
Other	494,477	4,875	381,778	881,130
State sources	11,107,240	-	-	11,107,240
Federal sources	1,530,036	-	-	1,530,036
Total revenues	19,958,497	897,393	2,178,093	23,033,983
EXPENDITURES:				
Current:				
Instruction:				
Regular	8,815,351	-	-	8,815,351
Special	3,181,098	-	-	3,181,098
Other	1,942,580	-	361,176	2,303,756
	13,939,029	-	361,176	14,300,205
Support services:				
Student	443,279	-	-	443,279
Instructional staff	344,529	-	-	344,529
Administration	1,893,128	-	223,105	2,116,233
Operation and maintenance of plant	1,346,743	-	115,939	1,462,682
Transportation	677,440	-	467,917	1,145,357
	4,705,119	-	806,961	5,512,080
Non-instructional programs:				
Community service and education operations	24,477	-	-	24,477
Other expenditures:				
Facilities acquisitions	-	-	177,369	177,369
Long-term debt:				
Principal	-	1,348,916	-	1,348,916
Interest and fiscal charges	-	440,876	-	440,876
AEA flowthrough	838,640	-	-	838,640
	838,640	1,789,792	177,369	2,805,801
Total expenditures	19,507,265	1,789,792	1,345,506	22,642,563
Excess(deficiency) of revenues over(under) expenditures	451,232	(892,399)	832,587	391,420
Other financing sources(uses):				
Sale of equipment	9,788	-	-	9,788
Proceeds from computer leases	-	-	44,279	44,279
Proceeds from bus leases	-	-	410,761	410,761
Transfer in	877	988,789	-	989,666
Transfer out	(97,302)	-	(892,364)	(989,666)
Total other financing sources(uses)	(86,637)	988,789	(437,324)	464,828
Net change in fund balances	364,595	96,390	395,263	856,248
Fund balance beginning of year, as restated	894,367	721,995	1,229,090	2,845,452
Fund balance end of year	\$ 1,258,962	818,385	1,624,353	3,701,700

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT 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 28) \$ 856,248

*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. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 547,968	
Depreciation expense	<u>(741,228)</u>	(193,260)

Proceeds from issuing long-term liabilities provide current financial resources to government funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayments of long-term liabilities is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Current year repayments exceeded issues, as follows:

Issued	\$ (455,040)	
Repaid	<u>1,348,916</u>	893,876

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.

10,535

Income surtax account receivable is not available to finance expenditures of the current year period in the governmental funds.

(69,842)

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	\$ 88,538	
Compensated absences	(2,392)	
Other post employment benefits	<u>(28,768)</u>	57,378

Changes in net assets of governmental activities(page 25) \$ 1,554,935

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
 PROPRIETARY FUND

JUNE 30, 2011

	<u>Nonmajor Enterprise Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and pooled investments	\$ 230,929
Accounts receivable	769
Inventories	<u>15,837</u>
Total current assets	<u>247,535</u>
Non-current assets:	
Capital assets:	
Machinery and equipment, net of accumulated depreciation	<u>59,719</u>
Total non-current assets	<u>59,719</u>
 TOTAL ASSETS	 <u>307,254</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,605
Salaries and benefits payable	80,224
Unearned revenue	<u>9,477</u>
Total current liabilities	<u>92,306</u>
Long-term liabilities:	
Compensated absences	1,667
Net OPEB liability	<u>4,253</u>
Total long-term liabilities	<u>5,920</u>
TOTAL LIABILITIES	<u>98,226</u>
<u>NET ASSETS</u>	
Invested in capital assets	59,719
Unrestricted	<u>149,309</u>
Total net assets	<u>\$ 209,028</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUND

YEAR ENDED JUNE 30, 2011

	<u>School Nutrition</u>
OPERATING REVENUE:	
Local sources:	
Charges for service	\$ 419,699
Miscellaneous	4,557
	<u>424,256</u>
OPERATING EXPENSES:	
Support services:	
Operation and maintenance of plant:	
Services	1,125
Supplies	12,951
Total support services	<u>14,076</u>
Non-instructional programs:	
Food service operations:	
Salaries	302,333
Benefits	107,871
Services	14,031
Supplies	506,254
Depreciation	17,520
Other	110
Total non-instructional programs	<u>948,119</u>
TOTAL OPERATING EXPENSES	<u>962,195</u>
OPERATING LOSS	<u>(537,939)</u>
NON-OPERATING REVENUES:	
State sources	8,818
Federal sources	566,174
Interest on investments	1,946
TOTAL NON-OPERATING REVENUES	<u>576,938</u>
Change in net assets	38,999
Net assets beginning of year	<u>170,029</u>
Net assets end of year	<u><u>\$ 209,028</u></u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 2011

	Enterprise Fund
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 419,824
Cash received from miscellaneous sources	4,557
Cash payments to employees for services	(398,507)
Cash payments to suppliers for goods or services	(456,179)
Net cash used in operating activities	(430,305)
Cash flows from non-capital financing activities:	
State grants received	8,818
Federal grants received	490,711
Net cash provided by non-capital financing activities	499,529
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(43,482)
Cash flows from investing activities:	
Interest on investments	1,946
Net increase in cash and cash equivalents	27,688
Cash and cash equivalents at beginning of year	203,241
Cash and cash equivalents at end of year	\$ 230,929
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (537,939)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities used	75,463
Depreciation	17,520
Decrease in inventories	2,444
Increase in accounts receivable	(671)
Increase in accounts payable	385
Increase in salaries and benefits payable	10,375
Increase in unearned revenue	796
Increase in compensated absences	21
Increase in other postemployment benefits	1,301
Net cash used in operating activities	\$ (430,305)

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2011, the District received Federal commodities valued at \$75,463.

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

Note 1. Summary of Significant Accounting Policies

The Mount Pleasant Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Mount Pleasant, Iowa, and the predominate agricultural territory in Henry, Jefferson, Van Buren and Lee Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Mount Pleasant 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 Mount Pleasant 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 do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Henry, Jefferson, Van Buren and Lee Counties 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 assets 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 is 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 Project Fund accounts.

The District reports the following major governmental funds:

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

The District also reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

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

D. Cash, Pooled Investments and Cash Equivalents

The cash balance 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 purpose 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.

E. Property Taxes

Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax revenue receivable is recognized in these funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. 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 Board of Education is required to certify its budget to the County Auditor by April 15 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 and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes 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.

F. Inventories

General Fund inventories are valued at cost at year end and are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed. General Fund inventories are recorded as expenses when consumed on the government-wide financial statements and some inventories are reported as expenditures when purchased on the fund financial statements.

The Enterprise Fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The enterprise fund inventory consists primarily of food, with purchased food recorded at the lower cost (first-in, first-out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

G. Prepaid Expenses

Prepaid expenses are accounted for using the consumption method. Prepaid expenses are recorded as assets when paid and are expensed over time by recording an expenditure each fiscal year for the amount of the related expense for that year. The expenditure is recorded once a year at year-end. Prepaid expenses on the District's financial statements consist of procurement card (P-card) purchases made by District employees that should fall as expenses in the next fiscal year.

H. 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.

<u>Asset Class</u>	<u>Amount</u>
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	1,500

Capital assets are depreciated/amortized using the straight line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Machinery and equipment	5-15 years

I. Salaries and Benefits Payable

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2011, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2011.

J. Deferred Revenue

Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenues consist of unspent federal grant proceeds, succeeding year property tax receivable, and other receivables not collected within sixty days after year end.

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

K. Unearned Revenue

Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Assets in the Proprietary, School Nutrition Fund.

L. Compensated Absences

District employees under a twelve month contract and District secretarial staff accumulate a limited amount of earned but unused vacation benefits payable. The cost of vacation payments expected to be liquidated currently is recorded as a liability of the General Fund. The compensated absences liability has been computed based on per diem rates based from the employees' contract in effect during the fiscal year.

M. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

N. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. *Nonspendable* - Amounts that include inventory and prepaid expenses in the General Fund.
2. *Restricted* - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantor or state or federal laws or imposed by law through constitutional provisions or enabling legislation.
3. *Assigned* - Amounts are not available for appropriation but are set aside for a specific purpose. The assigned fund balances are of various resale accounts and smaller projects that are not able to be accounted for in other funds.
4. *Unassigned* - All amounts not included in other spendable classifications.

O. 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.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to February 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor. During the year ended June 30, 2011, the instructional, support services and non-instructional programs expenditures were amended for an increase of 4.82%, 5.45% and 9.67%, respectively, to the originally approved budgets.
6. Encumbrances are not recognized in the budgetary process and appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Deposits and Pooled Investments

The District's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2011, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$994,593 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature with 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk - The investment in the Iowa Schools Joint Investment Trust was rated Aaa by Moody's Investors Service. Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals. The board of trustees serves as the regulatory oversight of the pool.

Custodial credit risk(deposits) - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. As of June 30, 2011, the carrying amount of the District's bank deposits totaled \$6,287,623 with bank balances of \$6,426,162. Of the bank balance, \$250,000 was covered by federal depository insurance and \$6,176,162 was uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the District's name. These amounts are included in the cash and pooled investments on the combined balance sheet.

Custodial credit risk(investments) - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy relating to custodial credit risk of investments is to have the majority of the District's investments with an institution that is a national banking company with a rating of AAA/Aaa by Standard & Poors and Moody's Investors Services. As of June 30, 2011, the carrying amount of the District's investments totaled \$994,593 with bank balances of the same amount. The entire amount is exposed to custodial credit risk exposure because the related securities are uninsured, unregistered and held by the District's investment firm which is also the counterparty for the securities held.

Note 4. Transfers

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

Transfer to	Transfer from	Amount
General	Special Revenue: Student Activity	\$ 877
Debt Service	General	97,302
Debt Service	Capital Projects	831,721
Debt Service	Special Revenue: Physical Plant and Equipment Levy	<u>59,766</u>
Total		<u>\$ 989,666</u>

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

The Special Revenue, Student Activity Fund transferred \$877 to the General Fund for donations that were to be used to finance the 2008 Dell Computer Lease.

The General Fund transferred \$52,689 to the Debt Service Fund to finance the final payment of the Dell computer lease dated September 15, 2008. The General Fund transferred \$44,613 to the Debt Service Fund to finance the bus leases dated August 10, 2007 and April 17, 2007.

The Capital Projects Fund transferred \$89,145 to the Debt Service Fund to finance the bus leases dated July 15, 2010 and August 15, 2010. The Capital Projects Fund transferred \$742,576 to the Debt Service Fund to finance the repayment of revenue bonds.

The Special Revenue, Physical Plant and Equipment Levy Fund transferred \$59,766 to the Debt Service Fund to finance the Dell computer leases dated July 11, 2009 and July 9, 2010.

Note 5. Lease Agreement

On June 28, 2004, the District entered into a lease agreement with the City of Mount Pleasant for a building that shall be used for the District's Business Office. The District agrees to pay \$3,321.66 monthly starting January 1, 2005 ending June 30, 2005. This lease agreement was automatically renewed thru June 30, 2011.

Note 6. Capital Assets

A summary of changes in property and equipment comprising capital assets is as follows for the year ended June 30, 2011:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business type activities:				
Machinery and equipment	\$ 275,628	43,482	-	319,110
Less accumulated depreciation	241,871	17,520	-	259,391
Business type activities capital assets, net	<u>\$ 33,757</u>	<u>25,962</u>	<u>-</u>	<u>59,719</u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 185,400	-	-	185,400
Total capital assets not being depreciated	185,400	-	-	185,400
Capital assets being depreciated:				
Buildings	25,782,063	-	-	25,782,063
Land improvements	1,670,308	-	-	1,670,308
Machinery and equipment	2,659,970	547,968	86,197	3,121,741
Total capital assets being depreciated	30,112,341	547,968	86,197	30,574,112
Less accumulated depreciation for:				
Buildings	5,743,303	517,568	-	6,260,871
Land improvements	954,682	53,494	-	1,008,176
Machinery and equipment	2,543,036	170,166	86,197	2,627,005
Total accumulated depreciation	9,241,021	741,228	86,197	9,896,052
Total capital assets being depreciated, net	20,871,320	(193,260)	-	20,678,060
Governmental activities capital assets, net	\$ 21,056,720	(193,260)	-	20,863,460

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 11,849
Special	738
Support services:	
Administration	4,722
Operation and maintenance of plant	3,526
Transportation	149,331
	170,166
Unallocated depreciation	571,062
Total governmental activities depreciation expense	\$ 741,228
Business type activities:	
Food services	\$ 17,520

Note 7. Long-Term Debt

The Long-Term Debt listed below is related to the governmental activities. A summary of changes in long-term debt for the governmental activities 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	\$ 4,855,000	\$ -	\$ 690,000	\$ 4,165,000	\$ 710,000
Revenue Bonds	7,695,000	-	425,000	7,270,000	445,000
School Bus Lease	69,493	410,761	123,086	357,168	110,997
Computer Lease	93,881	44,279	110,830	27,330	27,330
Compensated Absences	45,807	48,199	45,807	48,199	48,199
Early Retirement	232,491	-	88,538	143,953	26,353
Net OPEB liability	65,291	28,768	-	94,059	-
Total	\$ 13,056,963	\$ 532,007	\$ 1,483,261	\$ 12,105,709	\$ 1,367,879

The Long-Term Debt listed below is related to the business type activities. A summary of changes in long-term debt for the business type activities for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
<u>Business type activities:</u>					
Compensated Absences	\$ 1,646	\$ 1,667	\$ 1,646	\$ 1,667	\$ 1,667
Net OPEB liability	2,952	1,301	-	4,253	-
Total	<u>\$ 4,598</u>	<u>\$ 2,968</u>	<u>\$ 1,646</u>	<u>\$ 5,920</u>	<u>\$ 1,667</u>

General Obligation Bonds

On April 1, 2009, the District refunded a bond issued for \$4,025,000 in general obligation bonds that were used originally for capital facility construction. On April 1, 2010, the District refunded a bond issued for \$1,440,000 in general obligation bonds that were used originally for capital facility construction. Details of the District's June 30, 2011 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of April 1, 2009				Bond Issue of April 1, 2010			Total	
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	
2012	1.70 %	\$ 605,000	68,140	2.00 %	\$ 105,000	38,850	\$ 710,000	106,990	
2013	2.20	630,000	57,855	3.00	105,000	36,750	735,000	94,605	
2014	2.55	660,000	43,995	3.00	110,000	33,600	770,000	77,595	
2015	2.85	690,000	27,165	3.00	110,000	30,300	800,000	57,465	
2016	3.00	250,000	7,500	3.00	115,000	27,000	365,000	34,500	
2017	-	-	-	3.00	785,000	23,550	785,000	23,550	
Total		<u>\$ 2,835,000</u>	<u>204,655</u>		<u>\$ 1,330,000</u>	<u>190,050</u>	<u>\$ 4,165,000</u>	<u>394,705</u>	

Revenue Bonds

On December 1, 2006, the District issued revenue bonds of \$8,500,000 for capital facility construction. The Revenue Bonds will be paid with statewide sales, services and use taxes collected in the Capital Projects Fund. Details of the District's June 30, 2011 revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of December 1, 2006			
	Interest Rate	Principal	Interest	Total
2012	4.00 %	\$ 445,000	288,568	733,568
2013	4.00	465,000	270,367	735,367
2014	4.00	485,000	251,367	736,367
2015	4.00	505,000	231,568	736,568
2016	4.00	530,000	210,867	740,867
2017-21	4.00-4.15	3,020,000	705,907	3,725,907
2021-23	4.20-4.25	1,820,000	94,270	1,914,270
Total		<u>\$ 7,270,000</u>	<u>2,052,914</u>	<u>9,322,914</u>

The District has pledged future statewide sales, services and use tax revenues to repay \$8,500,000 bonds issued in December 2006. The bonds were issued for the purpose of financing a portion of the costs of the Middle School classroom addition project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District in accordance with Chapter 423E of

the Code of Iowa and are payable through 2023. The bonds are not a general obligation of the District. The debt, however, is subject to the constitutional debt limitations of the District. The total principal and interest remaining to be paid on the notes is \$9,322,914. For the current year, principal of \$425,000 and interest of \$305,968 was paid on the bonds and total statewide sales, services and use tax revenues were \$1,445,699.

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

- a) The bonds will only be redeemed from the future earnings of the statewide sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- b) Sufficient monthly deposits amounting to one sixth of the next interest payment and one twelfth of the next principal payment shall be made to the Statewide Sales, Services and Use Tax Sinking Fund for the purpose of making the bond principal and interest payments when due.
- c) A separate bond reserve fund will be maintained in the amount of \$850,000 to be used solely for the purpose of paying principal and interest in the event the revenue fund does not have sufficient funds for that purpose. This fund is called the Statewide Sales, Services and Use Tax Reserve Fund.

School Bus Leases

During the years ended June 30, 2007, June 30, 2008 and June 30, 2011, the District entered in to lease agreements with Blue Bird. The General Fund will be used to liquidate the 2007 and 2008 bus lease liability. The Statewide Sales Service and Use Tax Fund will be used to liquidate the 2011 bus lease liability. The details of the repayment of these leases are as follows:

Year Ending June 30,	Bus lease of August 15, 2010			Bus lease of July 15, 2010		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2012	4.29 %	\$ 18,258	3,341	4.25 %	\$ 57,187	10,359
2013	4.29	19,042	2,557	4.25	59,617	7,929
2014	4.29	19,859	1,740	4.25	62,151	5,395
2015	4.29	20,711	888	4.25	64,791	2,755
		<u>\$ 77,870</u>	<u>8,526</u>		<u>\$ 243,746</u>	<u>26,438</u>

Year Ending June 30,	Bus lease of April 17, 2007			Bus lease of August 10, 2007			Total	
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest
2012	4.65 %	\$ 18,321	852	4.85 %	\$ 17,231	836	\$ 110,997	15,388
2013	-	-	-	-	-	-	78,659	10,486
2014	-	-	-	-	-	-	82,010	7,135
2015	-	-	-	-	-	-	85,502	3,643
		<u>\$ 18,321</u>	<u>852</u>		<u>\$ 17,231</u>	<u>836</u>	<u>\$ 357,168</u>	<u>36,652</u>

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the gross amount of assets acquired on the inception date.

The assets acquired through capital bus leases and the corresponding depreciation taken is as follows:

Asset:	Governmental activities:
Machinery and equipment	\$ 585,991
Less: Accumulated Depreciation	<u>(240,911)</u>
Total	<u>\$ 345,080</u>

Computer Leases

During the years ended June 30, 2010 and June 30, 2011, the District entered into lease agreements with Dell. The Special Revenue, Physical Plant and Equipment Levy will be used to liquidate the 2011 computer lease liability. The General Fund will be used to liquidate the 2010 computer lease liability. The computers that are leased individually cost less than the District's capitalization threshold; therefore, the computers are not classified as Machinery and Equipment and excluded from the audit report. However, there is a subsequent listing for items below the \$1,500 threshold maintained for insurance purposes containing the leased computers. The details of the repayment of these leases are as follows:

Year Ending June 30,	Computer lease of July 9, 2010			Computer lease of July 24, 2009			Total	
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest
2012	3.80 %	\$ 20,871	3,211	14.15 %	\$ 6,459	914	\$ 27,330	4,125

Early Retirement

The District offered a voluntary early retirement plan to its certified and support staff employees prior to July 1, 2010. Eligible employees must be at least age fifty-five and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. Early retirement benefits paid during the year ended June 30, 2011, totaled \$88,538. A liability has been recorded in the Statement of Net Assets representing the District's commitment to fund non-current early retirement.

Note 8. Bond Defeasement

On April 1, 2001 the District issued \$4,695,000 in general obligation bonds to advance refund \$4,530,000 of outstanding general obligation bonds dated November 1, 1996. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2011, \$3,155,000 of such bonds is outstanding. Defeasement of principal and interest for the year was \$530,000 and \$205,095 respectively.

On November 1, 2005 the District issued \$1,740,000 in general obligation bonds to advance refund \$1,665,000 of outstanding general obligation bonds dated May 1, 1998. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2011, \$1,325,000 of such bonds is outstanding. Defeasement of principal and interest for the year was \$100,000 and \$71,256 respectively.

Note 9. Other Postemployment Benefits(OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 184 active and 22 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a self-funded plan with Southeast Iowa School Employees Benefits Health Plan (SEISHP). Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

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

Annual required contribution	\$ 120,154
Interest on net OPEB obligation	2,047
Adjustment to annual required contribution	<u>(3,431)</u>
Annual OPEB cost	118,770
Contributions made	<u>(88,701)</u>
Increase in net OPEB obligation	30,069
Net OPEB obligation beginning of year	68,243
Net OPEB obligation end of year	<u><u>\$ 98,312</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2010. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

For the year ended June 30, 2011, the District contributed \$88,701 to the medical plan. Plan members eligible for benefits contributed \$149,591, or 62.8% 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
2009	\$ 99,254	68.2%	\$ 31,517
2010	\$ 98,616	62.8%	\$ 68,243
2011	\$ 118,770	74.7%	\$ 98,312

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 \$1,243,262, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,243,262. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$8,625,559, and the ratio of the UAAL to covered payroll was 14.4%. As of June 30, 2011, there were no trust fund assets.

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

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

As of the July 1, 2010 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 3% discount rate based on the District's funding policy. The projected annual medical trend rate is 8%. The ultimate medical trend rate is 4%. The medical trend rate is reduced 1% each year until reaching the 4% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement probabilities were developed based upon recent Mount Pleasant Community School District experience. Termination probabilities were based upon national termination studies performed by the Society of Actuaries and were adjusted to reflect the recent lower termination rates experienced by Mount Pleasant Community School District.

Projected claim costs of the medical plan are \$782 per month for retirees at the weighted average age 62 and post age 65 expected claims cost are assumed to equal retiree contributions. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

The OPEB actuarial plan was completed for the Mount Pleasant Community School District by HANF Actuarial and Richard Johnson, FSA. The report may be obtained by contacting the Business Office of the Mount Pleasant Community School District.

Note 10. 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 payroll for the year ended June 30, 2011. Plan members are required to contribute 4.30% of their annual salary and the District is required to contribute 6.65% of annual covered payroll for the year ended June 30, 2010. Plan members are required to contribute 4.10% of their annual salary and the District is required to contribute 6.35% of annual covered payroll for the years ended June 30, 2009. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$864,738, \$873,561, and \$777,241 respectively, equal to the required contributions for each year.

Note 11. Risk Management

Mount Pleasant Community School District is a member in the Southeast Iowa School Employees Benefits Health Plan, an Iowa Code Chapter 28E organization. The Southeast Iowa School Employees Benefits Health Plan (SEISHP) is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. SEISHP was formed for the purpose of managing and funding employee benefits. SEISHP provides coverage and protection in the following categories: medical, dental, vision, and prescription drugs.

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

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to SEISHP for the year ended June 30, 2011 were \$1,857,448.

Payments from participating members are used to buy health insurance from Wellmark and paying dental and vision claims. In the event that claims exceed premiums and reserves, an assessment may be necessary to pay claims and replenish reserves in the program.

Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days prior written notice may withdraw. SEISHP will pay claims incurred before the termination date.

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

Note 12. 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 \$838,640 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.

Note 13. Categorical Funding

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

<u>Project</u>	<u>Amount</u>
Home school assistance program	\$ 31,938
Salary improvement program	97,565
Educator quality, professional development	36,363
Beginning teacher mentoring and induction program	8,792
Market factor	12,656
Educator quality, market factor	7,166
Educator quality, model core curriculum	59,845
Total reserved for categorical funding	<u>\$ 254,325</u>

Note 14. Due From Other Governments

Amount due from other governments by Fund as of June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Student Activity</u>
Local appropriation			
Tuition	\$ 180,444	\$ -	\$ -
Microsoft settlement	5,663	-	-
Entry fees	-	-	1,004
	<u>186,107</u>	<u>-</u>	<u>1,004</u>
Total local appropriation			
State appropriation			
Non-public transportation aid	336	-	-
Fuel tax refund	728	-	-
Vocational aid	116	-	-
Foster care claim	4,349	-	-
Statewide sales, services and use tax	-	371,307	-
	<u>5,529</u>	<u>371,307</u>	<u>-</u>
Total state appropriation			
Federal appropriation			
Perkins	22,194	-	-
Medicaid	34,658	-	-
Title IIA	52,869	-	-
Title I	48,263	-	-
Title III	6,961	-	-
AP Testing	228	-	-
Part B	56,748	-	-
	<u>221,921</u>	<u>-</u>	<u>-</u>
Total federal appropriation			
Total due from other governments	<u>\$ 413,557</u>	<u>\$ 371,307</u>	<u>\$ 1,004</u>

Note 15. 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 reported	\$ 995,320	\$ 55,393
Change in fund type classification per implementation of GASB Statement No. 54	55,393	(55,393)
	<u>\$ 1,050,713</u>	<u>\$ -</u>

Required Supplementary Information

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN BALANCES -
ACTUAL TO BUDGET - ALL GOVERNMENTAL FUND TYPES
AND PROPRIETARY FUND TYPE

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2011

	Governmental Fund Types - Actual	Proprietary Fund Types - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 10,396,707	\$ 426,202	\$ 10,822,909	\$ 10,078,932	\$ 10,078,932	\$ 743,977
State appropriations	11,107,240	8,818	11,116,058	12,212,255	12,212,255	(1,096,197)
Federal appropriations	1,530,036	566,174	2,096,210	1,210,000	1,210,000	886,210
Total revenues	23,033,983	1,001,194	24,035,177	23,501,187	23,501,187	533,990
Expenditures/Expenses:						
Instruction	14,300,205	-	14,300,205	13,595,000	14,250,000	(50,205)
Support services	5,512,080	14,076	5,526,156	4,978,500	5,250,000	(276,156)
Non-instructional programs	24,477	948,119	972,596	1,003,000	1,100,000	127,404
Other expenditures	2,805,801	-	2,805,801	3,027,955	3,027,955	222,154
Total expenditures/expenses	22,642,563	962,195	23,604,758	22,604,455	23,627,955	23,197
Excess(deficiency) of revenues over(under) expenditures/expenses	391,420	38,999	430,419	896,732	(126,768)	557,187
Other financing sources(uses), net	464,828	-	464,828	1,500	1,500	463,328
Excess(deficiency) of revenues and other financing sources over(under) expenditures/expenses and other financing uses	856,248	38,999	895,247	898,232	(125,268)	1,020,515
Balance beginning of year	2,845,452	170,029	3,015,481	2,320,449	2,320,449	695,032
Balance end of year	\$ 3,701,700	\$ 209,028	\$ 3,910,728	\$ 3,218,681	\$ 2,195,181	\$ 1,715,547

50

SEE NOTES TO FINANCIAL STATEMENTS.

MOUNT PLEASANT 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 Government Accounting Standards 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. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$1,023,500.

During the year ended June 30, 2011, expenditures in the instruction and support services functions exceeded the amounts budgeted.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
 REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-c)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	\$ -	\$ 966,524	\$ 966,524	0.0%	\$ 11,264,755	8.6%
2010	July 1, 2008	\$ -	\$ 966,524	\$ 966,524	0.0%	\$ 7,877,183	12.3%
2011	July 1, 2010	\$ -	\$ 1,243,262	\$ 1,243,262	0.0%	\$ 8,625,559	14.4%

See Note 9 in the accompanying Notes to the 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

Mount Pleasant Community School District

Nonmajor Governmental Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District's two nonmajor special revenue funds are the Management Fund and the Student Activity Fund.

Management Fund

This fund accounts for property taxes collected to pay property and boiler insurance, fidelity bonds, worker's compensation, liability insurance premiums, unemployment insurance claims and early retirement incentives.

Student Activity Fund

This fund accounts for funds raised by student groups. Under State Law, the Board retains responsibility for Student Activity Fund's ultimate disposition.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets. Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. As a result, the Physical Plant and Equipment Levy Fund is considered a Capital Project Fund along with the Statewide Sales Services and Use Tax Fund.

Physical Plant and Equipment Levy Fund

This fund accounts for property taxes collected to pay for purchase and improvement of grounds, purchase of buildings, major repairs, remodeling, reconstruction, improving or expanding the schoolhouses or buildings, expenditures for energy conservation and for equipment purchases. The purchase of transportation vehicles also qualify under the law.

Statewide Sales, Services and Use Tax Fund

This fund accounts for the revenue received from the statewide sales, service and use tax as well as proceeds from the sale of sales tax bond issuances. Expenditures relating to the acquisition, construction, remodeling, repairing, improving or expanding school facilities are authorized by the Code of Iowa.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2011

	Special Revenue Funds		
	Management Levy	Student Activity	Total
ASSETS			
Cash and pooled investments	\$ 110,051	\$ 109,435	\$ 219,486
Receivables:			
Property tax:			
Current year delinquent	3,411	-	3,411
Succeeding year	320,000	-	320,000
Accounts	-	1,449	1,449
Due from other governments	-	1,004	1,004
TOTAL ASSETS	\$ 433,462	\$ 111,888	\$ 545,350
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 846	\$ 12,419	\$ 13,265
Deferred revenue:			
Succeeding year property tax	320,000	-	320,000
Total liabilities	320,846	12,419	333,265
Fund Balances:			
Restricted for:			
Management levy purposes	112,616	-	112,616
Student activities	-	99,469	99,469
Total fund balances	112,616	99,469	212,085
TOTAL LIABILITIES AND FUND BALANCES	\$ 433,462	\$ 111,888	\$ 545,350

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2011

	Special Revenue Funds		
	Manage- ment Levy	Student Activity	Total
REVENUES:			
Local sources:			
Local tax	\$ 304,751	\$ -	\$ 304,751
Other	19,191	359,975	379,166
TOTAL REVENUES	<u>323,942</u>	<u>359,975</u>	<u>683,917</u>
EXPENDITURES:			
Current:			
Instruction:			
Other	-	361,176	361,176
Support services:			
Administration	211,455	-	211,455
Operation and maintenance of plant	60,915	-	60,915
Transportation	15,786	-	15,786
TOTAL EXPENDITURES	<u>288,156</u>	<u>361,176</u>	<u>649,332</u>
Excess(deficiency) of revenues over(under) expenditures	35,786	(1,201)	34,585
OTHER FINANCING USES:			
Transfers out	-	(877)	(877)
Excess(deficiency) of revenues and other financing uses over(under) expenditures	35,786	(2,078)	33,708
Fund balances beginning of year, as restated	<u>76,830</u>	<u>101,547</u>	<u>178,377</u>
Fund balances end of year	<u>\$ 112,616</u>	<u>\$ 99,469</u>	<u>\$ 212,085</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	\$ 1,028,961	\$ 40,158	\$ 1,069,119
Receivables:			
Property tax:			
Current year delinquent	-	504	504
Succeeding year	-	33,054	33,054
Due from other governments	371,307	-	371,307
TOTAL ASSETS	\$ 1,400,268	\$ 73,716	\$ 1,473,984
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 28,662	\$ -	\$ 28,662
Deferred revenue:			
Succeeding year property tax	-	33,054	33,054
Total liabilities	28,662	33,054	61,716
Fund Balances:			
Restricted for:			
Debt service	850,000	-	850,000
School infrastructure	521,606	-	521,606
Physical plant and equipment levy	-	40,662	40,662
Total fund balances	1,371,606	40,662	1,412,268
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,400,268	\$ 40,662	\$ 1,473,984

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED JUNE 30, 2011

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	\$ 1,445,699	45,865	\$ 1,491,564
Other	2,262	350	2,612
TOTAL REVENUES	1,447,961	46,215	1,494,176
EXPENDITURES:			
Current:			
Support services:			
Administration	11,650	-	11,650
Operation and maintenance of plant	55,024	-	55,024
Transportation	452,131	-	452,131
Other expenditures:			
Facilities acquisition	131,910	45,459	177,369
TOTAL EXPENDITURES	650,715	45,459	696,174
Excess of revenues over expenditures	797,246	756	798,002
OTHER FINANCING SOURCES(USES):			
Proceeds from computer leases	-	44,279	44,279
Proceeds from bus leases	410,761	-	410,761
Transfer out	(831,721)	(59,766)	(891,487)
TOTAL OTHER FINANCING SOURCES(USES)	(420,960)	(15,487)	(436,447)
Excess(deficiency) of revenues and other financing sources(uses) over(under) expenditures	376,286	(14,731)	361,555
Fund balances beginning of year, as restated	995,320	55,393	1,050,713
Fund balances end of year	\$ 1,371,606	40,662	\$ 1,412,268

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Statistical Section

THIS PAGE INTENTIONALLY LEFT BLANK



Mt. Pleasant Community School District

Statistical Section

(Unaudited)

This part of the Mt. Pleasant Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	62-77
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	78-81
Debt Capacity These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	82-88
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place and to help make comparisons over time and with other governments.	89-93
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	94-98

Schedule 1
Mt. Pleasant Community School District

Net Assets by Component
Last Nine Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 4,731,052	\$ 5,025,225	\$ 5,320,690	\$ 5,709,341	\$ 6,347,734
Restricted	536,324	258,606	263,063	247,556	1,353,216
Unrestricted	567,126	951,049	1,383,874	1,803,653	1,391,261
Total governmental activities					
net assets	\$ 5,834,502	\$ 6,234,880	\$ 6,967,627	\$ 7,760,550	\$ 9,092,211
Business type activities:					
Invested in capital assets, net of related debt	\$ 108,998	\$ 137,881	\$ 110,273	\$ 90,109	\$ 72,109
Restricted	-	-	-	-	-
Unrestricted	77,353	6,488	(56,861)	(48,777)	(2,744)
Total business type activities					
net assets	\$ 186,351	\$ 144,369	\$ 53,412	\$ 41,332	\$ 69,365
Primary government:					
Invested in capital assets, net of related debt	\$ 4,840,050	\$ 5,163,106	\$ 5,430,963	\$ 5,799,450	\$ 6,419,843
Restricted	536,324	258,606	263,063	247,556	1,353,216
Unrestricted	644,479	957,537	1,327,013	1,754,876	1,388,517
Total primary government					
net assets	\$ 6,020,853	\$ 6,379,249	\$ 7,021,039	\$ 7,801,882	\$ 9,161,576

Source: School District financial records.

Note:

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year			
2008	2009	2010	2011
\$ 6,151,005	\$ 7,732,192	\$ 8,343,346	\$ 9,043,962
1,950,528	1,836,673	2,152,791	2,584,447
2,061,504	1,240,982	638,859	1,061,522
<u>\$ 10,163,037</u>	<u>\$ 10,809,847</u>	<u>\$ 11,134,996</u>	<u>\$ 12,689,931</u>
\$ 56,504	\$ 41,427	\$ 33,757	\$ 59,719
-	-	-	-
31,202	87,509	136,272	149,309
<u>\$ 87,706</u>	<u>\$ 128,936</u>	<u>\$ 170,029</u>	<u>\$ 209,028</u>
\$ 6,207,509	\$ 7,773,619	\$ 8,377,103	\$ 9,103,681
1,950,528	1,836,673	2,152,791	2,584,447
2,092,706	1,328,491	775,131	1,210,831
<u>\$ 10,250,743</u>	<u>\$ 10,938,783</u>	<u>\$ 11,305,025</u>	<u>\$ 12,898,959</u>

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue
Last Nine Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
Instruction	\$ 10,042,568	\$ 10,298,544	\$ 10,422,833	\$ 11,128,026	\$ 11,645,465
Student services	268,432	269,415	442,021	429,673	386,643
Instructional staff services	677,927	646,894	359,645	361,439	435,568
Administration services	1,420,849	1,506,863	1,804,106	1,767,827	1,939,513
Operation and maintenance of plant	1,005,065	1,002,220	1,101,224	1,339,952	1,323,762
Pupil transportation services	655,652	585,850	655,313	682,855	724,258
Community services	16,589	31,137	30,239	27,854	27,378
Facilities acquisitions	91,779	345,155	207,107	272,975	336,751
Interest on long-term debt	483,699	352,661	336,838	400,449	623,004
AEA flowthrough	597,757	576,385	589,500	615,215	673,277
Depreciation (unallocated)	354,116	361,153	356,474	356,087	387,080
Total governmental activities expenses	15,614,433	15,976,277	16,305,300	17,382,352	18,502,699
Business type activities:					
Administration services	-	-	-	-	437
Operation and maintenance of plant	-	-	-	-	12,588
Nutrition services	689,460	743,172	829,836	820,338	840,053
Total business type activities expenses	689,460	743,172	829,836	820,338	853,078
Total primary government expenses	\$ 16,303,893	\$ 16,719,449	\$ 17,135,136	\$ 18,202,690	\$ 19,355,777
Program revenues:					
Governmental activities:					
Charges for services:					
Instruction	\$ 1,432,703	\$ 1,544,611	\$ 1,563,064	\$ 1,449,860	\$ 1,534,144
Support services	-	1,140	1,354	1,941	1,683
Operating grants and contributions	1,717,612	1,615,435	1,804,605	1,902,569	2,072,239
Capital grants and contributions	19,985	121,584	-	-	10,346
Total governmental activities program revenues	3,170,300	3,282,770	3,369,023	3,354,370	3,618,412

(Continued on the following page.)

Fiscal Year			
2008	2009	2010	2011
\$ 12,636,384	\$ 13,771,319	\$ 13,749,865	\$ 14,227,774
526,929	482,974	698,211	443,594
330,420	324,646	336,783	345,115
2,147,607	2,122,448	2,031,328	2,126,717
1,576,173	1,531,198	1,396,604	1,574,399
764,414	763,569	763,319	836,875
26,397	7,083	7,378	24,477
-	-	120,303	-
640,498	637,329	460,908	430,341
698,323	757,620	828,781	838,640
389,793	584,212	574,475	571,062
19,736,938	20,982,398	20,967,955	21,418,994
93	-	-	-
13,136	12,590	12,557	14,076
878,877	886,126	916,962	948,119
892,106	898,716	929,519	962,195
\$ 20,629,044	\$ 21,881,114	\$ 21,897,474	\$ 22,381,189

\$ 1,583,057	\$ 1,620,662	\$ 1,631,675	\$ 1,725,682
4,749	3,356	8,601	10,548
2,531,911	3,185,199	4,254,559	3,367,291
-	-	-	-
4,119,717	4,809,217	5,894,835	5,103,521

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)
Last Nine Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Business type activities:					
Charges for services:					
Nutrition	431,983	432,058	454,220	472,689	492,724
Operating grants and contributions	247,668	268,464	296,227	335,301	387,883
Capital grants and contributions	-	-	-	-	-
Total business type program revenues	679,651	700,522	750,447	807,990	880,607
Total primary government program revenues	\$ 3,849,951	\$ 3,983,292	\$ 4,119,470	\$ 4,162,360	\$ 4,499,019
Net (expense) revenue:					
Governmental activities	\$ (12,444,133)	\$ (12,693,507)	\$ (12,936,277)	\$ (14,027,982)	\$ (14,884,287)
Business type activities	(9,809)	(42,650)	(79,389)	(12,348)	27,529
Total primary government net expense	\$ (12,453,942)	\$ (12,736,157)	\$ (13,015,666)	\$ (14,040,330)	\$ (14,856,758)

Source: School District financial records.

Note:

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year			
2008	2009	2010	2011
495,727	473,593	437,439	419,699
413,756	465,693	532,809	574,992
-	-	-	-
909,483	939,286	970,248	994,691
<u>\$ 5,029,200</u>	<u>\$ 5,748,503</u>	<u>\$ 6,865,083</u>	<u>\$ 6,098,212</u>
\$ (15,617,221)	\$ (16,173,181)	\$ (15,073,120)	\$ (16,315,473)
17,377	40,570	40,729	32,496
<u>\$ (15,599,844)</u>	<u>\$ (16,132,611)</u>	<u>\$ (15,032,391)</u>	<u>\$ (16,282,977)</u>

Schedule 3
Mt. Pleasant Community School District

General Revenues and Total Change in Net Assets
Last Nine Fiscal Years*
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (expense) revenue:					
Governmental activities	\$ (12,444,133)	\$ (12,693,507)	\$ (12,936,277)	\$ (14,027,982)	\$ (14,884,287)
Business type activities	(9,809)	(42,650)	(79,389)	(12,348)	27,529
Total primary government net expense	(12,453,942)	(12,736,157)	(13,015,666)	(14,040,330)	(14,856,758)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes levied for general purposes	5,021,704	4,543,943	4,505,723	4,627,430	4,350,685
Property taxes levied for debt service	901,441	895,660	885,670	889,960	881,673
Property taxes levied for capital projects	4,919	402,769	382,584	-	-
Income surtax	-	-	-	-	449,635
Statewide sales, services and use tax	-	6,360	6,545	1,000,109	1,209,486
Unrestricted grants and contributions	6,876,322	7,212,979	7,770,824	8,080,458	8,702,151
Nonspecific program federal grants	-	-	-	-	-
Miscellaneous	963	2,273	19,090	1,178	108,618
Investment earnings	41,551	29,901	98,588	221,770	513,700
Significant donation from private sources	-	-	-	-	-
Transfers	-	-	-	-	-
Total governmental activities	12,846,900	13,093,885	13,669,024	14,820,905	16,215,948
Business type activities:					
Miscellaneous	-	-	(11,964)	-	-
Investment earnings	974	668	396	268	504
Transfers	-	-	-	-	-
Total business type activities	974	668	(11,568)	268	504
Total primary government	12,847,874	13,094,553	13,657,456	14,821,173	16,216,452
Change in net assets:					
Governmental activities	402,767	400,378	732,747	792,923	1,331,661
Business type activities	(8,835)	(41,982)	(90,957)	(12,080)	28,033
Total primary government	\$ 393,932	\$ 358,396	\$ 641,790	\$ 780,843	\$ 1,359,694

Source: School District financial records.

Note:

* The District began to report accrual information when it implemented GASB Statement No. 34 in 2003.

Fiscal Year			
2008	2009	2010	2011
\$ (15,617,221)	\$ (16,173,181)	\$ (15,073,120)	\$ (16,315,473)
17,377	40,570	40,729	32,496
(15,599,844)	(16,132,611)	(15,032,391)	(16,282,977)
4,482,593	4,511,106	4,765,665	5,445,689
872,322	873,366	895,035	892,518
-	220,780	210,651	45,865
448,100	484,706	488,136	332,558
1,096,004	1,303,249	1,248,383	1,445,699
8,959,110	9,191,822	7,597,781	8,917,273
-	-	-	406,642
114,167	135,567	163,859	339,195
472,921	99,395	28,759	44,969
242,830	-	-	-
-	-	-	-
16,688,047	16,819,991	15,398,269	17,870,408
-	-	-	4,557
964	660	364	1,946
-	-	-	-
964	660	364	6,503
16,689,011	16,820,651	15,398,633	17,876,911
1,070,826	646,810	325,149	1,554,935
18,341	41,230	41,093	38,999
\$ 1,089,167	\$ 688,040	\$ 366,242	\$ 1,593,934

Schedule 4
Mt. Pleasant Community School District

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
General Fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	143,547	112,196	88,181	106,550	1,641,979
Unreserved	360,891	487,298	708,927	1,224,785	1,533,868
Total General Fund	\$ 504,438	\$ 599,494	\$ 797,108	\$ 1,331,335	\$ 3,175,847
All other governmental funds:					
Restricted, reported in:					
Capital projects funds	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Reserved	36,110	31,890	45,193	41,546	64,518
Unreserved, reported in:					
Capital projects funds	22,601	9,125	15,675	6,071	143,353
Special revenue funds	375,509	445,869	461,908	361,853	193,461
Total all other governmental funds	\$ 434,220	\$ 486,884	\$ 522,776	\$ 409,470	\$ 401,332

Source: School District financial records.

* Reclassification of fund balances due to GASB 54.

Fiscal Year				
2007	2008	2009	2010	2011*
\$ -	\$ -	\$ -	\$ -	\$ 254,325
-	-	-	-	57,123
-	-	-	-	98,691
-	-	-	-	848,823
118,731	2,046,662	171,267	338,643	-
2,145,298	1,913,073	1,335,070	555,724	-
<u>\$ 2,264,029</u>	<u>\$ 3,959,735</u>	<u>\$ 1,506,337</u>	<u>\$ 894,367</u>	<u>\$ 1,258,962</u>

\$ -	\$ -	\$ -	\$ -	\$ 562,268
-	-	-	-	212,085
-	-	-	-	1,668,385
1,124,223	1,498,615	1,521,840	1,571,995	-
6,349,145	237,914	(160,301)	145,320	-
165,769	122,858	99,175	233,770	-
<u>\$ 7,639,137</u>	<u>\$ 1,859,387</u>	<u>\$ 1,460,714</u>	<u>\$ 1,951,085</u>	<u>\$ 2,442,738</u>

Schedule 5
Mt. Pleasant Community School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Federal sources:					
Federal sources:	\$ 321,531	\$ 614,604	\$ 664,593	\$ 696,613	\$ 660,048
Total federal sources	321,531	614,604	664,593	696,613	660,048
State sources:					
State sources:	\$ 8,006,538	\$ 7,999,315	\$ 8,285,405	\$ 8,878,816	\$ 9,322,979
Total state sources	8,006,538	7,999,315	8,285,405	8,878,816	9,322,979
Intermediate sources:					
Intermediate sources:	\$ -	\$ -	\$ -	\$ -	\$ -
Total intermediate sources	-	-	-	-	-
Local sources:					
Local taxes	\$ 4,561,334	\$ 5,568,948	\$ 5,873,260	\$ 5,778,014	\$ 6,517,499
Tuition	613,069	837,688	930,847	986,354	917,245
Other revenues	1,585,482	636,566	644,805	676,652	756,326
Total local sources	6,759,885	7,043,202	7,448,912	7,441,020	8,191,070
Total revenues	\$ 15,087,954	\$ 15,657,121	\$ 16,398,910	\$ 17,016,449	\$ 18,174,097

Source: School District financial records.

Fiscal Year				
2007	2008	2009	2010	2011
\$ 616,687	\$ 693,821	\$ 913,764	\$ 2,048,716	\$ 1,530,036
616,687	693,821	913,764	2,048,716	1,530,036
\$ 10,147,236	\$ 10,748,576	\$ 11,448,667	\$ 9,747,664	\$ 11,107,240
10,147,236	10,748,576	11,448,667	9,747,664	11,107,240
\$ 1,139	\$ -	\$ 1,875	\$ 1,975	\$ -
1,139	-	1,875	1,975	-
\$ 6,854,304	\$ 6,862,384	\$ 7,338,111	\$ 7,534,374	\$ 8,232,171
1,113,416	1,193,270	1,167,990	1,242,638	1,283,406
1,025,721	1,021,965	755,872	642,206	881,130
8,993,441	9,077,619	9,261,973	9,419,218	10,396,707
\$ 19,758,503	\$ 20,520,016	\$ 21,626,279	\$ 21,217,573	\$ 23,033,983

Schedule 6
Mt. Pleasant Community School District

Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2002	2003	2004	2005	2006
Instruction	\$ 9,487,953	\$ 10,030,242	\$ 10,343,640	\$ 10,356,502	\$ 11,127,651
Student services	442,953	268,432	265,028	450,752	434,672
Instructional staff services	688,463	665,625	656,180	358,960	361,439
Administration services	1,418,897	1,432,775	1,489,839	1,803,819	1,798,910
Operation and maintenance of plant services	848,102	994,885	975,237	1,081,100	1,334,449
Pupil transportation services	404,439	444,703	466,903	523,168	997,830
Community services	10,266	21,322	21,286	21,254	22,452
AEA Flowthrough	600,884	597,757	576,385	589,500	615,215
Capital outlay:					
Facilities acquisition/construction	325,562	99,211	291,286	351,793	623,208
Other capital outlay	-	-	-	-	-
Debt service:					
Principal	603,571	660,883	695,838	724,376	742,099
Interest	512,843	481,826	386,055	354,994	365,451
Total expenditures	\$ 15,343,933	\$ 15,697,661	\$ 16,167,677	\$ 16,616,218	\$ 18,423,376
Debt service as a percentage of noncapital expenditures	7.85%	7.85%	7.17%	6.95%	6.40%

Source: School District financial records.

Fiscal Year				
2007	2008	2009	2010	2011
\$ 11,684,960	\$ 12,675,586	\$ 13,753,740	\$ 13,506,558	\$ 14,300,205
386,392	526,678	482,393	697,827	443,279
435,568	330,420	349,276	336,067	344,529
1,917,398	2,134,939	2,103,492	2,011,631	2,116,233
1,314,755	1,572,644	1,661,882	1,391,044	1,462,682
690,738	709,105	626,887	668,127	1,145,357
22,276	26,397	7,083	24,599	24,477
673,277	698,323	757,620	828,781	838,640
2,261,377	6,544,556	1,138,698	167,001	177,369
-	-	-	-	-
799,377	762,991	1,230,127	1,337,506	1,348,916
426,575	671,417	668,902	486,910	440,876
\$ 20,612,693	\$ 26,653,056	\$ 22,780,100	\$ 21,456,051	\$ 22,642,563
6.32%	5.69%	9.09%	9.29%	8.58%

Schedule 7
Mt. Pleasant Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2002	2003	2004	2005	2006
Excess of revenues over (under) expenditures	\$ (255,979)	\$ (40,540)	\$ 231,233	\$ 400,231	\$ (249,279)
Other financing sources (uses):					
General long-term debt issued	-	2,205,000	-	-	-
Advance refunding of bonds	-	(2,185,000)	-	-	-
Accrued interest	-	-	-	-	-
Refunding debt issued	-	-	-	-	1,740,000
Payment to refunding escrow agent	-	-	-	-	(1,693,753)
Premium on bonds	-	-	-	-	-
Discount on bonds	-	-	-	-	-
Issuance cost on refunding bonds	-	-	-	-	-
Proceeds on school bus lease	-	-	-	-	420,238
Proceeds from computer lease	-	-	-	-	84,122
Sale of capital assets	-	963	2,273	20,690	1,178
Proceeds on loans	-	95,196	-	-	-
Transfers in	198,238	212,055	201,820	195,441	204,023
Transfers out	(198,238)	(212,055)	(201,820)	(195,441)	(204,023)
Total other financing sources					
(uses)	-	116,159	2,273	20,690	551,785
Net change in fund balances	\$ (255,979)	\$ 75,619	\$ 233,506	\$ 420,921	\$ 302,506

Source: School District financial records.

Fiscal Year				
2007	2008	2009	2010	2011
\$ (854,190)	\$ (6,133,040)	\$ (1,153,821)	\$ (238,478)	\$ 391,420
8,500,000	-	-	-	-
-	-	-	-	-
31,778	-	6,546	2,851	-
-	-	4,025,000	1,440,000	-
-	-	(3,970,000)	(1,445,000)	-
-	-	-	29,872	-
-	-	-	(4,962)	-
-	-	-	(15,178)	-
86,875	82,355	-	-	410,761
88,488	45,285	149,944	87,680	44,279
6,904	8,283	3,333	21,616	9,788
-	-	-	-	-
452,339	932,565	993,095	979,534	989,666
(452,339)	(932,565)	(993,095)	(979,534)	(989,666)
8,714,045	135,923	214,823	116,879	464,828
\$ 7,859,855	\$ (5,997,117)	\$ (938,998)	\$ (121,599)	\$ 856,248

Schedule 8
Mt. Pleasant Community School District

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2002	\$ 272,300,136	\$ 76,336,063	\$ 129,145,821	\$ 119,631,902	\$ 358,150,118	13.71669
2003	311,183,039	87,116,586	121,638,549	152,964,308	366,973,866	13.95246
2004	321,506,630	82,002,763	127,572,761	156,820,552	374,261,602	14.09147
2005	328,242,416	104,470,360	103,932,228	170,512,924	366,132,080	14.48920
2006	331,993,945	106,405,100	103,957,626	173,993,761	368,362,910	13.58049
2007	346,115,250	110,001,950	100,904,209	189,124,708	367,896,701	13.88995
2008	340,745,221	111,235,430	111,968,071	193,011,276	370,937,446	14.08369
2009	374,669,276	117,554,912	119,112,495	215,902,020	395,434,663	13.84339
2010	383,119,780	123,781,582	122,053,393	213,159,236	415,795,519	13.83363
2011	401,130,776	127,653,860	126,782,640	219,742,064	435,825,212	13.83363

Source: Henry County Auditor

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. Assessed value equals estimated actual value.

(a) Per \$1,000 of assessed value.

Schedule 9

Mt. Pleasant Community School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

79

Fiscal Year Ended June 30	District Direct Rates					Overlapping Rates					
	General Purposes	Capital Purposes	Debt Service	Management	Total	County	Community College	City of Mt. Pleasant	Town of Salem	Town of Rome	Town of Westwood
2002	\$9.93763	\$1.00000	\$2.38764	\$0.39142	\$13.71669	\$7.31041	\$0.72115	\$11.41781	\$10.73317	\$10.45189	\$0.00000
2003	10.39720	1.00000	2.34767	0.20759	13.95246	7.20526	1.08184	11.51999	10.60912	10.32144	6.00017
2004	10.29151	1.00000	2.22376	0.57620	14.09147	7.52094	0.99765	12.63999	11.09504	11.19415	6.00009
2005	10.60918	1.00000	2.31497	0.56505	14.48920	8.55807	0.98283	12.63999	11.61646	10.42443	6.00009
2006	10.73185	0.00000	2.31375	0.53489	13.58049	8.86528	0.98258	12.64000	11.95950	8.37000	6.00344
2007	10.96833	0.00000	2.27900	0.64262	13.88995	9.38846	0.98827	12.24086	12.53413	8.37443	6.00328
2008	11.12868	0.00000	2.21121	0.74380	14.08369	9.52311	0.98858	12.24000	12.50264	8.33147	6.19117
2009	10.63622	0.54000	2.08109	0.58608	13.84339	9.41582	0.97944	12.23999	11.75264	8.20078	6.22516
2010	10.72152	0.48000	2.03871	0.59340	13.83363	9.44303	0.99868	12.23999	11.14490	7.90441	6.01639
2011	11.66698	0.10011	1.94804	0.69161	14.40674	9.72726	1.01355	12.24142	11.16701	8.10000	6.00024

Source: Henry County Auditor

Notes: Assessed value equals estimated value.

Schedule 10
Mt. Pleasant Community School District

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2011			2002		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Wal-Mart Property, Inc.	\$ 26,791,440	1	6.15%	\$ 16,647,550	1	4.68%
Wal-Mart Real Estate Business Trust	9,689,950	2	2.22%			
BNSF Railway	5,296,166	3	1.22%	3,990,297	6	1.12%
Iowa Telecommunications Services	5,084,723	4	1.17%	5,095,592	4	1.43%
Interstate Power and Light Co.	4,898,698	5	1.12%			
Pioneer Hi-Bred International	4,620,150	6	1.06%	5,817,210	2	1.64%
WCK Mt. Pleasant LC	4,241,840	7	0.97%			
Access Energy Cooperative	4,078,139	8	0.94%			
Jasmin LLLP	3,733,820	9	0.86%	5,629,385	3	1.58%
Protein Processing LLC	3,301,140	10	0.76%			
Heatilator Inc.				4,001,421	5	1.13%
Blue Bird Body Co.				3,232,389	7	0.91%
Mt Pleasant Warehouse				2,624,440	8	0.74%
CECO Company				2,581,867	9	0.73%
Wal-Mart Stores East				2,192,040	10	0.62%
Total	<u>\$ 71,736,066</u>		<u>16.46%</u>	<u>\$ 51,812,191</u>		<u>14.57%</u>

Source: Henry County Auditor

Schedule 11
Mt. Pleasant Community School District

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 5,124,992	\$ 5,012,128	97.80%	\$ 100,846	\$ 5,112,974	99.77%
2003	5,270,026	5,136,815	97.47%	132,025	5,268,840	99.98%
2004	5,422,658	5,297,033	97.68%	4,801	5,301,834	97.77%
2005	5,419,759	5,343,781	98.60%	1,361	5,345,142	98.62%
2006	5,019,988	4,983,521	99.27%	3,766	4,987,287	99.35%
2007	5,216,886	5,214,241	99.95%	2,645	5,216,886	100.00%
2008	5,375,911	5,354,915	99.61%	1,496	5,356,411	99.64%
2009	5,596,581	5,595,867	99.99%	714	5,596,581	100.00%
2010	5,873,154	5,870,010	99.95%	3,144	5,873,154	100.00%
2011	6,391,272	6,384,072	99.89%	-	6,384,072	99.89%

Source: Henry County Treasurer and District records.

Schedule 12
Mt. Pleasant Community School District

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Less: Amounts Available for Debt Service (c)	Total Bonds	Percent of Actual Taxable Value of Property (a)	Per Capita (b)
2002	\$ 9,285,000	-	\$ 36,110	\$ 9,248,890	2.55%	\$695
2003	8,835,000	-	31,890	8,803,110	2.40%	\$662
2004	8,315,000	-	45,193	8,269,807	2.21%	\$622
2005	7,770,000	-	41,546	7,728,454	2.02%	\$586
2006	7,295,000	-	64,518	7,230,482	1.90%	\$549
2007	6,705,000	8,500,000	1,124,223	14,080,777	3.70%	\$1,068
2008	6,120,000	8,500,000	1,498,615	13,121,385	3.38%	\$995
2009	5,570,000	8,105,000	1,521,840	12,153,160	2.94%	\$922
2010	4,855,000	7,695,000	1,571,995	10,978,005	2.53%	\$833
2011	4,165,000	7,270,000	1,668,385	9,766,615	2.15%	\$741

Source: School District financial records and Henry County Auditor.

Notes:

- (a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value.
- (b) See Schedule 17 for population data.
- (c) Information includes debt reserve amount in Capital Projects Fund.

Schedule 13
Mt. Pleasant Community School District

Outstanding Debt by Type
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Revenue Bonds	Capital Leases			
2002	\$ 9,285,000	\$ -	\$ 344,544	9,629,544	5.02%	\$ 724
2003	8,835,000	-	360,018	9,195,018	4.94%	691
2004	8,315,000	-	184,181	8,499,181	4.57%	639
2005	7,770,000	-	145,487	7,915,487	4.01%	600
2006	7,295,000	-	457,748	7,752,748	3.64%	588
2007	6,705,000	8,500,000	423,734	15,628,734	7.21%	1,186
2008	6,120,000	8,500,000	373,383	14,993,383	6.29%	1,137
2009	5,570,000	8,105,000	293,200	13,968,200	6.18%	1,060
2010	4,855,000	7,695,000	163,374	12,713,374	5.91%	964
2011	4,165,000	7,270,000	384,498	11,819,498	N/A	897

Source: School District financial records.

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 7 in the notes to the financial statements.
(a) See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

THIS PAGE INTENTIONALLY LEFT BLANK



Schedule 14
Mt. Pleasant Community School District

Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Mount Pleasant	\$ 18,188,000	100.00%	\$ 18,188,000
Henry County	425,000	65.09%	\$ 276,633
Jefferson County	1,041,654	0.41%	\$ 4,271
Lee County	8,575,000	0.42%	\$ 36,015
Van Buren County	-	0.01%	\$ -
Great Prairie Area Education Agency	2,108,000	12.78%	\$ 269,402
Southeastern Community College	10,112,579	20.56%	\$ 2,079,146
			20,853,467
Subtotal, overlapping debt			20,853,467
District direct debt			11,819,498
Total direct and overlapping debt			\$ 32,672,965

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Schedule 15
Mt. Pleasant Community School District

Legal Debt Margin Information
Last Ten Fiscal Years

(Unaudited)

	2002	2003	2004	2005
Debt limit	\$ 24,868,159	\$ 27,009,422	\$ 27,611,425	\$ 27,813,242
Total net debt applicable to limit	9,285,000	8,835,000	8,315,000	7,770,000
Legal debt margin	\$ 15,583,159	\$ 18,174,422	\$ 19,296,425	\$ 20,043,242
Total net debt applicable to the limit as a percentage of debt limit	37.34%	32.71%	30.11%	27.94%

Source: School District financial records and Henry County Auditor.

Notes:

- (a) Actual assessed value includes Tax Increment Financing
- (b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2010

Actual assessed value (a)	<u>\$ 454,319,291</u>
Debt limit (5% of assessed value) (b)	\$ 22,715,965
Debt applicable to limit	<u>11,435,000</u>
Legal debt margin	<u>\$ 11,280,965</u>

	2006	2007	2008	2009	2010	2011
\$	28,010,989	\$ 29,061,485	\$ 32,544,596	\$ 20,922,175	\$ 21,684,311	\$ 22,715,965
	7,295,000	15,205,000	14,620,000	13,675,000	12,550,000	11,435,000
\$	20,715,989	\$ 13,856,485	\$ 17,924,596	\$ 7,247,175	\$ 9,134,311	\$ 11,280,965

26.04%	52.32%	44.92%	65.36%	57.88%	50.34%
--------	--------	--------	--------	--------	--------

Schedule 16
 Mt. Pleasant Community School District

Pledged-Revenue Coverage
 Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales Tax Revenue Bonds			Coverage
	Revenue	Debt Service		
		Principal	Interest	
2002	\$ -	\$ -	\$ -	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	1,209,486	-	-	-
2008	1,096,004	-	375,557	2.92
2009	1,303,249	395,000	338,767	1.78
2010	1,248,383	410,000	322,668	1.70
2011	1,445,699	425,000	305,968	1.98

Source: School District financial records.

Schedule 17
Mt. Pleasant Community School District

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Calendar Year	Population (a)	Personal Income (b)	Adjusted Gross Income Per Tax Return (b)	Per Capita Personal Income	Unemployment Rate (c)
2001	13,300	\$ 191,934,835	\$ 27,060	\$ 14,431	3.50%
2002	13,300	186,264,299	26,820	14,005	4.60
2003	13,300	185,783,223	26,921	13,969	6.50
2004	13,182	197,278,343	27,955	14,966	6.20
2005	13,182	212,910,975	30,089	16,152	4.70
2006	13,182	216,898,921	30,268	16,454	5.40
2007	13,182	238,288,427	32,266	18,077	4.70
2008	13,182	225,912,502	31,147	17,138	5.20
2009	13,182	215,068,300	30,168	16,315	8.20
2010	13,182	N/A	N/A	N/A	9.00

Notes:

N/A = not available.

- (a) U.S. Department of Commerce, Bureau of Census
- (b) Iowa Department of Revenue
- (c) Iowa Workforce Development as of the month of June county-wide

THIS PAGE INTENTIONALLY LEFT BLANK



Schedule 18
Mt. Pleasant Community School District

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2011			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-Mart Distribution	867	1	8.76%	1,100	1	10.48%
Metrogroup	553	2	5.58%	625	3	5.95%
Department of Corrections, State of Iowa	400	3	4.04%	435	5	4.14%
Henry County Health Center	330	4	3.33%	315	6	
Mt. Pleasant Community School District	325	5	3.28%	310	7	2.95%
Hearth & Home	275	6	2.78%	600	4	5.71%
Mt. Pleasant Foods	250	7	2.52%			
Alaniz LLC	220	8	2.22%			
Mackay Envelopes	209	9	2.11%			
Goodyear Tire and Rubber Company	200	10	2.02%	225	9	2.14%
CECO Buidling Systems				215	10	2.05%
Celestica Inc				700	2	6.67%
Bluebird Midwest Inc.				300	8	2.86%
Total	3,629		36.65%	4,825		42.95%

Source: Mt. Pleasant Chamber of Commerce

Schedule 19

Mt. Pleasant Community School District

**Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

	Full-Time Equivalent Employees as of June 30				
	2002	2003	2004	2005	2006
Supervisory:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Supervisor of instruction	1.0	1.0	1.0	1.0	1.0
Principals	5.0	4.0	4.0	4.0	4.0
Assistant principals	2.0	2.0	2.0	2.0	2.0
All other administrators	4.8	4.8	4.8	4.8	4.8
Total supervisory	13.8	12.8	12.8	12.8	12.8
Instruction:					
Regular program teachers	132.7	132.8	130.9	132.2	136.1
Special Education teachers	18.8	19.0	21.0	21.0	21.0
Paraeducators, Regular	17.0	19.5	17.0	17.0	25.0
Paraeducators, Special Education	29.0	30.0	31.0	43.0	41.0
Total instruction	197.5	201.3	199.9	213.2	223.1
Student services:					
Guidance counselors	6.0	3.0	3.0	3.0	3.0
Social worker	0.0	0.0	0.0	0.0	0.0
Nurses	2.0	2.0	2.0	2.0	2.0
Media Specialists	3.0	1.0	1.0	1.0	1.0
Total student services	11.0	6.0	6.0	6.0	6.0
Support and administration:					
Clerical/secretarial	18.0	17.7	17.7	17.7	17.7
Custodial and Maintenance	17.5	17.5	17.5	20.0	20.0
Food Service	16.4	16.4	16.4	14.6	14.6
Bus Drivers	8.5	8.5	8.5	9.0	9.0
Total support and administration	60.4	60.1	60.1	61.3	61.3
Total	282.7	280.2	278.8	293.3	303.2

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage Change 2002-2011
2007	2008	2009	2010	2011	
1.0	1.0	1.0	1.0	1.0	0.0%
1.0	1.0	1.0	1.0	1.0	0.0%
4.0	4.0	4.0	4.0	4.0	-20.0%
2.0	2.0	2.0	2.0	2.0	0.0%
4.8	4.8	4.8	4.8	4.8	0.0%
12.8	12.8	12.8	12.8	12.8	-7.2%
136.8	137.4	136.2	136.1	133.0	0.2%
21.5	21.5	21.5	21.5	21.5	14.4%
25.0	25.0	25.0	26.0	27.0	58.8%
44.0	44.0	44.0	43.0	43.0	48.3%
227.3	227.9	226.7	226.6	224.5	13.7%
3.0	3.0	3.0	3.0	3.0	-50.0%
0.0	0.0	1.0	1.0	1.0	100.0%
2.0	2.0	2.0	2.0	2.0	0.0%
1.0	1.0	1.0	1.0	1.0	-66.7%
6.0	6.0	7.0	7.0	7.0	-36.4%
17.7	17.7	17.7	17.7	17.7	-1.7%
19.0	19.0	19.0	19.0	19.0	8.6%
14.6	14.6	14.6	14.6	14.6	-11.0%
9.0	9.0	9.0	9.0	9.0	5.9%
60.3	60.3	60.3	60.3	60.3	-0.2%
306.4	307.0	306.8	306.7	304.6	7.7%

Schedule 20
Mt. Pleasant Community School District

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change
2002	2,084	\$ 13,901,957	\$ 6,671	0.35%
2003	2,137	14,455,741	6,765	1.40%
2004	2,150	14,794,498	6,881	1.72%
2005	2,153	15,185,055	7,053	2.50%
2006	2,192	16,131,439	7,359	4.34%
2007	2,190	17,056,907	7,789	5.83%
2008	2,161	18,674,092	8,641	10.95%
2009	2,147	19,742,373	9,195	6.41%
2010	2,133	19,464,634	9,125	(0.76)%
2011	2,092	20,675,402	9,883	8.30%

Source: School District financial records and Iowa Department of Education.

Notes: N/A = not available.

(1) Average daily membership

(2) Operating expenditures are total governmental expenditures less debt service and capital outlays.

Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
N/A	N/A	N/A	151.5	13.76	23.22%
15,614,433	7,307	-	151.8	14.08	23.40%
15,976,277	7,431	1.70%	151.9	14.15	23.87%
16,305,300	7,573	1.92%	153.2	14.05	25.90%
17,382,352	7,930	4.71%	157.1	13.95	28.60%
18,502,699	8,449	6.54%	158.3	13.83	32.20%
19,736,938	9,133	8.10%	158.9	13.60	36.00%
20,982,398	9,773	7.00%	159.2	13.49	41.55%
20,967,955	9,830	0.59%	164.6	12.96	42.48%
21,418,994	10,239	4.15%	159.6	13.11	44.28%

Schedule 21
Mt. Pleasant Community School District

School Building Information
Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year				
	2002	2003	2004	2005	2006
Elementary:					
Harlan (1955)					
Square feet	37,410	37,410	37,410	37,410	37,410
Capacity	275	275	275	275	275
Enrollment	227	234	239	249	246
Lincoln (1950)					
Square feet	35,935	35,935	35,935	35,935	35,935
Capacity	275	275	275	275	275
Enrollment	237	244	249	260	256
Salem (1963)					
Square feet	13,617	13,617	13,617	13,617	13,617
Capacity	140	140	140	140	140
Enrollment	104	107	109	114	112
Van Allen (1963)					
Square feet	39,550	39,550	39,550	39,550	39,550
Capacity	440	440	440	440	440
Enrollment	378	391	398	415	391
Middle:					
Mt. Pleasant Middle School (1909)					
Square feet	67,370	67,370	67,370	67,370	67,370
Capacity	525	525	525	525	525
Enrollment	476	469	446	453	483
High:					
Mt. Pleasant High School (2000)					
Square feet	115,000	115,000	115,000	115,000	115,000
Capacity	750	750	750	750	750
Enrollment	650	670	669	641	676
Other District Facilities:					
Bus Garage (1963)					
Square feet	2,266	2,266	2,266	2,266	2,266
Central Receiving/ Building and Grounds/ Alternative High School (1976)	11,666	11,666	11,666	11,666	11,666
Athletic Complex (1979)					
Square feet	10,000	10,000	10,000	10,000	10,000
Wrestling Room (2008)					
Square feet	-	-	-	-	-

Source: District records

Fiscal Year				
2007	2008	2009	2010	2011
37,410	37,410	37,410	37,410	37,410
275	275	275	275	275
246	246	228	240	253
35,935	35,935	35,935	35,935	35,935
275	275	275	275	275
256	256	249	234	254
13,617	13,617	13,617	13,617	13,617
140	140	140	140	140
112	112	106	103	127
39,550	39,550	39,550	39,550	39,550
440	440	440	440	440
391	391	376	365	319
67,370	67,370	73,087	73,087	73,087
525	525	550	550	550
483	483	487	483	523
115,000	115,000	115,000	115,000	115,000
750	750	750	750	750
676	676	659	650	676
2,266	2,266	2,266	2,266	2,266
11,666	11,666	11,666	11,666	11,666
10,000	10,000	10,000	10,000	10,000
-	3,200	3,200	3,200	3,200

Schedule 22
Mt. Pleasant Community School District

Certified Staff Salaries
Last Ten Fiscal Years
(Unaudited)

School Year	Minimum	Maximum	Average
2010-2011	\$29,960	\$63,815	\$50,351
2009-2010	29,735	63,336	49,950
2008-2009	29,335	62,484	47,598
2007-2008	28,235	60,141	46,368
2006-2007	27,415	58,394	45,579
2005-2006	26,265	55,944	43,013
2004-2005	25,425	54,155	42,700
2003-2004	25,000	53,250	42,117
2002-2003	24,650	52,505	41,474
2001-2002	24,525	52,238	41,792

Source: School District financial records.

- Notes:
- The above table does not include extra duty pay.
 - Average salary includes supplemental Phase payments

Single Audit Section

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

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
INDIRECT:			
DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
SCHOOL NUTRITION CLUSTER PROGRAMS:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 11	73,278
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 11	\$ 492,896 *
			<u>566,174</u>
DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I, PART A CLUSTER:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	4536-G	255,711
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	4536-GC	36,118
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	4536-D	20,900
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT	84.389	FY 10	69,140
			<u>381,869</u>
ADVANCED PLACEMENT PROGRAM	84.330	FY 11	228
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365	FY 11	6,962
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	FY 11	85,099
GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES (TITLE VI A)	84.369	FY 11	13,910
ARRA - STATE FISCAL STABILIZATION FUNDS (SFSF) - EDUCATION STATE GRANTS, RECOVERY ACT	84.394	FY 10	2,001
ARRA - STATE FISCAL STABILIZATION FUNDS (SFSF) - EDUCATION STATE GRANTS, RECOVERY ACT	84.394	FY 11	109,627
			<u>111,628</u>
STATE FISCAL STABILIZATION FUND (SFSF) GOVERNMENT SERVICES, RECOVERY ACT	84.397	FY 11	97,782
EDUCATION JOBS FUND, RECOVERY ACT	84.410	FY 11	199,233
GREAT RIVER AREA EDUCATION AGENCY: VOCATIONAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 11	22,194
SPECIAL EDUCATION CLUSTER (IDEA): SPECIAL EDUCATION - GRANTS TO STATES (PART B)	84.027	FY 11	113,542
ARRA - SPECIAL EDUCATION GRANTS TO STATES, (PART B), RECOVERY ACT	84.391	FY 10	146,922
			<u>260,464</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES: MEDICAL ASSISTANCE PROGRAM (TIME STUDY)	93.778	FY 11	205
TOTAL			<u>\$ 1,745,748</u>

* Includes \$75,463 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mount Pleasant 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 financial statements.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

THIS PAGE INTENTIONALLY LEFT BLANK



NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
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
Mount Pleasant 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 Mount Pleasant 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 November 30, 2011. 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 Mount Pleasant Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Mount Pleasant Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mount Pleasant Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. We identified no deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies.

Compliance and Other Matters

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

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

Members American Institute & Iowa Society of Certified Public Accountants

Mount Pleasant Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Mount Pleasant 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 Mount Pleasant Community School District and other parties to whom Mount Pleasant Community School District may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Mount Pleasant 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.

November 30, 2011

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3050
Telephone (641) 792-1910

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
Mount Pleasant Community School District

Compliance

We have audited the Mount Pleasant 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 the Mount Pleasant Community School District's major federal programs for the year ended June 30, 2011. The Mount Pleasant 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 the Mount Pleasant Community School District's management. Our responsibility is to express an opinion on the Mount Pleasant 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 Mount Pleasant 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 Mount Pleasant Community School District's compliance with those requirements.

In our opinion, Mount Pleasant Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Mount Pleasant 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 Mount Pleasant Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mount Pleasant 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. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses.

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Mount Pleasant Community School District and other parties to whom Mount Pleasant 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.



NOLTE, CORNMAN & JOHNSON, P.C.

November 30, 2011

MOUNT PLEASANT 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 internal control over major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Title I, Part A Clustered Programs:
 - CFDA Number 84.010 - Title I Grants to Local Educational Agencies
 - CFDA Number 84.389 - ARRA - Title I Grants to Local Educational Agencies, Recovery Act
 - Nutrition Clustered Programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Mount Pleasant Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

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

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

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

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

MOUNT PLEASANT 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 expenditures for the year ended June 30, 2011 exceeded the budgeted amounts in the instructional and support services functional areas.

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

Response - We will amend the budget if necessary in the future.

Conclusion - Response accepted.

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
Brad Holtkamp, Bd. Member, Owner of Holtkamp Automotive	Purchased Services	\$1,332

In accordance with the Chapter 279.7A of the Code of Iowa, the above transactions 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 no variances in the basic enrollment data certified to the Department of Education.

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 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, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	995,320
Revenues/transfers in:			
Sales tax revenues	\$	1,270,296	
Other local revenues		2,262	
School infrastructure supplemental amount		175,403	
Sale of long-term debt		410,761	1,858,722
			<hr/>
Expenditures/transfers out:			
School infrastructure construction		82,912	
Equipment		525,215	
Other		42,588	
Transfers to other funds:			
Debt service fund		831,721	1,482,436
			<hr/>
Ending balance		\$	<u>1,371,606</u>

For the year ended June 30, 2011, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

